
PRAGUE – New gTLD Program Update
Monday, June 25, 2012 – 15:30 to 16:30
ICANN - Prague, Czech Republic

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

[Applause]

KURT PRITZ: Good afternoon. I'll talk about the glitch, and then you'll stop clapping.

We heard Sebastien's comment just before especially our new CEO Fadi, wherever he is, and suggested that we put a mic here to questioners can look at the audience and audience can see the questioners. And, taken on my own initiative, I left a microphone here. So, if you want to come up here and address -- you know, be seen by the crowd and address them facing them, which could be preferable, please come up here to ask questions, if you have them. Or if you feel comfortable down there, we have that too and we'll try that.

So ICANN is in the process, through its partners, of evaluating the new gTLD applications. And so we're in our silent period. I don't have much to say, so I'm kind of surprised at the size of the crowd. But -- there you go.

Our remote participation partner is Michelle Jourdan from our communications staff, and she would be giving some of the first part of

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this talk if she wasn't monitoring remote participation. And I'll be joined by Karen Lentz later from ICANN.

What we're going to talk about is what we're going through right now, so the recently concluded application process and statistics, then some about the evaluation process and what's happening right now, and then other implementation work getting ready for the trademark clearinghouse and stuff. And we'll also talk, I think, about sessions coming up throughout this week that talk about new gTLDs.

So that's the -- that's what we're going to talk about.

Some statistics that this audience is probably well familiar with. At the end of the day, there are 1930 completed applications submitted and paid for in TAS. There's 751 applications for contested strings. If you do the arithmetic, that means at the end of the day, there's, I think, 749 or 751 -- no, 1551 applications that will -- that could possibly pass through the system. Did I get that number right?

There's 116 applications for IDNs, 84 applications for community-based TLDs, 66 self-designated applications for geographic TLDs within the meaning of the applicant guidebook, that definition of geographic. And three financial support applications.

I want to comment a little bit on each one of these numbers at some point during the presentation.

To many, including me, we might be, as a community, a tiny bit disappointed in the number of financial support applications, 3. And that's already been discussed in the community here and what we can do about it in the future.

One thing that's been pointed out right away is to improve our community outreach and communications -- I think -- and I was meeting with ALAC before. And we talked about for the next round reconcepting financial support and who might qualify for it. The joint applicant support working group was very careful in fashioning the applicant support process and ensuring that we gave financial support only to those applicants who had the financial wherewithal to operate a registry but might not have the \$185,000 application fee. And that might be kind of a narrow band, those that are able to run a registry but not able to afford the application fee.

So, going forward, we think with more time to raise funding, we should reconcept a little bit who might qualify for applicant support to broaden the opportunities for those who couldn't avail themselves this time.

To take a little closer look at the other kind of application subsets, there is IDNs, Internationalized Domain Names, community TLDs and geographic TLDs. Some applied for two of those. Some -- one applicant applied as all three -- and IDN, a community TLD, and a geographic TLD. But this graphic gives some sense of that mix. And I won't read the numbers to you. And it's -- it was a clever graphic designed by Dan Halloran standing at a white board that kind of indicates what -- the distribution of these categories of TLDs that we applied for -- that were applied for. Applications for region. And these are by ICANN region. And ICANN regions are somewhat whacky.

But, for consistency's sake, these are grouped in ICANN regions.

Comments here really went to, you know, how do we regard the fact that there's only 17 from Africa and 24 from Latin America. Do we view that as a failure or not?

And there's a couple ways of looking at that. One way is that there's 21 or 22 gTLDs right now.

So the number of gTLDs in Africa soon, if they pass, will be almost equal to the number of total gTLDs now, which is a very vibrant marketplace.

Similarly, the number of gTLDs from Latin America might equal that number. So, while off to a slower start in those regions, we think that will encourage more participation in the Internet and the gTLD space, the creation of gTLD registrars in those regions where there are very few now. So, while those numbers could be larger, we see that as an improvement and a decrease in the digital divide.

ICANN mans a customer service center. To date there's been over 9,000 inquiries received and responded to date. The customer service center is presently performing the administrative completeness check. So that's a check to make sure the applications are complete before the evaluation panels actually start their work.

We're currently processing refund requests. And I've signed a number of those. To those are going out to those listening at home that might have requested a refund.

We're also processing change requests. Applications that are now published in the cold light of day, the applicants themselves are reading their own applications and finding some errors.

And they've requested changes to be made.

As you might well guess, those changes have to be made very carefully. There's really no changes allowed to applications after they're submitted. But, understanding there could be errors, we've developed a process for evaluating these change requests and ensuring they're in fact evidence that are indicia of other aspects so that these change requests can be processed. So you will see announcements and indications from time to time that applications have been amended. They're being amended in line with requests by applicants indicating that an error has been made, and they're reviewed to make sure that these changes aren't materially affecting others and other factors.

We also want to improve our customer service. And so we're working to put individuals that are ICANN staff members in each region so applicants in each region of the world can receive a call from someone in their time zone and someone who, if they can't speak their language, at least has access to someone who can speak their language so we can improve as we go through this stage one-to-one communication with applicants and have somebody at least fairly local to them in their region.

So at one time this slide might have said TAS glitch. But information about this has been widely published. And so this is just a recap of the timeline that, due to that, TAS was taken offline April 12th and restored on May 21st.

At the time it was taken offline, there was 12 or 18 hours left until the application deadline. And, understanding that applicants were inconvenienced significantly by this, perhaps, we wanted to leave

enough time for applicants to spin back up their effort to complete their application. And so, instead of 12 hours, we left, in fact, several days for -- or a week for applicants to finish their application. At the time TAS was taken down, there were 1268 registered users in the system. Remember, users can file multiple applications. TAS holds about 100,000 file attachments. So it's fairly extensive. And at the time, there were over 2,000 applications in progress or submitted.

We identified, out of the 95,000 files and 2,091 applications in process, 455 instances where file names or user names of one applicant might have been used -- seen by another applicant. And, if there are more questions about that, please ask. But we were very extensive in our -- in daily communications about our developing understanding of the situation.

Users were informed of the -- of whether they were affected or not. I remember they were notified on May 8th, which was my birthday. And, of course, most users were unaffected.

We think that -- and we want to hear your feedback -- but we placed an emphasis on communicating about it, at the start, with daily updates in addition to videos and FAQs. In addition, we offered a full refund instead of withholding the filing fee for those that wanted a refund. And, besides fixing the glitch, we did some other things, too. So we took steps to improve performance. Because, when turned back on, we expected every user to open up the system and check on his or her application in order to make sure it was still sound. And so we took significant steps to improve performance.

So with that, gratefully behind us, we're now into the evaluation phase where we're evaluating applications.

Initial evaluation formally of the applications is scheduled to start on July 12th. I'll tell you, informally, it's already started. And it's part of a carefully constructed plan to bring our evaluators up to speed. And so evaluation panels have already been given applications and have already evaluated them and returned them. And what we do is we take a pair of evaluation teams from different firms, give them the same applications. They come back and trade results and see if they've scored questions the same or differently.

We're now in the second round of that. I'll tell you, too, there's a high degree of correlation in the scoring. So that's gratifying. And, where there's differences, we will find that one firm missed something so their agreement on a central issue or they can arrive at an accommodation of where their differences was. And, even though the correlation was high, we want to continue to improve that so there's -- you know, as close to possible complete consistency across different firms with regard to how they evaluate applications.

So evaluation is going to start in July, on July 12th.

As far as releasing information, you know, it was planned to do -- release information in batches every five months of approximately 500. One of the discussions we're having here in another situation is whether we should release information in batches like that, release the evaluation results, or do one batch and release all the results at the same time.

Even though there's over 1900 applications, our early projections are that all applications will be done in 15 months. Our original schedule said it would take longer for this many applications. We've heard the community and are looking for efficiencies and economies of scale in order to do them faster but don't feel ready to commit to that or able to commit to that at this stage of the game.

Even though there will be an extended period for evaluation because of the number of applications we received, the guidebook specified limits for objecting. And public comment is the same. So, where we said there's seven months for public comment in the guidebook, for one batch, the public objection period, the objection period is still seven months.

And we're doing that because our goals are to have a fair, predictable timely process. And we think for an individual or an entity that's objecting to a TLD, that seven months is enough time to consider that.

Similarly, comments -- all comments received within the first 60 days which is -- that time period has already started will be forwarded to the evaluators for viewing. The comment periods will be left open for the life of the application, but we'll ensure that the evaluators see the comments that are filed in the first 60 days.

So I know you know this. And as I described yesterday in a meeting some of you were in where we're quite pleased with our partners on this for each type of evaluation we're doing, we have multiple firms. We do that for a couple reasons. One is to provide capability and breadth. And the other is to be able to address conflict. So, if one firm is conflicted out from evaluating an application, there's another firm.

The other firm can step in. So the financial -- well, you can read this. But I'll say it anyway. The financial and technical evaluators are Ernst & Young and KPMG. They'll do most of the evaluations. Also some of the evaluations will be done by JAS advisors. JAS is the firm that's performing our quality assurance function for the evaluation. So they'll be monitoring all the evaluations that take place, selecting statistical sample sizes to do a blind evaluation again, and continually monitor the process to ensure there's consistency across the scoring as we go forward. They're also doing some financial and technical evaluations in case KPMG and Ernst & Young are conflicted out.

The geographic name review is being done at The Economist Intelligence Unit, which is an arm of The Economist" and also British firm Interconnect Communication. And they're doing this in partnership with the University College of London, which has some fantastic linguists. When I met with them, I got to hear Greek being spoken with an ancient Greek dialect.

Similarly, the string similarity evaluations are being done by Interconnect II and also Interisle. The DNS stability checks are being done by Interisle. That's really a firm that brings together many different consultants. So they have a stable of the 30 experts we would all pick if we wanted to do this. So there's some redundancy provided across that population anyway.

And then the community priority evaluations are done by "The Economist" and also by Interconnect and the University College of London.

The objections and dispute resolution procedures are staffed and in place. Looking at this, there's another comment I want to make. So all those firms you see that were on the previous slide are fully staffed. So I'll tell you that Ernst & Young has 100 see evaluators in place hired and trained. And KPMG -- I don't know the exact number, but they have a similar number. So each one of these firms have their evaluators in place. They've been through a calibration session and training and been onboarded and are ready to go.

With our dispute resolution providers for objections, the arbitration area of the International Chamber of Commerce, WIPO for trademark objections, and the Internet Center for Dispute Resolution for string similarity objections, we've executed sort of a lightweight agreements, either MoUs or exchange of letters. And so there are rules for hearing these -- the objections are published. We've retained the very distinguished professor Alain Pellet to hear the -- to provide the independent objector function, and we've also retained an auction provider.

With regard to analyzing applicant support, sort of financial aid applications, we set about recruiting panelists, volunteer panelists to evaluate the financial aid applications. And we're gratified that we received 80 applications from people in 47 different countries in all the different regions and with a wide diversity in experiences and background.

So, even though there's a small number of financial aid applications, another success here is that we've identified, we think for the long term, a way to evaluate financial applications for this round and future

rounds. And, because there's only these three applications, we're going to convene a 5-member panel and evaluate those.

The applicant support timeline is fairly straightforward. We'll train -- we'll select and train the panel members by July and then provide notice of results to the financial assistance applicants in October. Because it's such a small number, we'll just evaluate -- ICANN will just evaluate those applications with the rest because there's not significant costs there.

Batching: Batching is an important topic for us here because of the requests from the GAC -- we received GAC advice that this should be carefully considered in this meeting.

And the board new gTLD committee actually considered this earlier and asked us to create more time for discussing batching. So we're going to talk about it here for a few minutes. We'll probably have some questions about it.

This afternoon there's another session preparing for the second round. We decided the program schedule has been updated, and we decided to bifurcate that discussion. So we're going to talk about preparing for the second round a little bit and how we can launch that discussion in planning in our community here.

And then we'll also outline in -- with some more detail some of the issues around batching to inform your discussions and how we should go forward.

But for -- I'll talk more about batching later this afternoon. But, certainly, our goals are to effectively administrate the process to

process applications in an effective economical way and the fastest way possible while maintaining our quality standards.

Batching should be done in a way that's fair to all applicants. So, if there's a way to move some applicants forward that's fair to all, we should consider that. But, if not, we should release information at the same time.

Remember that one of the purposes of batching is to meet our obligations with regard to root scaling requirements. And our commitment there is that we're not going to delegate more than a thousand top-level domains in a year. But, more importantly, it's a thousand gTLDs a year, but in some sort of smooth fashion that we won't delegate them all on the same day.

And then, as I said, we want to ensure consistency and equality across all applications.

So you know that the digital archery tool has been suspended. The GAC has given us advice to consult with the community. So I'm starting this a little bit now and a little bit more this afternoon. The board's going to be meeting with each stakeholder group or constituency tomorrow. So those constituencies or stakeholder groups that are interested in this topic, I know there's conversations going on now, meetings are scheduled this afternoon. They can discuss their opinions with the board and the members of the new gTLD committee during their consistency discussions. And other meetings can be arranged. I'm going to close my description of the evaluation work. I'm gratified with the progress to date. We've already started evaluating applications, and it appears at this stage we'll meet or exceed our quality goals.

So with that, I have the pleasure of introducing someone you all know, Karen Lentz, who is going to discuss the other implementation work that's going on.

KAREN LENTZ:

Thank you, Kurt.

I will touch on a few areas of additional work that aren't having to do with processing of applications but are associated with the new gTLD program.

In each case there's a more detailed session scheduled that will provide more information, but I will just touch on the highlights here.

So the first area has to do with the rights protection mechanisms. There were a few new mechanisms that were introduced as part of the new gTLD program. The first of those -- and we've approached implementation of these roughly in the order that we think they'll be used.

So the trademark clearinghouse is a repository of rights information that's intended to support the startup services of new gTLD registries.

So we've approached that one first. The URS, or Uniform Rapid Suspension system, has the goal of addressing registrations in new gTLDs once they have launched. And so that's the next upcoming item.

But, in terms of implementing the clearinghouse, we've pursued two tracks -- one being securing service providers who can perform those services. There's a trademark validation function and as well as a database administration function supporting the registries and offering

their startup services. And so we've been securing providers for both of those.

We've also taken input from the community including rights holders, registries, registrars, and other interested people to help us discuss some of the key implementation issues. And we've taken that feedback and crafted a draft implementation model which is available. And then, as we've continued to get feedback on that model, we are currently engaged in refining those requirements.

In terms of the URS, what we'll talk about at this meeting is that in our implementation as we discuss the current system with potential service providers for it, it seemed that the cost targets, which were part of the goals of the URS, would be that it would be a timely and cost effective and fair mechanism for addressing complaints about abuse of registrations of domain names. So, with costs being one of the major goals, the feedback from providers was that they weren't sure that the cost targets would be likely to be met with the process as it was. So we're examining that question a little further here at this meeting looking at, you know, reviewing what the goals were, whether they can be met in the process as it's currently designed. And, if not, then what adjustments can be made so that those goals can be met.

And also on the horizon we have anticipated planning for the next application round of new gTLDs.

The GNSO policy advice that forms the basis of the program indicated that there should be a continuous opportunity to apply for new gTLDs. So the advice was to start off with rounds until there was a steady state process. And so we do have the expectation that we will build an

ongoing program. And we have also some commitments with regard to how we close out the first application round. Obviously, the first of those is to process all of the applications. We've also made some commitments to look at how the program achieved its goals in a few areas. And, in particular, those that were discussed quite a bit, root zone scaling. What was the impact of adding many new TLDs on the stability of the root zone? And then also the new rights protection mechanisms that were introduced, how effective were they in meeting the goals of rights protection?

So we've got a project plan in formation that has the objective of generating the prerequisites, determining what we would need to do to have achieved in order to be ready for a subsequent application process.

I'll leave this slide up. This is additional sessions here during this meeting where we will go into the details of things that Kurt and I have been discussing.

And I think that closes the slides. If we have questions or comments, we have two microphones up here.

KURT PRITZ:

While you think about questions, I just want to reiterate that the session that's at 1530 -- or 5:30 this afternoon was changed to accommodate some discussion of batching. So it's a half hour about planning for the new gTLD round and a half hour of batching. And, realizing that that's really not enough time for a lot of give and take with

the community, but -- an opportunity to identify issues, so there can be discussion as the meeting goes on. Hi, Chris.

CHRIS DISSPAIN: Hi, Kurt. Would it be possible to -- Chris Disspain. Would it be possible just to go back to slide 11 for me, please. Just a point of clarity. Okay.

What are you doing there? Ah, smooth. Just a point of clarity.

KURT PRITZ: There's a batching process. And I'm not so sure he's going to get to go second.

CHRIS DISSPAIN: I just want to make it absolutely clear, in case anybody misunderstands, in my understanding is this slide is not meant to indicate to everybody that if we had a single batch, it would take 15 months. Just want to make it completely clear that all applications in 15 months would mean, if you did your batches, you'd have them all done in 15 months. Not -- it's -- the thing that it says early projection, all applications in 15 months, is an early projection of it would take 15 months to do it in batches, not that it would take 15 months to do it in a single batch. Because we don't have that information yet. That was all I wanted to say.

KURT PRITZ: Okay.

CHRIS DISSPAIN: Thank you.

MICHELLE JOURDAN: Hi, Michelle Jourdan. I have about six questions from remote participation.

KURT PRITZ: So why don't you give us two, and then with all the people standing behind you and Adrian -- you know we want to get Adrian off the stage as fast as we can.

MICHELLE JOURDAN: Okay. The first question from Mark Andrews.

If an applicant wishes to make alterations to questions 13-22 of an application, has ICANN got the process ready to be shown to the public yet as per last week's announcement with regards to how to make these alterations?

KURT PRITZ: Yeah. So, first, the guidebook says that material changes to the application aren't allowed. But ICANN has a process for weighing requests for changes and then publishing them. So yes.

MICHELLE JOURDAN: Okay. Second question from Andy G. Given that current registrants of IDNs and CNO have been waiting for years for their IDN.IDN equivalents to finally be made available to them, would it be possible to translate

the IDN transit applications from VeriSign and PIR without further delay? This would have the advantage of testing the rest of the system to hopefully prevent further unforeseen circumstances.

KURT PRITZ:

Thank you. So we'll let Amadeu go and then --

AMADEU ABRIL i ABRIL:

Hello. So it's not time for digital archery bashing, right? So just for a short comment and some suggestions for the process in front of us. The comment was in the number of applications from Africa, Latin-America and other parts were success or failure. I don't see that as a failure at all the same reason you did comparing existing numbers. What we could do to have more -- I don't think it's outreach or mainly outreach or even outreach at all. Our experience in talking with these people is that running a registry is too expensive a game. It's not about the \$185,000 for the application. Yet the technical requirements and all the requirements there for the ongoing operations make that very expensive for things that risk being very small registries. So perhaps we need to revisit the belief that one size fits all in the future and lower some requirements for some applicants.

Having said that, on the concrete evaluation process, we have some requests, especially let me focus just on customer support.

Do we have a system for collecting questions when you send that to customer support? Because our experience that we hit a wall of "Thanks for your question. We don't understand it. We don't want to understand it. And this is ICANN ticket."

I'll give you a simple example. Letter of credit. In many countries, for instance, Switzerland, letter of credits are not paper any more. Banks don't do paper letter of credit. They only do swift messages, electronic messages. And you need the swift code for the bank of the receiving party. Customer service was refusing to understand, to escalate, or to provide that information from the beginning. So we just scrub that. And somewhere you should be aware you have handwritten letters of credit waiting for you. Just to make you happy, we were doing screen shots of the electronic transaction and putting that in the -- but, you know, you won't see a real letter of credit because it's not done any more in most countries.

Or another question. Like, you know, administrative check. We get a request, typically, at end of business Friday California time. So we got that in Europe at 5:00 in the morning. And we're allowed two days to answer. Monday. Not that we are lazy. We have customers that perhaps might be a public administration that perhaps would like knowing what we answer to these questions. And they don't typically work on weekends. I think it's pleasure. So please, take stupid things into account. Things are different in the world. One reason is -- if that's a holiday in Barcelona, that's my problem. But at least one business day to answer things, right? It's not that difficult.

And the second thing: If there is a brick wall that we're hitting with customer service, to find a way where we can request this being escalated to somebody in ICANN that may have an answer for that. Thanks.

KURT PRITZ:

Thanks.

[Applause]

I thought every day was a holiday in Barcelona.

[Laughter]

So, Amadeu, in a weak attempt to address some of your issues, the process was intended to be very flexible. That's why there's not objective criteria so that small registries and large registries apply. But I can understand a sense that there's a minimum baseline that's still too high for many applicants from those regions. And so, you know, we want to work in the second round to make the application process more flexible and understand what are the minimum requirements so that a registry could reliably operate at a lower cost and come from those regions.

And two words about customer support. So I heard what you said. And that's why, during my talk, I said we're going to put people in each region so there will be a local point of contact for customer service.

And we tried to anticipate different types of letters of credit and laws. But we learned a lot about different customs that -- in areas that we did not anticipate. So, when we received a request about either ICANN having to -- you know, being requested to sign a letter of credit or some other new wrinkle, that took some cycles either within our finance team or other administrative functions. So, while customer support got the request and was very anxious to answer in a day, sometimes finance had to work with other entities to get answered. And I know that comes across to applicants, because I'm a customer myself in another

segment of my life, as a stonewall. But that's why we want to improve the customer service function and provide some local point of contact. So your point is really well taken. Adrian.

ADRIAN KINDERIS:

Thanks, Kurt. Adrian Kinderis. First I'd like to thank Chris Disspain for his -- what I think is an important distinction with regards to batching. That's helpful. Thank you, Chris.

Second, I have a couple quick questions. First one, Karen, with respect to implementation issues, you didn't mention EBERO. Can you provide us quickly with an update as to that. Because that seems to have been dropped off the list there, and I assume it's part of the program.

KAREN LENTZ:

Yes. Thank you. It's -- I wouldn't say it's dropped off the list. It's not on the slide. But it certainly is continuing work. The -- where I believe we are with it is in the -- in the fairly advanced stages of a selection process for EBERO service providers.

KURT PRITZ:

So we've received applications. We've short listed them. And we're scheduling interviews during the month of July for those candidates. It's planned to select -- you know, two or three providers so we get coverage in different regions and we -- and we get coverage for those addressing large registries and small registries.

ADRIAN KINDERIS:

Thanks. Two more small points.

First one being today's glitch or the glitch in the last 24 hours with respect to clients being -- or applicants being sent notifications that they have one day to commit their digital archery.

Can you please get in touch with those clients or at least put something on the Web site? Sitting at my computer just before, I got three inquiries from clients wanting to know what's going on and how they do their archery. They need an official word. Me telling them, "Ah, don't worry about it," I'm a bullshitter. Anyway, lastly -- stress communication for an ongoing campaign.

They put that word up there. I apologize. My mother is going to hate me.

KURT PRITZ:

I think that's hyphenated, whenever it's used as an adjective.

ADRIAN KINDERIS:

I think it is hyphenated.

It just occurred to me in a conversation I had with some clients today that, when new gTLDs go to go live, that ICANN should maintain its global communications campaign such that we're not getting one or two TLDs going live and causing NGs confusion. And I hope there is funding and thinking around just how they're going to continue with communications. Thank you.

Most of the applicants that I have talked to are very concerned about these comments. We'd like at some point in time some sort of reassurance from ICANN that this -- that the excess does not represent some sort of an eleemosynary endeavor that the applicants have gone through.

And, secondly, there's one other thing I need to make a comment on. I talked to Akram about this in Los Angeles. And I speak, sir, to you. I'm not at the meeting. I'm very, very concerned about your ability, given the staff levels that you have, to manage the process. You've had significant experience over the years. You know as well as I do that you can ship the stuff out -- I worked for Pete and AY (phonetic) at one point in time -- to outside vendors to do the work. But it has to come back to you. It has to be managed. You have a significant amount of work to be done inside.

At this point in time, it was my understanding that you were planning on staffing up for this endeavor. I have been told by Akram that it takes a significant amount of internal resources to train people and so forth. To the best of my understanding, this work has not really been initiated yet. There have been discussions amongst the staff, budget discussions and so forth. Please, I implore you. This has got to get done. You've got an awful lot of product sitting at the entrance there in the production line, and we've got to get it through to the other end.

The only way you're going to be able to manage this process and to recognize the efficiencies is to put resources and people in place. I'm only speaking from 45 years of experience. So I very much, on behalf of

the applicants, ask you to please give us some assurance that this is a principal priority for you. Thank you for hearing me out.

[Applause]

KURT PRITZ: Thanks, Ken. Hi, Werner.

WERNER STAUB: My name is Werner Staub. I work for CORE. We register support applications and those that provide applications. I was also concerned about the announcement about 15 months for the single batch approach, which we do not believe is necessary.

Specifically, I would like to draw everybody's attention to the fact that now we know what is inside of the applications. By the way, I urge ICANN not to stop Google or other search engines from indexing the contents of the applications, which is currently the case. They're not indexable. It is public information that should be available to the community. There should not be barriers. And, by the same token, I urge ICANN to remove the indexing protections and ICANN knowledge base for new gTLDs where it acts as even the link is impossible. So people don't know about key features of the application.

But coming back to this, 15 months, no. I think it is 7 months, 8. And why do I say that? Because we conceive of the applications to have at least 500, 600 exclusive views brand TLDs. None of them is going to sell domains to any third party. They are their own customers.

And ICANN doesn't have any business deciding whether KPMG is good enough to be a provider to KPMG and whether Amazon is good enough to be a provider to Amazon and whether the speed at which the WHOIS service for Amazon says to everybody that any given name inside Amazon belongs to Amazon or whether Amazon is fast enough in receiving requests by EDP from itself. This is, as we can see now, substantial jump of the work we had in front of us which is budgeted and where we can see there is no evaluation necessary at all to speak of.

However, we missed in the task a question about that. The criterion has been defined. The last update to the press has come on January 16th about the definition of use and exclusive use. But applicants were not allowed to say that they are exclusive user, more specifically, that they request exemption from specification 9 of the registry agreement. If we add this to the task now, as a question where they can respond, and be associated with the opt out of the -- most of the evaluation, we still can leave the door open for them to come later and say Amazon actually is about all trees in the Amazon. They can still do that, if they want. But, if they want to be single use, they can do so and be safe then and save ICANN and the community a lot of work.

The other thing that we see in the current applications, there are many portfolio applicants. Many more than we thought. They have identical applications for many TLDs. Do we really want to get separate teams to look at each one of them separately with different batches to be sure they're going to be different? It's just one. If we take that into account, we go to probably even less than 7 months.

KURT PRITZ:

I just saw those are all very good comments. And, as we identify efficiencies in the process, we'll take advantage of them. And we have instructed and we are allocating applications based on similarities. So one evaluator is going to get like the applications that are similar. But we've also gotten feedback already from the evaluators that many of the technical back-end providers that are common are actually doing a very good job, that they're writing technical answers to the questions that correspond to that registry. So they're not seeing so-called cookie cutter answers that always receive the same score. They're receiving different answers. So some of that commonality we anticipated is not there. Nonetheless, we recognize that it's there. And I just -- so you and I could talk about this for a long time after this about single user TLD and how that could be implemented and how not. At the end of the day, there's not a category for single user TLDs. You know, you answer your 50 questions. We evaluate the 50 questions. And then the single user TLD can some day decide to sell registrations or allow its marketing channel to become a TLD or to any number of things. But the process is developed through the policy discussions, you know, didn't create that category or nor did we create it later.

WERNER STAUB:

Sorry. If you want to have good batching, let those people who decide five years later they want to have third party users be evaluated at that time with respect to that question rather than clogging the process right now.

KURT PRITZ:

Okay. Thanks, Werner.

STEFANO TRUMPY:

Stefano Trumpy. The question is about batching and timing. And, since you received 751 applications for 230 strings, string competition, then there should be an idea now how to manage these things. And I would like to know which are the steps and the timing involved.

And, further, of course, I think that there should not be any evaluations before the problem is solved. You cannot evaluate 13 applications for the same string all together. It is the worst of times.

So, in this case, perhaps if we go for batching, then in the first batch, you should solve first all this problem of competitions. Because, in the end, the number will be not 1930 but 1409. So this needs one batch less at least if you have 500 in a batch or something like that.

So it is important in some cases perhaps in order to save time as it was said before to analyze cases that have similar problems, similar problem to be solved. And then it will be easier than to solve also in further batches. Thank you.

KURT PRITZ:

So, Stefano, that's excellent. And thanks for doing the arithmetic that I forgot earlier. But, in fact, we cannot see more than 1409 because of that contention. So we feel comfortable saying that we can do it in fewer batches. To a certain extent, how those are processed is up to the applicants themselves. Some will see the contention and withdraw. Some will see the contention and seek to form partnerships or beat their chest. It's -- it's fairly clearly laid out in our process that we're -- unless an applicant says they're dropping out, you know, we're obligated first to do the evaluation and then take those who have

passed at the end. And then, if the contention is not resolved by those guys themselves, you know, we'll resolve it for them. But it's a really good analysis. Thank you.

KRISTINA ROSETTE:

Hi. Kristina Rosette speaking in my personal capacity. Two questions. I'll ask them both. First is will ICANN be extending the public comment period by one day to compensate for the time in which the applications were made available after rebuilding?

And the second is I'm hoping you can provide a little clarification as to when the objection period went from two weeks past the close of initial evaluation, which it's been since the first version of the guidebook, to seven months for all applications. Because it was always, in every single discussion we've ever had, the idea was that the objection period should extend past initial evaluation so that a potential objector could wait until after those results were available to know whether or not it was necessary to object.

So, looking at this now, it seems that you're either saying that all the objections -- all the applications will be processed in 6 1/2 months, which is clearly not the case, or potential objectors are going to have to go to the expense of putting in objections and applicants are going to have to defend objections before anyone even knows whether the application passed. And, to me, that seems like a tremendously significant waste of resources all the way around.

KURT PRITZ:

So good questions.

I almost feel empowered myself to extend the public comment period for one day. We really should -- we really should think about extending it longer than that if the process is going to be much longer. We had a -- we had an extended discussion around the objection process.

And, going back to how the objection process was developed, the discussion at that time was about six months felt right for the objection process. That was enough time for objectors to make up their mind. And then somebody -- maybe it was you -- or someone else raised their hand and made an excellent comment. Why don't you extend it an extra few weeks to get it past the end of the initial evaluation because then objections could be made after initial evaluation, just as you said. So I think that's the genesis of it.

With the idea that the initial evaluation might take 15 months and not start -- and that's further extended by the GAC request for the 60-day period. So now we're talking 17 or 18 months.

Is it reasonable to have an objection period for, say, 18 or 19 months? And the reason it was remaining the same is -- you know, our goals are to have a fair, predictable, smoothly running process for this. And we thought in some cases it might not be fair. Say an entity says I'm going to object to that guy, but I'm going to keep it hidden from him for a year and a half while that entity burns money and invests in his operation. So we thought there was a duty for objectors to let an applicant know there was an objection. Six or seven months seems reasonable to keep it hidden for a year and a half or longer didn't seem right.

KRISTINA ROSETTE: But why not just post -- I mean, if it's still the case that initial evaluation results will be posted on an as-completed basis, then why not just trigger the two weeks from there? Because I'll be perfectly honest with you. If it's -- I'm going to wait until the very last day anyway.

KURT PRITZ: Right. So, if the last day is in seven months, then all the applicants -- I want to give you two reasons. All the applicants are on the hook. For those seven months, they're sitting there burning money, not knowing whether somebody is going to object. And an objector is sitting there the whole time saying I'm going to object. I'm going to object. So 6 or 7 months seems more reasonable than a year and a half, 18 months to stay in operations while somebody knows they're going to object and keeps it hidden. So we thought for fairness, seven months was a better period of time than 18 months for an applicant to keep working not knowing that an objection was coming.

KRISTINA ROSETTE: Okay.

KURT PRITZ: And another reason goes to the smoothly running process bit. So we have these agreements with the ICC and WIPO. But it's something that's not been done before. And they're expecting, you know, some bit of work. But we want to keep that operation together. And, to keep it together for, say, a year is lower risk than keeping it together for, you know, two years or longer if we extend the objection process. So we think we can guarantee the stability of that whole objection and dispute

resolution process, if we keep the time period limited. So that was sort of the balancing. But, you know, that was a discussion. And we can continue to have a discussion.

KRISTINA ROSETTE: And I think, if the rationale has, in fact, changed, that needs to be more clearly communicated. There's a lot of entities out there that are waiting to see how initial evaluation results go. And, if they need to be working from a 7-month clock, that needs to be communicated immediately.

KURT PRITZ: Okay.

MICHELLE JOURDAN: Michelle Jourdan reading more from the remote participants. Jorge Amodio question: Are there any provisions or plans to make the application supporting documents available publicly?

KURT PRITZ: Do you know the answer to that? They are available. Read it again.

MICHELLE JOURDAN: Are there any provisions or plans to make the application supporting documents available publicly?

KAREN LENTZ: So each of the questions in the guidebook or in the application form is labeled as to whether the information in it will be posted or not. So I think there was some delay, when things were in attachments, in adding that to the public postings that are on the Web site. So, in the case where, you know, that information is intended to be public, then, yes, it is the intention to post it. For the questions that were not labeled as being public, then no.

MICHELLE JOURDAN: Okay. Next question, Rubens Kohl. Regarding testing evaluations, how many in percentage would have passed and how many would have failed evaluation in the test sample?

KURT PRITZ: So that's confidential. Yeah, I don't want to share any of that information. But I'll say that they scored the information different from -- scored it very evenly. There was an indication that the applicant, majority of applications were competently done. I'll say in many cases the evaluators thought a clarifying question might be necessary in order to -- in order for the applicant to flesh out some information to get the point or two points the applicant was seeking for that.

MICHELLE JOURDAN: I have more questions, but I'll go back to the back of the line.

KURT PRITZ: So Nancy? So we're, like, way out of time, right?

NANCY LUPIANO: Yes.

KURT PRITZ: So I see two repeat questioners. But, if everybody could take like a minute, it would be good. Mike, you get two. I got this stopwatch for Christmas.

MICHAEL PALAGE: You can start it. Mike Palage. First comment with regard to increasing efficiencies.

Having worked with a large number of applications involving six different technical back-end providers, it would be helpful, I think, if ICANN asked -- or their evaluators asked the providers for their template answers. So instead of the evaluators having to go through the same 3- or 400 pages of VeriSign, Afilias or NeuStar text, they could focus on the deltas, the red lines. And, again, I would agree with you, they were not cookie cutters. They did adjust them. And it would help if the evaluators were focusing on the deltas, not the same 300 pages of text. I think that will increase efficiency.

Second point, my recommendation with regard to increasing transparency would -- it help if, on the new gTLD Web site, there was a dashboard where we could track the number of applications that are being completed, the initial evaluation from both a technical as well as a financial.

And I would submit to you, since you're using multiple providers, if you could color code it so we could see how many Ernst & Young are doing,

how many KPMG are doing, that would help from a transparency standpoint and might be a little competition and help the evaluators get their work done competency since we do have quality assurance in place already.

KURT PRITZ:

Thanks, Mike. I'll tell you that applications will be metered to the different evaluators. So, as one evaluator does better, either faster or cheaper, that evaluator will get more. So I understand your transparency discussion. I don't know. I have to talk to the legal staff and when we can actually reveal that information. So I've got -- but I've got the suggestion. Hi, Amadeu.

AMADEU ABRIL i ABRIL:

Just a point of order regarding the issues. I don't have many questions. It's simply that, just looking at the agenda seeing that there was only one hour for the new gTLD problem, then you have a very interesting session of the next round, issuing the next round dealing, for instance, with batching, digital archery, because this is covered around a problem.

So many of us organized an alternative session starting now, in the Barcelona room -- not my idea, just the name of a room here -- to provide ideas to bring later in the week to you saying, look, these are the things that many of us are think are good for prioritization or alternatives to batching or better ways to handle batching than digital archery or even how to improve digital archery, my God, if that's possible. Right? In this sense, it's perfect. I mean, perfect chaos.

Now, the question is that you said at the beginning of this session that suppose next session of new gTLD round would be dealing with the current gTLD problems. Could you clarify that to know what we're doing now going to the other room to do that or staying here to help you? If we're staying here to discuss that, this format is not very helpful. We're need to focus on issues and not just people queuing here. And to discuss things like Werner or Mike or Adrian have been saying here, ways to really improve helping you to give from the community ideas how to prioritize applications. So can you clarify that? This was chaired by Thomas Rickert, but I don't see whether he's in the room or not. If he's around, I'll call him just to decide what to do on this session.

KURT PRITZ: Thanks, Amadeu.

AMADEU ABRIL i ABRIL: So what's the plan for the next?

KURT PRITZ: So we make plans, and we post the schedules. I don't know. What we've posted as far as our schedule is we scheduled this session to talk about the second round. Every ICANN meeting we've been asked to talk about the second round so we've scheduled a session on that.

AMADEU ABRIL i ABRIL: I'm not complaining about the schedule. I'm asking what has happened now. The past is the past.

KAREN LENTZ: But there's a DNS abuse forum, which is the next session here. The session that Kurt mentioned on the second application round is at 5:30. And the session on batching is at 6:00.

KURT PRITZ: Thank you, Karen. Thanks, Amadeu.

VLADIMIR SHADRUNOV: Vladimir Shadrinov. My comment is about string similarity evaluation. So we have a number of cases where we have exact matches between the applications, but there were also cases with non-exact matches.

So my request is do we think some additional information will be published about the standards the evaluation panel will use evaluating a similarity of strings? Because applicants will get into string contention sets, and they need to negotiate only one will have -- will be left.

KURT PRITZ: You want to answer that, or do you want me to? I can, if you want.

So the -- go ahead. So the standards are published the way they are. So quite extensive discussion occurred all about this issue and how to measure that, whether it should be measured mathematically or through some algorithm or some matching program.

And it was decided really that confusion is a human reaction. And confusion and the likelihood of confusion should be determined by, you know, reasonable average people that are looking at strings that are familiar with the script and language of that. And so the standards very

brief. But in the guidebook that there has to be a likelihood that user confusion would result if both these TLDs would be submitted. And that's the extent of the guidance given to the evaluators.

VLADIMIR SHADRUNOV: For example, one common case that happens a number of times. English language singular or plural. Is that a contention set or not?

KURT PRITZ: That's up to the evaluators. You can see for yourself that a longer string with an S might be more confusing or less confusing than a shorter string with an S. So, again, it's a --

VLADIMIR SHADRUNOV: I think it will help if we had more information than just at the end of the initial evaluation period. Thanks.

KEN STUBBS: Ken Stubbs again. This is more or less directed at comments directed at the directors as well as you. There's a couple real big elephants in the room here. We can finish the evaluation tomorrow. But, if we don't have a legitimate, fair, equitable methodology in place for delegation, we're stuck. It's a very difficult task ahead of you. I would strongly suggest that you try as hard as possible to give us clarity on this as soon as practical for you. We move ahead with the evaluation process. But at some point in time, that elephant is going to rear itself. Number one.

Number two: Part of this overall process are -- is the injection of the governmental sector and their processes as well.

I have a suggestion for the ICANN board. If you run into a situation where the GAC has indicated that they would have difficulty reaching a decision because they have difficulty getting together, spend a few bucks and subsidize a special session for the GAC to consider only that issue.

I think most of the applicants in the room would say that's a very good expenditure of capital, given the fact that most of the applicants are burning money. Most of the applicants need that certainty to know when it would happen. If it makes 60 or 90 days difference, just to help the GAC get together to make those decisions, please consider it. It doesn't have to be done at an ICANN meeting. It can be done at a special meeting of the GAC in Amsterdam or in wherever. So please consider that. And you know as well as I do if it costs -- sorry, if it costs a million bucks or whatever it costs to get them all there, get them into the hotel and give them a couple days to get it cleaned up. It's the best money you'll have spent given your overall budget. We need that clarity. Otherwise, we're going to get down to February or March and everybody is going to be sitting around wanting to know where are we going to go from there. Thank you.

KURT PRITZ:

Thanks, Ken. So pick one.

MICHELLE JOURDAN: Sorry. One last question. How is the process of the applicant support review panel, SARP?

KURT PRITZ: Applicant support review.

MICHELLE JOURDAN: The question is how is the process of it? So -- so the --

KURT PRITZ: So the applicant support panel will be comprised of volunteers that will be selected from the 80 candidates who submitted an interest in being a panel member. And then they will use the procedure that's posted in the applicant financial support criteria. So the procedure and the standards that the SARP will use is published in that link. And so I don't know. Michelle, somehow if you can make that link available to the questioner, that would be terrific.

MICHELLE JOURDAN: Thank you.

KURT PRITZ: All right. So thank you very much. There is -- if those of you who are interested in having an intimate discussion about batching, we learned from Amadeu there's a meeting going on in the Barcelona room. And there will be some discussion about the issues associated with that here later on this evening. Nancy and to the next presenters, I apologize --

we apologize for being late. Thanks very much for sitting through this and your constructive comments.

[Applause]

NANCY LUPIANO:

Thank you very much. We're preparing as quickly as we can for the forum on DNS abuse. And we will be ready very, very quickly. Thank you.