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BUENOS AIRES – New gTLD Program Reviews

Monday, June 22, 2015 – 15:45 to 17:45

ICANN – Buenos Aires, Argentina

KAREN LENTZ:

Good afternoon. We'll be starting in about one minute.

Thanks.

Good afternoon, everybody. Welcome to the New gTLD Program Review session. My name is Karen Lentz. I'm the director of operations and policy research at ICANN.

We've been calling this the marathon session. We have a very packed agenda, because there really is a lot of work going on, and we've worked very hard to get as much breadth of the material in, and we've asked all the speakers to try to stick to the time so that we can get everybody in and still have time for questions.

So we do definitely want questions, but I ask that you hold them till the end so that we can get to everybody's update.

So I will introduce everybody we have up here, which is quite a few.

Starting to the right we have Jonathan Zuck from the IAG-CCT, followed by Dave -- no. Followed by Eleeza Agopian from ICANN, followed by Dave Dickinson. He'll be speaking on the Nielsen survey. Greg Rafert from Analysis Group will talk about the economic study in process. Trang Nguyen from ICANN.

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

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To my left is Margie Milam from ICANN, David Conrad from ICANN, Bret Fausett from the GNSO's discussion group on new gTLD subsequent procedures.

To his left is Alice from -- Alice Munyua from the GAC working group on underserved regions. Her co-chair, Tracy Hackshaw, will be showing up momentarily, we believe.

Also we are expecting Nicolas Caballero from the GAC working group on geographic names.

Then we have Annebeth Lange and Heather Forrest from the Cross-Community Working Group on use of country and territory names. And last but not least, we have Jim Galvin from the SSAC working party on new gTLD program reviews.

So this is sort of a -- you can think of this session in two parts. The first part where we'll be talking about the review activities, which is a lot of data collection and studies and analysis. And that's really to support the second half of the session, which is all of the community work. So you have the supporting organizations doing potentially some policy work relevant to reviewing the program and giving guidance on future application rounds, as well as advisory committees showing some interest in doing work that would -- also related to advice to guide those rounds.

So let's jump right into the review processes. One of the key reviews that's driving many of these activities is the review that's specified in ICANN's Affirmation of Commitments relating to three key areas, the

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first being competition, consumer choice, and consumer trust. We call that CCT. So there's been work going on for some time to create some measures and definitions on looking at the program's impact in those areas.

The second thing that that review will be asked to look at is the effectiveness of the application and evaluation processes used in the new gTLD program. We call this the program implementation review, and we'll be hearing about this as well.

Lastly, the CCT review team will be asked to look at the effectiveness of the protections that were built into the program to mitigate some potential risks in expanding the name space. And so I'll be discussing the rights protection review that's happening to support that.

And I will next turn it over to Jonathan Zuck to talk about the CCT preparations.

Thanks.

JONATHAN ZUCK:

Thank you, Commander Lentz. And thanks, everyone, for coming to this session about these reviews. Just so you don't think that the ICANN community rushes into anything, it was December of 2010 that I was diligently attempting to drown Steve DelBianco in a mud volcano just outside Cartagena, Colombia. It didn't work, as you know.

But I received word that I had the dubious honor of having a Board resolution named after me that had been just passed in the board

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meeting taking place at the same time. And in that resolution, the GNSO, ALAC, and other advisory groups within ICANN were requested to provide recommendations to the Board for both a definition of consumer choice, competition, and trust, and then to come up with some objective measures of those things that could be used by the review team, which is set to convene -- actually, Karen will be covering -- I think this fall in the Affirmation of Commitments mandated review.

So there was a joint GNSO/ALAC working group that worked diligently to come up with definitions and together came up with about 70 metrics, the idea being that we could start to measure them, especially the ones that we couldn't get at historically, so that we would have deltas available to us at the time at which the review started.

And after that work, the Implementation Advisory Group on CCT was formed to discuss those metrics, to identify ones that might be difficult to find the data for, to determine which ones would require data be collected early, because we would have difficulty getting it retrospectively. And also to figure out if we needed outside help in collecting some of that data.

So a number of things happened. 65 of the 70 metrics were recommended, and one on name collisions, because that was a topic that had been sort of hotly discussed around that time, were added, and staff were directed to start collecting information on those metrics.

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There were two areas in which we thought we needed outside help, and you'll be hearing about those as well. The first was on the issue of consumer trust. As much -- We worked very hard to find good metrics of consumer trust, but it seemed like the best possible way to determine a delta in consumer trust was to actually ask consumers. And that's a very difficult thing to do on a large-scale basis, and we'll be hearing about that. So the idea was born to have two consumer surveys on how they felt about the DNS and trust in the DNS, and the old legacy TLDs versus the new TLDs, et cetera. And then a year later to have another one to see if there was a change or an improvement in consumer trust as well as could be measured via the survey.

So, you know, we -- ICANN worked and had, you know, a whole request for proposal, and Nielsen came on board to perform the first half of that study in preparation for the review team.

The second area in which we thought outside help would be required is looking at pricing in a more sophisticated fashion and seeing what was -- you know, if increased choice and competition and how that might be reflected in pricing. And so again, a two-part survey of what pricing looked like in the new gTLD space, both now, before the program got too far going, and a year later to see again if there were anything there that could be derived as a reflection of an increase in consumer choice and competition in the new gTLD space.

There was another RFP -- Again, the Board approved both of these. And there was another RFP, and the Analysis Group was brought on board to do the first half of that research.

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So in both of those cases, we're looking at the baselines, and hopefully we'll have this presentation again to look at the deltas for both of those things.

So those are what we've been doing thus far both in the working group and ultimately in the IAG CCT, and I guess from there we should just delve into the details, so I'll pass the microphone.

ELEEZA AGOPIAN:

Thank you, Jonathan.

So building on the work that the IAG CCT did, we've begun collecting data on the 66 metrics that that team recommended and which the Board adopted a resolution authorizing staff to move forward to collect some of that data. So I'm going to talk to you a little bit about some of the data we've collected so far.

We're collecting data both -- both from internal and external sources, from our technical services team, Compliance Team, operations. The data covers everything from SLA levels to the geographic distributions of registries and registrars and registrants.

We have data on compliance complaints similar to what you see already the compliance reports on quarterly, as well as data from some outside sources. As Jonathan mentioned, we have representatives here from Nielsen and Analysis Group. They're going to give you some insight into the work that they've done on about a dozen of the metrics that were recommended.

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But today I thought I'd talk about an example from each of the categories of choice, trust, and competition to show you what we have been working on. All of this data is going to be made available online through a data portal that we're planning to publish shortly after this meeting is concluded here. We'll have Excel files, we'll have interactive graphics. Each metric that's been recommended will have data available for you to look at, in some cases to download and play with and see where the numbers take you. We want to make this as transparent and accessible to the community as possible.

That data, of course, will ultimately end up with the CCT review team which will be formed later this year, and Margie is going to tell you a little bit more about that later on.

So moving forward. So under the category of competition, this is two of the metrics we have here, total gTLDs before and after expansion, and registry operators. We drew these numbers from registry agreements, and as you can see here, registry operators are defined as the contracted parties in each of the registry agreements.

Next slide.

Choice. One of the metrics that was recommended under the category of choice is geographic distribution of registry operators. We also have this broken down by category. And when this comes available in our data portal, you'll be able to see sort of the breakdown, filter for different regions and different countries, and get a sense of where the new gTLD program has spread worldwide.

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Last slide.

Finally, on consumer trust, the Nielsen Group has done a lot of -- has covered a lot of the metrics recommended for trust in their survey, but we have some others that we are relying on data from. For example here, from our Compliance Team on UDRP and URS decisions. Actually, this data was provided by the UDRP and URS provider firms, from their own databases of decisions and cases, and kinds of gives you a sense of where these cases are falling.

So as you can see, we have a pretty wide range of different metrics, and all the metrics are available online through the IAG CCT's working pages on our community Wiki. But this kind of gives you a sense of where we're going and what we expect to see in the future. And all of this data will be updated on a regular basis, some on a monthly basis, some quarterly and some annually, depending on how often we can capture the different metrics.

DAVID DICKINSON:

All right, thanks. So I'll go into the survey, give you a little background on what we did. Obviously this was done to support the new gTLD initiative about enhancing competition and consumer choice.

This -- The results I'll show you today are from the first wave of what we call the consumer study. That's with Internet users. There will be a second wave to that that will follow in about a year's time.

There's also a separate freestanding initiative to survey registrants, and that will be reported as a separate entity, a separate report.



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And the goal of this research was to assess the current landscape as well as looking at things like consumer awareness, experience, choice, and trust with the new TLDs and with the Domain Name System in general.

So what we did, on the next slide -- there we go -- we did an online survey. It was conducted during the month of February in just over a week. The survey was commissioned by ICANN and conducted by Nielsen. When we say "commissioned," it was not identified as being an ICANN-sponsored survey. The people who took the survey didn't associate it with anyone other than Nielsen.

They had to be at least 18 years of age, spend a minimum of five hours a week on the Internet. The majority of them spent much more than that. And the sample was drawn to be geographically representative of about 75% of the global online usage base. So that meant 6,144 completed interviews from 24 countries, and we conducted it in 18 different languages.

So this is -- I'm going to give you some high points from this. The full report is much longer, but hit some of the things.

First we'll talk about awareness and visitation.

So the graph at the bottom here shows the average awareness and visitation rate for a variety of types of TLDs as we've classified them. So over on the left, the 86%, those are the country-level TLDs, the ccTLDs. And those have the highest overall average awareness and the highest visitation rate, at 86% awareness, 81% visitation.

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To the right of that, then you have what we called, what we've named the high legacy, which are .COM, .ORG,.NET. Those follow in close behind on both awareness and visitation. And then you can see it tails down, and we have the new gTLDs at 14% awareness and about an equal visitation, and the new -- the city and IDNs were also tested, and those came in at about 7%. Then at the far right we have what we've dubbed our low legacy, in terms of awareness and visitation, and those are, for example, .PRO, .TEL, .COOP, .ASIA. We had defined sets to represent each of these groups.

A couple of general be comments. Obviously the new TLDs have room to grow, but you're already above that low legacy categorization. And there's a consistent thing, I won't show all of it today, but there's a consistent thing that awareness many times appears to be driven by familiarity and perceived relevance. So obviously those high-awareness groups have -- they've been there a long time, but they also have -- that longevity is converted to familiarity, and we'll see that familiarity is something that plays into acceptance of new ones as well.

Go on to the next slide.

Looking at this a different way, we'll look at the total awareness. So 98% of our sample were aware of at least one of the legacy TLDs that we asked about. The new TLDs were just under 50% people saying they were aware of at least one of those. So that's total awareness. They were at least aware of one.

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So you've got half the people out there saying that they are aware, but at least some of the much lower awareness levels for the IDNs and the city TLDs at this point in time.

The other interesting thing, though, is that the chart on the right-hand side shows you among those people who were aware of the TLDs, what was their intent to visit those TLDs. And it's, you know, 85%. It's as close to one to one as we often will see. So once people become aware of these TLDs, they intend to visit them. And likely a large reason for that is what people are looking for is they're out there looking for something in specific. Information, opportunity. And those things are what motivate people to go out there.

We asked people, you know, specifically what was their motivation to go or to not go to one of these TLDs, and its relevance and interest levels are much more motivating than trust issues or fear issues. So those tend to be secondary. What's really motivating people is that perception of relevance or that there's something there for me.

Go on to the next slide.

We also asked people just what terminology they associated, what words they associated with the legacy gTLDs and the new ones, and what we see on the legacy ones, the bigger the word, obviously, the more commonly it was associated. They're useful, they're informative, it they're practical, they're helpful. Good shout-out there for trustworthiness for people like me.

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When you look over on the right-hand side for the new, more uniform sizing, so nothing was as dominant a message, but we see the same themes about informative. We also see the rise of things related to innovation. Innovative, exciting, cutting edge, those sorts of things.

We do see some negativity about being confusing, overwhelming, overly technical, those sorts of things, but that's really very much balanced by those more positive perceptions. So overall, we're seeing the reaction to be one of pretty positive associations.

Next slide.

So then that's a synopsis of the awareness and visitation data. We also asked a large suite of questions around trust. We'll go through those.

So first, do they feel they trust the TLDs? We asked them if they were very trustworthy, somewhat trustworthy, somewhat trustworthy, not trustworthy.

The legacy ones, 9 in 10 or better say that they are very or somewhat trustworthy. For the new TLDs, that's about 50%, some much lower, but given that they are new and people tend to be skeptical of new things that are introduced, that's actually, in my opinion, not a bad number.

We also asked how they could improve on the trust -- or we asked questions to get at how you might improve that perception of trustworthiness, and there's an interesting dynamic. People in the survey are a bit of two minds. When we asked should there be

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purchase restrictions, they tend to say there should be light or no purchase restrictions. It's a small percentage that says that it should be strict. But then if we ask if those -- if the fact that if there are purchase restrictions on a site impact their perception of the trustworthiness, they very much agree to that.

So you have a general perception that it should be a light hand, but knowing that there are restrictions of some form does improve their perception of safety or trustworthiness.

Next slide, please.

Now, there's another interesting dynamic here. One of the things that plays into that is they generally expect the domain industry to have some diligence. They expect the industry to have some level of precautions about who gets a name, screen being registrants, giving consumers what they expect. Pretty good marks -- very good marks there.

On the flip side, they're also very aware that there's lots of abuse out there. There are very high levels of awareness of bad behavior on the Internet. The only one that didn't tend to spike with high awareness was cybersquatting, which was much lower.

And what the interesting thing is to us is that the more aware I am of either abuse or the more fear I have, the actually higher ratings I gave for the trustworthiness of the domain industry.

So why is that? I think part of what's going on is that the more educated, the more knowledgeable people are, the less that they are

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to -- the more understanding they are. I think that's part of it. But the bigger thing that's going on there is they just don't associate those behaviors with the responsibility of the domain industry. And I'll show you a little bit more about that in another slide.

What they fear, what the sources of fear are is very much from targeted attacks. They're annoyed but not concerned so much about spamming, but they really fear their credentials are going to get stolen, those sorts of things. I've done other research projects where people worry about financial or identity theft.

So next slide.

So, as an example of that, we will look at specifically at stolen credentials.

We have a similar set of data for every one of the bad behaviors. But 20% say they've been impacted. Lower rate than the other types of behaviors. But 86% say they are scared or fearful that they will be impacted or they'll have some impact from that. So that relative, like I said, to spamming, the impacts is low. Many more people feel -- the majority, vast majority feel they have been impacted by spamming, but they don't fear spamming.

Down in the bottom right, the bubble chart there, is what have they done to help protect themselves. We see they've done the same thing they've used to protect themselves against every type of bad behavior. They've bought anti-virus software, or they've changed their Internet habits in some way. We also have stopped making online purchases.

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But it could be broader than that that they limit how or when or where they search, things like that.

But, when we ask whose responsibility is it to resolve these bad behaviors, all the large bubbles you see on the left-hand side there are law enforcement, various forms of law enforcement agencies. INTERPOL, local police, national law enforcement, et cetera. So it's really seen as a criminal activity and not necessarily something that is a regulated -- a regulatory activity.

So that's the high-level view. Again, the full report is available with a lot more detail.

GREG RAFERT:

All right. It's a pleasure to be here. The summary of our results thus far is also going to be at a relatively high level with a report coming in August. To the extent you have questions or feedback, we greatly welcome it. Please get in touch with me. My contact information will be at the end of the slides, and we'd love to hear from you.

So I think we can probably jump to the next slide.

So I'm the vice president of Analysis Group. My background is one of kind of a competition and antitrust. We're also working with Catherine Tucker, who is an associate professor at MIT Sloan School of Business. She had hoped to be here and wanted me to convey that she was sorry that she wasn't able to make it. So she's sorry.

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In terms of what we're looking to do, we really want to understand what are the competitive effects of ICANN's new gTLD program on, as the slide says, the marketplace for domain names. We want to look at what happened in the past. So what happened as new gTLDs began to enter, what's happening today to get a sense for the baseline, to some extent, so that a year from now we can then understand what's happening to competition or how are prices and things like that changing in the future.

So, in terms of assessing the competitive effects, we're going to look at a couple things. The primary factor is understanding the extent to which and how registrars and registries compete on price but also non-price factors. In non-price factors, you can think about, for example, what are the add-on features that a registrar offers or how does a particular gTLD really begin to differentiate itself from other TLDs in a significant way?

We also want to understand what consumers are doing. In particular or at least one way of thinking about that is understanding how registration volumes respond to things like differences in prices. So do you see consumers going to lower priced gTLDs or not and why, if they're not doing so? Are there any effect of the types of add-on features that registrars are offering or any other kind of non-price characteristics associated with the TLD? And then also do we see any effect of legacy TLD registrations, for example, on new gTLD entry.

Thanks.



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So, to give you a little bit of a sense for the preliminary results that we have thus far, I wanted to kind of walk you through before we talk a little bit about our approach. And these results are preliminary for two reasons. First, we're still working through some of the data that we've collected and received. And, as I think I mentioned earlier, those should be finalized in August.

But they're also preliminary because a lot of our work is kind of a baseline to understand what the current marketplace looks like. A year from now we'll update our results to get a better sense for how gTLDs, legacy gTLDs, registrars, registries, et cetera, are changing their prices or non-price offerings.

So, to finally summarize the results, what we've seen thus far is relatively little price differentiation amongst legacy gTLDs relative to new gTLDs. And my explanation for that might be that new gTLDs are better able to differentiate themselves. For example, .PHOTO might be able to charge a higher price because photographers individuals with a photography Web site are willing to pay for that recognition associated with .PHOTO. We also see that legacy TLDs tend to have higher markups relative to new gTLDs. Part of that might be a function of the relatively lower prices of legacy gTLDs. Part of that might be a function of the fact that legacy TLDs are just a little bit more well known as we saw from Nielsen's work. So we're still investigating that.

We've also begun to look at the effect of gTLD entry on legacy TLD registrations. Are you seeing kind of volume pulled away from existing

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TLDs? We haven't really seen much of that. The work is really preliminary, and so we may get to a point where we can say something that's a little bit more definitive. But, at least thus far, we haven't seen any type of movement within legacy TLD registrations.

And then, finally, we've begun looking at some of these non-price factors that registrars, in particular, offer. And so at a very high level -- and this probably won't shock anyone here today -- but we've seen that amongst registrars, web hosting and email are the most frequently offered. That doesn't really say anything about whether you see differential pricing for different TLDs. It doesn't really talk to significant extent about the competitive effects, but we wanted to kind of characterize what are we seeing in the data today. And then, finally, we note that -- at least in kind of as kind of a case study, that registration costs for a given domain name are low relative to the cost that one might face when -- if you wanted to add other types of add-on features to having your domain hosted or email, et cetera.

So just to give you a kind of a really high-level summary of our approach, we're going to be collecting and have collected data on registrar and registry prices, add-on offerings, both availability and their pricing and then, finally, domain registration volumes for a variety of TLDs. In terms of the way in which we constructed our sample and what TLDs we decided to collect data from and which TLDs we decided not to collect data from, we collected data from all legacy TLDs to the extent it was available. We sampled ccTLDs. There are a large number. In an ideal world we would have collected data from every single ccTLD that was out there. That was not possible. So

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what we did is we selected several from each of ICANN's regions, and we targeted those ccTLDs that had a relatively high registration volume to get, to some extent, the more popular ccTLDs.

And then finally, with respect to the new gTLDs, once again, it's a sample. There are lots of new gTLDs out there. There are more that will be coming in in the future. So we constructed our sample to achieve a couple goals. We wanted kind of currently popular -- or sorry -- new gTLDs. So based on current total registrations. Recently popular -- so we wanted to see -- we wanted to pull those or sample those new gTLDs that had achieved relatively significant growth over the last several months.

And then, finally, we wanted to make sure that we were including some new gTLDs that we thought might be competing against each other. And so, for example, if we -- if our -- if we included .HOTEL, we might also want to try and include other new gTLDs that might compete with .HOTEL that were kind of in the travel space.

So I think we can -- and sorry, actually, if you go back one.

One thing I should note is we collected data or we sampled from a little over 100 new gTLDs. That sample accounts for a little over 80% of total registration volumes amongst new gTLDs. So we're capturing a pretty big set of the registration -- of registrations.

So, in terms of the data collected to date, we've obtained registry prices for a little over 80 new gTLDs from the operating registries. Thank you for providing that data.

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For legacy TLDs we've also obtained historical price changes and registration volumes from ICANN. And then, with respect to the new gTLDs -- sorry. For our registrar pricing, we pulled manually 2015 list prices, add-on prices and availability from about 35 registrars.

We had hoped to get more detailed historical and current data from the registrars because we would be able to do a little bit more with the data in terms of analyzing competitive effects. We, unfortunately, didn't receive a lot of that data. And so we haven't done anything with it yet. But to the extent we received more data, we would be happy to analyze it.

Okay. Let's dive in to some of the results which we -- I previewed a couple of slides ago. So I'm not sure how much you can see based on what's up there.

So we're looking at over time, the wholesale general availability price for those legacy TLDs that have publicly available data. And the big takeaway from this slide is there's not a lot of price differentiation among the legacy TLDs. If you look at the most recent data, it ranges from about \$6 to a little over \$8 amongst this set of TLDs.

The other thing that we added to this slide, which I'm guessing you cannot see at all, is there's three vertical bars. The furthest right vertical bar looks at when new gTLDs began to enter into the market. Because we were curious whether or not we would see any type of price changes for the legacy TLDs. And the short version is I don't think we see anything. I can stare at this long enough and make up a story. But you don't really see a lot of price changes that result from at least the initial entry of the new gTLDs.

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So this chart is looking at price dispersion. So we wanted to get a sense for legacy TLDs, which are in blue, and new gTLDs which are in kind of this golden color.

What do we see? So the bottom axis, the X axis, is looking at the general availability price. And the Y axis is just the count of TLDs that fall in kind of a given price bucket.

And, at least to me, what I see here is among the legacy TLDs there's not a lot of price differentiation. And on average the prices are pretty low at the general availability level. When you look at new gTLDs, you see a lot more price dispersion, and on average the prices are a little higher. This is certainly suggestive, I think, of new gTLDs being able to better differentiate themselves from legacy TLDs. But that's I think an open question.

This chart is very similar to the chart we were just looking at with the only difference being that now we're looking at retail prices. So these were list prices that we collected from the registrars. And, once again, the story is pretty similar, relatively low dispersion and low prices for the legacy TLDs, much higher prices or somewhat higher prices and more prices version for the new gTLDs.

And so we also wanted to look at markups. So the markup here is the difference, the percentage difference between the retail and the wholesale price, once again, comparing legacy to new gTLDs. Legacy are once again in blue. New are in gold or yellow.

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And here you see kind of what I had alluded to earlier, which is that higher retail markup against the legacy TLDs. We're not quite sure why we're seeing that. Like I said, I offered some explanations when I first previewed these results. But, once again, it's an open question, I would say, as to why that exists.

So, moving a little bit away from prices now and thinking about whether or not registration volumes have been affected in any way by the entry of new gTLDs -- and, once again, I apologize that it's hard to read. But there's a furthest right vertical line with a little white box up there that is identifying when the first new gTLDs began to enter. And we were curious here as to whether or not we would see total registrations change. Here we're looking at total registrations amongst five of the largest legacy TLDs. Once again, I don't see much of a change. And we're continuing to look into this. If I stared long enough at this, I could maybe come up with a story that some of them seemed to flatten out a little bit over time. So we're going to be looking at things like monthly growth and year-on-year growth to see if there's anything there. But, looking at this chart, nothing really stands out to us.

Finally moving more to thinking about some of the add-on features that registrars offer, this is just a really simple chart. For each of the registrars that we manually collected data from, we asked, essentially -- so, for example, the furthest left bar up there -- how many -- what percent of those registrars offer hosting? And then moving what percent offer email and what percent offer server functionality, et

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cetera. So I think you can see, not terribly surprising, hosting an email are frequently offered add-ons.

One item that we're going to begin looking at are is do you see add-on features offered or not offered for different sets of TLDs, and do you see differential pricing across those add-on features? Based on what I've seen so far, the answer is probably no. But it's a question that's worth digging into. And then, finally, this is kind of a simple example, I think. We went to five large registrars. I think they account for 20% of total TLD registrations that are on this chart. And we picked five TLDs. And we wanted to get a sense for what was the registration cost as a percent of some of the other costs that you might incur if you decided to go and actually set up a Web site or domain name.

So, for example, .BERLIN, in -- actually, I think a better way of thinking about that is so email is this blue bar at the bottom. And, as you can see, the email cost across -- for each of the registrars is the same across each of those TLDs. And, once again, then we looked at hosting. It was the same price for all across, all the TLDs. The only thing that's really changing is that kind of red or fuchsia color, which is the registration costs. And I think the takeaway from this slide is it's relatively low compared to other costs that one might incur.

Finally, just in terms of next steps, so we're still crunching through the data. We will have a report that's finalized by August of 2015.

We're still hoping, as this slide says, to get a little bit more data from the registrars out there in the world. And so, if we get them sooner rather than later, then we will incorporate them into the work that we

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do. And then a year from now we'll update our results. And we'll kind of see what's changed, whether pricing has changed, whether the add-on features that are being offered have changed. And I'll probably see a lot of you in a year from now. So thank you.

TRANG NGUYEN:

Thank you, Greg.

Good afternoon, everyone. The particular review that I am going to be speaking about is the review of the implementation of the new gTLD program. This area of review falls under sort of the second bucket of section 9.3 of the Affirmation of Commitments, which called for a study of the effectiveness of the evaluation and application process. With regards to the study of effectiveness of the application and evaluation process, the way that that study is being carried out is via a self-assessment by ICANN. The self-assessment is -- go to the next slide. Sorry, Karen. The self-assessment will essentially assess how the implementation of the program aligned with the Applicant Guidebook and with the GNSO policy. It's also going to be examining the effectiveness and efficiency of the implementation of the program.

What I want to highlight is that what it is not a review of the Applicant Guidebook itself or of the GNSO policy.

The outcome of the reviews will be a report that we will publish for comments. And any comments that are submitted will be incorporated into the final report which we'll publish.



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The final report will be provided to the CCT review team to inform its work. And we're also going to use it to inform our work in developing procedures for the coming round.

So we recognize that the implementation of the program involved participation for many stakeholders, not just ICANN.

The self-assessment is really meant to capture ICANN's experience in implementing the program. And, to the extent possible, we are also including any feedback and experiences that the evaluation panels and service providers have shared with us.

But we hope that -- what we hope is that self-assessment and report that we're going to be publishing will serve as a mechanism for everybody else, you know, that was involved with the program to share their own experience. Because I think a collective set of experiences from all of these stakeholders, you know, through the program implementation will be very useful to the CCT review team to have a complete picture.

So, with regards to the assessment, the assessment is organized to sort of mirror the Applicant Guidebook modules. We have 26 review topics that are organized into eight chapters. So I know there are only six Applicant Guidebook modules, so the math doesn't quite work out. But let me explain.

Chapters 1 through 5 of the assessment are going to mirror modules 1 through 5 of the Applicant Guidebook. Chapter 6 of the Applicant Guidebook, as you know, talks about the terms and conditions of

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participating in the program. So that's not going to be represented in our assessment. Instead, chapter 6 and 7 of our assessment is going -- are going to cover the applicant support program and the continuing operations instrument. We feel that those two topics are substantive topics and sort of deserve their own chapters.

And we've added chapter 8 to talk about program operations. What that is is basically the processes, systems, tools that we use in support of the program. It's also, you know, the program financial management, how we manage our vendors, customer service, communications. You know, those are really important aspect in the implementation of the program that weren't necessarily discussed at length in the Applicant Guidebook but we thought were critical in our implementation of the program so we're including them in the assessment.

So to guide the assessment, we've defined six review dimensions that you see here on the slide. Each topic is going to be assessed against a relevant dimension, and not all dimensions are relevant to a particular topic. So what that means is say, for example, the security and stability dimension, that dimension is probably not so relevant to the topic of prioritization but it is absolutely relevant to the topic of registry services evaluation. So it's going to be talked about in much greater detail when we discuss the registry services evaluation than it will when we talk about prioritization.

So this slide shows you sort of a progress update on the work that we've been doing. We've made a lot of progress. In addition to

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defining the six review dimensions that I just talked about and also defining the review topics, we've created a report template. It actually went through several rounds of revisions. We wanted to make sure that the information that we are presenting to you is presented in a manner that makes sense and can be followed easily. We have also identified a relevant guidance for all 26 topics, which is very important because the implementation of the program is based on the Applicant Guidebook and GNSO policy and we need to identify the relevant guidance for each of the topics so that an accurate assessment of how ICANN's implementation aligned or did not align with the guidance can be performed. We've also actually drafted all 26 topics. We've also identified all of the stats and data that we wanted to pull in order to support those 26 topics. We've also drafted a glossary because as you know, we use a lot of acronyms here and we wanted to make sure everyone has a common understanding as they read the report. We've also drafted a forward to the report because it's important to set up why we're undertaking this review and explain what we're doing and why we're doing it.

Can you go back one slide, Karen? Sorry. So I've just talked about the work that we've actually completed, but there's still a lot of work we need to do. All of these 26 -- I call them papers but 26 papers that we have written are currently going through internal reviews. Those of you that are close to the program knows that a lot of these topics are not stand-alone topics. They're all interrelated. So there's a lot of internal sort of report checkings that we need to do. You know, for example, change request is in and of itself a topic that we talk about

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but change request also impact initial evaluation, contention resolution, and contracting, so we want to make sure that, you know, a change request is reflected in the discussion on those areas as well. So there's a lot of internal checkings and references that we have to do.

In addition to that, of course we have to finalize the report and that means formatting the report and updating final stats and then also writing an executive summary.

So this last slide shows a timeline. At the last ICANN meeting we informed you that the publication of the report would occur by June 30. That publication date has now been pushed to September. The reason that the publication date has been pushed is because we've expanded the scope of the report to include two new review areas, applicant support and Continued Operations Instrument. Currently we anticipate that the report will be published for comments in September, and that it would be published for longer than the standard 42-day public comment window. And that's primarily because we anticipate that the report would be quite substantial. At this point it's looking like about a 250- to 300-page report. So to make sure that the community has time to consume the report, provide feedback, and share their own experiences, we're probably going to publish it for a minimum of 60-day comment period. Any feedback and experience shared would be incorporated with the final report expected to be published by the end of the calendar year.

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KAREN LENTZ:

Thank you, Trang. The third area relating to the CCT review that I'll talk about is the review activities we have in progress relating to rights protection and the rights protection mechanisms that were built into the new gTLD program.

When we met in Singapore we had a public comment period open on a draft panel review report. We've since closed that comment period and are working on updating the report based on the feedback that was received.

So we had three goals in publishing that paper, listed here. We had to, first of all, capture the user experience with the rights protections mechanisms now that they were in use. And when I say user experience, the paper posed a long set of questions that were -- we were hoping to obtain input from a broad group of stakeholders so it wasn't just about, you know, holders of trademark rights. It was about how do -- how do the RPMs work in the context of the DNS ecosystem. We also hoped to be able to, you know, put on paper the entire range of issues that could be discussed relating to these rights protection mechanisms so that that could be a supporting document for additional work. And then finally we wanted to use that report to help us gauge the level of impact of some of the issues and topics.

You know, there's -- if you look at the range, there's a whole -- whole set of things that you could potentially do more work on. So we wanted to look at the feedback and how -- use that to help potentially prioritize where would it be worth spending more resources.

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So as I mentioned, the comment period is closed, and we are in the process of updating it. This report will be an input to the CCT review team. It will also, we think, serve a couple of other purposes. One is an independent review of the trademark clearinghouse which we have -- which we're gearing up to do. That's -- will -- the paper will allow us to sort of delve in -- more deeply into what the broad report just sort of touched on. And there's also within the GNSO a request for an issue report on rights protection mechanisms, and so we hope that this report will be a useful input to helping define the issues that may be subject to policy work.

So what did we hear in the comments? I've listed here five of the things that were mentioned quite a bit. This is not a complete summary, obviously. The whole summary link is at the bottom of the screen there. But some of the things that came up quite a bit, first one was what's called premium pricing. So concerns were expressed about -- in terms of trademark holders going to register names during a sunrise period, kind of lack of understanding about what the pricing practices were and what was allowed and how that worked.

Secondly, there was quite a lot of comment from a few directions about reserved names. So definitely room for clarification on, you know, what the -- the parameters are around registries who reserve names and how they get released, what the requirements are in each case, how you can put something on a list or find out if something is on a list. And, you know, in addition to the clarification, the kind of underlying concern in some cases was that potentially this ability to reserve names could be a means to circumvent sunrise requirements.

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In the topic of trademark claims, the comments really mostly went to, you know, it seems to be working well as a tool for providing notices throughout the registration process and if that's the case, why stop it at 90 days? So there was some interest expressed in extending that service.

In terms of the URS, the kind of key comment that we got there was that there's interest in adding the transfer capability to the suspension system that exists in the URS. The sense that the URS hasn't yet been widely used because it does not offer that option because it -- it is limited to a suspension.

Finally, I'll touch on blocking services. So this was also something that was mentioned in the -- in the case of sunrises or start-up -- TLD start-ups where registries were offering some form of protected marks list or other service where you could pay to block your term from being registered by somebody else. There were a lot of positive comments on those types of services as being useful and cost effective, with some also stated concerns about consistency between the different registries or services or not quite always understanding what the rules were around those blocks.

We also got in the public comment, and this is kind of something we expected, too, a number of things that weren't so much topics for future consideration in terms of policy but operational type improvements that we could consider. For example, use of electronic signatures in submitting marks to the clearinghouse. There was a lot about trying to track the TLD start-up info, when sunrises were

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starting, how they -- how people could find if information changed. A lot of requests for more -- more clarity there and more ease of use for that -- the publication of that information.

Customer service came up a lot, too, in terms of the error rates at the trademark clearinghouse and what means were available to help -- to help people submit their marks and go through that process. And these are things that we've started and we'll continue to look at with our trademark clearinghouse providers to address those comments.

So what's coming up in the next two or three months relating to rights protection? We expect we will be able to publish the updated RPM review report in July. The trademark clearinghouse independent review we estimate will be able to kick off in September. Also, as Margie will talk about, we're planning on publishing the CCT review team call for volunteers in September. And the GNSO issue report, which relates to all RPMs, not just these new ones, we are preparing to support delivery of that in October. I'll also mention on the RPM review report at the top there that it will be an input to the CCT review team and by the time that team begins its work a July report may be a bit outdated so we do also intend to issue updates as necessary to support the review team and make sure they have the most relevant information.

MARGIE MILAM:

I'm going to talk briefly about the preparations for the CCT review. As you've heard from the many panelists, there's been a lot of work over the last six months to a year trying to get ready for this review. That's



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the purpose of all these collection efforts. Many more years as Jonathan points out. Just to remind you, there are four reviews under the Affirmation of Commitments. This one is the first one of this nature. And when you look at the scope, as we've talked about it in this session, it's pretty broad. I mean, we're looking at competition issues, consumer trust, consumer choice as well as these effectiveness issues -- concerns and examinations of the application process. And then there's also looking into the safeguards that mitigate the issues related to the introduction or the expansion. So that's a pretty big scope. And even with all the information we're talking about, we're making preparations for a very detailed review and trying to make sure that we have the proper support to be able to facilitate that review.

To give you a little background on the timing, it's to start one year after new gTLDs are in operation. So we're looking at, as Karen mentioned, the call for volunteers in September, end of September. And then this is a recurring process. So it's anticipated under the Affirmation of Commitments that there will be another one two years later and then every four years. Now, one of the questions that I think the broad community has is how does -- how does the transition fit into this and will it change the nature of the reviews? At this point we're going forward with the review as if, you know, nothing's changed. We want to make sure that we get that work done, and if there's changes that will be in the future, one of the things I like to point out is there's currently a public comment period open on this whole review cycles, and if you have any input on that, please provide

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comments by July 2. One of the issues that I think this community faces is that we have three reviews that will be kicking off at the same time, the WHOIS one, the security and stability one, and this one. So just to flag that for you. Next slide, please.

And so as we prepare for the composition of the review team, the Affirmation of Commitments says that the community members -- that this will be a review that consisting of the GAC chair, the ICANN CEO, or the designated nominees. There will also be relevant representatives from the different SOs and ACs and independent experts. And the composition is agreed to by the GAC chair and the ICANN CEO. So as we get ready for the call for volunteers in September, we're -- we're working to identify the kinds of experience that we want -- we would like to see in that membership team so that if it can adequately address all of the issues that I've identified. Next slide, please.

And so with the timeline as I mentioned currently, we're in the planning phase for the formation of the review team. We anticipate doing the call for volunteers in September. We anticipate then that the review team will basically be identified in the December time frame and some of these reports that we've mentioned will be available then for the review team. And the real work of the review team we think will start in March of next year. And that it will take approximately a year to go to the final report that would go to the board. And one of the things I wanted to point out is that after the Board takes a look at the recommendations from the review team, there's additionally additional work that takes place. So if you remember the WHOIS review team, for example. There will be an

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implementation process that gets kicked off to the extent that the recommendations relate to implementation and there also may be policy-related issues if the recommendations from the review team call for GNSO policy work with respect to some of the issues. So it's a very long process, when you think about what happens even after the review team finishes its work. And I think that's all I wanted to cover for this. And now David.

DAVID CONRAD:

Hi, I'm David Conrad. I was asked to talk about the root stability study that we're going to be doing. So as you know, ICANN's mission statement says that we care about security, stability, and resiliency of the Internet system of unique identifiers. So one of the aspects of that is we have a requirement before we can do the next round to study how the new gTLD has -- the program has impacted the stability of the root system. So in order to do that we have begun the process of initiating a study. We've issued an RFP on the 5th of June. The point of that study will be to use data from various sources, including the root server operators as well as any historical data that's made available, so that we can understand the impact of the new gTLD system to the root of the DNS. The proposals are due in about ten days, so if you're interested, you still have a bit of time to submit a proposal. We anticipate the start date of this project to be somewhere around the 10th of August and intend for the draft report to be published about ten months later in May of 2016. That draft report will then be provided for public comment. We anticipate that that first draft will inform the context and content of the final study. The public

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comment will go to somewhere around June/July of 2016. We will then take those comments and formulate the -- the final report which will be published in -- somewhere in April of 2017. That's about all I have for this particular topic. So --

KAREN LENTZ:

Thank you, David. So we're going to shift now into some speakers from our supporting organizations and advisory committees. Many of these groups are also having open sessions this week. So they'll give kind of short updates here. But if you want to learn more, you can -- I hope they'll tell you about the other sessions that they have.

I also wanted to mention, there is one that we're not having an update from here which is the -- there's a GAC working group on community applications. There's an update on that tomorrow at 3:00 p.m. You can find that on the GAC agenda. And I also wanted to mention that if you think that there's work going on here that we're not taking account of that we should be, it probably means we don't know about it. So please do come up afterwards and let us know if you think that there's something that we've missed in this session. And I'll turn it to Bret. Thanks.

BRET FAUSETT:

Thank you, Karen. I'm Bret Fausett. I'm one of the co-chairs of the GNSO's discussion group on subsequent rounds of new gTLDs.

You can move to the next slide there.

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This is also a bit of a pivot point in the presentation because we've been looking at what we've done and the work that we're doing in the GNSO now is looking forward. How do we take all these reviews that are under way and how do we take our own experiences as both applicants, registrants, trademark owners, and use those experiences to inform what we do down the road.

There was a very short window in 2012 in which ICANN accepted applications for new gTLDs. There will be another opening of a window in the future. And so what we're trying to look at inside the GNSO is do we want to make policy course corrections in the way those applications are accepted and reviewed.

So let me tell you -- Let me take you through sort of how we came to where we are, what our current status of the work is, and where I think we're going to go from here.

Move to the next slide.

So there was a feeling in the GNSO which, as most of you know, has responsibility for creating a policy regarding generic names. There was a feeling inside the group that we needed to learn the lessons of the last round, which we've got reviews under way for. We also had our own experiences. And we wanted to capture them while they were still fresh had our minds, and we also wanted to use those experiences to inform what we might do in the future.

So the way the GNSO works is there's a policy development process, a formal policy development group that looks for consensus and then

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makes recommendations to the Board. Before that can be initiated there's a requirement for an issue report. It's a little bit like an impact study where you look at the issues, who is impacted, what do we need to look at if we have a policy development process.

Well, this was so large and there were so many issues that could possibly be included in an issue report that we thought it was better to try to capture those issues and scope out the work that we would do and policy work before we move to the issue report.

So we created a discussion room. We did not make any policy inside of it. And we asked people to come forward and identify issues that might be appropriate for future you policy development work.

We had broad participation inside the group, I think from pretty much every constituency body inside the GNSO and also the ALAC, and people who I think even weren't part of any organization.

You can move to the next slide here.

We hold a number of face-to-face meetings at these ICANN meetings, monthly, and then biweekly toward the end, teleconferences, and we ask people to come forward with fairly stated issues that they wanted to see included in our work. The only -- And we work very collaboratively. We were quite liberal in what we took in. We didn't tell anyone that an issue was inappropriate. The only thing we told them was that if the issue was argumentatively phrased so that it sort of prejudged an outcome, could they kindly phrase it in such a way that was open and neutral. And we have over a hundred issues that

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we've identified that now, we've tied a ribbon on it for the time being. The policy development work that will happen in the future can certainly take account of what's coming through the other review groups and anything that comes up subsequently. But I think with these hundred-plus issues we have a very robust set of concerns from the community and from all aspects of the community.

We have presented the GNSO Council here in Buenos Aires with a motion to take these issues that we have given it and create an issue report.

See the next slide.

That is scheduled for Wednesday of this week for a vote. I hope that we will have a unanimous vote by the council. At least I'm trying to talk to as many people as possible to get that result. I think there's -- We might disagree on where the course corrections are for a subsequent round, but I think there's universal agreement that course corrections are needed. We'll save our debates down the road for what those course corrections should be, but at least we're going to start the process for making course corrections.

If that vote passes this week, this is the timeline you'll see. There will be a preliminary issue report that will come out late in the summer. That's a staff-prepared document. That will be open for public comment. And then after the public comment closes, we will have the opportunity to initiate a policy development process, possibly at our meeting in Dublin. That would be where we go from there.

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As you've heard, it looks like there's a lot of reviews under way that will culminate in the end of Q2 2017. I would expect the GNO's work to follow that, maybe one meeting cycle, so perhaps finish in the second half of 2017, so you can sort of use that as a best estimate of when there might be subsequent rounds.

Next slide.

And you can find a summary of our work to date, including a package of the issues that we delivered to the Council here. I created a quick short URL before the presentation. You can also find this at [newgtld.click](http://newgtld.click). And the last link on the page is a list of our deliverables.

KAREN LENTZ:

Thank you, Bret. So next on the agenda we had Nicolas.

NICOLAS CABALLERO:

Thank you very much. My name is Nicolas Caballero. I'm from Paraguay. I'm the GAC representative for Paraguay, and I'm basically replacing Olga Cavalli from Argentina regarding the presentation on geographic names.

Next slide.

According to the GAC Durban communique back in July 2013 -- and I need to turn off my phone. Sorry.

Basically the objectives of this working group are to lower uncertainty for the applicant for countries, for regions, and for communities. Also



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to prevent or avoid misuse of names which are relevant for communities, regions, countries, et cetera.

Lower the conflicts, once the results of new round of new gTLDs will be announced, and give background information which can be useful to ICANN in the definition of the next round of new gTLD rules.

Next slide, please. Thank you.

The working group on new background document focused on possible actions at the national and regional level to protect geographic names; possible text for new Applicant Guidebook or other future document; possible best practice guidelines; analysis of legal concerns raised in public comments; analysis of community concerns, like should geographic names or community-related names be "community applications" in new rounds of new gTLDs; and analysis of the public interest concept.

Some ideas for best practice guidelines are to promote an early contact between applicant and relevant authorities and communities related with the geographic or community name; enhance outreach efforts for the next new gTLD round; establish clear steps or ways forward for both the applicants and governments in reaching consensus in relation with the applied gTLD; establish a clear process for governments to raise their concerns when their territories', regions, cities, or other relevant names are used in the next new gTLD round; and establish rules about what's next if there is no consensus reached between both parties.

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What are the next steps? Well, ICANN is where the new gTLD process is happening. There were some problems in the past, which means that no changes to the rules equals some -- I mean the same problems in the future.

So the working group will present during this meeting a new version of the background document that includes information from community comments: legal concerns, community concerns, and a revision of the public interest concept.

The working group will be meeting during -- I guess it's tomorrow, I'm not sure exactly when they're meeting, and through conference calls between face-to-face meetings.

Sorry. That's the next one.

In case you have any kind of question or doubt, you can send an email to Olga Cavalli. I'm sure the organization has the right email and everything.

Thank you.

KAREN LENTZ:

Thank you, Nicolas.

Next on the agenda, we have Tracy Hackshaw from the GAC working group on underserved regions.

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TRACY HACKSHAW:

Hi, good afternoon, everyone. I'm one of the co-chairs of the newly established GAC working group on underserved regions. And what our group is attempting to do is seek to address needs of certain groupings within the GAC environment who are traditionally underserved in terms of the DNS industry and DNS sector.

One of the things that you would have heard about or seen in the last - for the new gTLD program would have been a support program, an Applicant Support Program that would have happened with the last initiative. However, it was very undersubscribed, and I believe only -- I think less than five applicants took up the offer. And there was a \$2 million pool that ICANN had established to support those applicants.

Some of the issues we determined that may have been as a result of that were a lack of effective promotion, marketing of the program in those communities, a lack of capacity and knowledge in those regions to take up something like a new gTLD program, as well as, obviously, the resources, the actual resources to treat with the S.U. So this working group seeks to address some of those imbalances and develop some positions and some papers that we can prescribe or propose to the GAC in the first instance and then hopefully to ICANN to treat the issue more comprehensively in the future.

Next slide.

All right. So just briefly, an underserved region is one which is defined as -- which doesn't have a well developed DNS industry, has a low awareness within its government of ICANN and the functions and policy processes and the way that these policies affect it. So it's

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something we need to address under capacity building, training, sensitization, and so on.

Next slide.

So some of the work plan issues we are trying to treat with focusing on ccTLDs, as you may be aware. Governments and ccTLDs have a certain relationship within some of these regions, and we're trying to do some work projects to understand, address what these concerns might be. And as you may be aware, some ccTLDs might be also interested in establishing their own new gTLD program as a business in those sectors.

We also are looking, as I indicated before, to engage with the team, the review team and the various working groups to understand and address some of the challenges the program faced, and going forward, even talking about things like remedial round and so on.

And also working with the auction fees working group to see how best we can perhaps utilize some of those proceeds to treat the issues I raised earlier. And as I said before, capacity building is one of the major trusts of our initiative, to ensure that the entire DNS industry, both from the standpoint of the businesses as well as the stakeholder - all stakeholders involved, including the users and the academic communities and so on in those regions will be able to understand and treat with the new gTLD program coming forward as well as any additional issues that may arise within the program.

I think that's about it.

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Thank you very much.

ANNEBETH LANGE:

I'm Annebeth Lange from ccNSO and representing the Cross-Community Working Group for the use of country and territory names as ccTLDs. And this working group is building on the result of the ccNSO study group with the same name, which delivered its fine report in July 2013 and can be found on the ccNSO Web site.

We were chartered in March 2014 by our respective sponsoring organizations and have participations from GNSO, ALAC, GAC, and the ccNSO, with co-chairs from GNSO and ccNSO. And we have face-to-face meetings during ICANN meetings, and teleconferences in between.

Our objective is to draw upon the collective expertise of the participating SOs and ACs and others to explore how country and territory names could be used as TLDs. As up might know, they are not applicable today.

We have reached out to the GAC's working group on the protection of geographical names as TLDs, but it is important to point out that our working group, our mandate is restricted to TLDs only, not second level, and only country and territory names, deriving from the ISO 3166 list which also is the origin of ccTLDs.

Heather Forrest will give you a short update of the status where we are today and the work forward.

HEATHER FORREST:

Thank you, Annebeth. My name is Heather Forrest. I'm a GNSO co-chair of the Cross-Community Working Group on the use of country and territory names as TLDs, and I'll speak a bit to our charter.

Our charter tasks us with essentially two things. Number one, evaluating whether it's possible to develop a framework on the future use of country and territory names as TLDs. And to the extent that we do think that it is feasible and possible to do so, then developing some substantive recommendations as to what that framework would look like.

Our charter is worded very broadly. We do not have and, therefore, it's up to us to define or develop meanings of the term "framework" and of the term "country" and "territory names." So this is part of our challenge. And hence, the outputs that our Cross-Community Working Group eventuates will depend on how we interpret those terms. We, to this point, have interpreted our charter as challenging us to identify the status quo ICANN policy and the justifications for that status quo policy, and then future options for the use of two-letter codes, three-letter codes, and country and territory names.

In our meeting this morning, we made some very solid progress on exploring the options for the future use of two-letter codes. We're working sequentially dealing with two-letter codes first. We'll pick up three-letter codes -- I believe we'll have that work under way before we get to ICANN 54, with some hardy, substantive discussions at ICANN 54 on that topic.

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In our meeting this morning on -- focusing on two-letter codes, we've we explored really all options for their future use. Everything from maintaining the status quo to fully unrestricted use.

We, as a group, as Annebeth has pointed out, have identified the risk of duplicated effort and conflicting outcomes from our Cross-Community Working Group, the GAC working group, and the release of country and territory names at the second level. And this is something that we, as a community, need to address going forward.

Thank you very much.

JIM GALVIN:

Thank you. So I'm Jim Galvin, vice chair of the SSAC and representing one of our work parties that we have in progress now. This is my only slide. And essentially what SSAC is doing is it has taken -- the purpose here is to, within the constraints of SSAC's remit and its charter, is we are also looking at the new gTLD program as it has executed up to this point, and going forward while the work party exists, and considering whether there are any suggestions that we would make, new recommendations that we would make with respect to that program in order to improve the next round that presumably will come around at some point in the future here.

And we're looking to answer the three questions that you see up here.

Let me take a second to say something about how SSAC works, just so everybody is clear. Normally, what happens is, when you take on a substantive topic such as this one reviewing the gTLD program, we

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have individuals who will get together and agree to volunteer to do the main substance of the work. So there is a small group of us who meet on a semi-regular basis. And we talk about all of the issues. And then this work is brought to the full SSAC for review and comments so that all SSAC work products always represent the consensus of the SSAC committee as a whole.

I should also point out that, even though we undertake to discuss this issue in topic, that doesn't guarantee that we will produce any particular work product. So it's just important to note that we are taking this under advisement and taking it seriously. But if in the end there turns out not to be anything to say, then there will be no work product that comes out of it and the work party simply shuts down and we move on to the next item.

So these three questions -- the way we're approaching this work is, first, to look at all of the recommendations that are related to the new gTLD program that has existed since SAC045 which was published in November of 2010. In particular, what you want to think about is looking at the recommendation and what actions have been taken. Is there any new information that we think is relevant that we'd want to add to our findings that might cause the recommendation to be proposed a little bit differently? So we might want to restate it and suggest something a little different. Or perhaps we have a comment that we want to add to the action that has been taken to date.

Of course, not all recommendations up to this point have been acted on. One example came from David Conrad down the panel here.



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Because he's talking about some of their root scaling measurements and analysis they want to do. And that actually was some of the recommendations that SSAC had proposed in some of its earlier documents along the way here.

But other things, in addition to root scaling -- I mean, SSAC has created recommendations in a number of other contexts which have been very popular and well-discussed inside the community at large. So, in addition to root scaling, you have name collision issues and reserved names issues. There have been several recommendations across a couple of different documents in those spaces. And we will be looking at those in particular to consider if we've learned anything new that's relevant to say about those recommendations.

A second issue that we will consider is whether there are any new recommendations. Now, keep in mind that SSAC as remit is only to look at security and stability issues related to the naming and number systems. So this is not intended to reflect that we're going to do any broad review of the entire program. We're only going to focus on the issues that are within SSAC's charter. But, since we do have several members who have a fair amount of experience working with the program, there's an opportunity for discussion and issues to be brought to the table that we can then walk through and see if there's anything we want to say.

And, finally -- and this is probably the most important point up here on the slide. Several times in history there have been points raised about whether or not an action was taken in a timely fashion in the past.

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SSAC may or may not need to make a recommendation that could be interpreted in a couple different ways in the past. And people have often wondered, well, we told you back then. Why didn't you do that?

And, in fairness to all of that, one of the things that we're specifically going to look at is whether we want to call out that something should get some kind of action and be considered before the next round starts or not.

In general, SSAC's advice just stands on its own merit. So we make a recommendation, it's supported by some findings, and we expect the community to react in whatever way it deems as appropriate. But we will take the extra step this time to consider for those things that have not actually been acted upon yet -- and that's okay, there are a few that haven't -- and if we make any new recommendations, we'll make a point of stating if we think that this recommendation should be acted upon before the next round comes around. And we'll state why, so the community can fully consider that issue, too, in its review of our recommendations.

Thank you.

KAREN LENTZ:

Thank you, Jim. And thank you to all of our panelists for the work in preparing of all of this material. You can see there's a lot to -- there's a lot happening, there's a lot to talk about.

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So last item here is the questions and answers. If you have a question, you can step up to the microphone here next to Cyrus, or if you're remote, you can type it into the chat and Cristina will read it for us.

So open to questions for any of the speakers.

WERNER STAUB: I have -- Sorry. Werner Staub from CORE. I have just a question about the analysis that was made with the Nielsen questionnaire. Is that questionnaire available in detail?

DAVID DICKINSON: Yes, it is posted and it is available, so for full review.

WERNER STAUB: The reason why I'm asking is that some of the outcomes seem opposite to the experience that we've made, specifically about ccTLDs. We usually find much greater recognition for those, but it probably would depend on who was asked at which place about which city TLD.

DAVID DICKINSON: CCT -- Excuse me. ccTLD --

WERNER STAUB: City.

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DAVID DICKINSON: Oh, City TLDs.

WERNER STAUB: Yeah.

DAVID DICKINSON: Yeah, so you have to remember this was done last February, so there has been some elapsed time, and we used a subset of -- I think there were three city TLDs that were included in our set. And we only asked them within regional -- and within areas where that might be regionally appropriate.

WERNER STAUB: So, for instance, you would ask a person in the U.S. if they heard about .NEWYORK or .NYC.

UNKNOWN SPEAKER: Exactly.

WERNER STAUB: But not necessarily the people in that city. So you couldn't check on that.

UNKNOWN SPEAKER: Yeah, exactly.

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WERNER STAUB:                    Okay. That explains it.

UNKNOWN SPEAKER:            So, if Berlin was asked pretty much of the entire European region, for example. Not just the people in Berlin.

KAREN LENTZ:                    Just to add, the full questionnaire is available on our site. On the new gTLD page, there's a program reviews tab. And you can find -- you can download the full questionnaire there.

JORDYN BUCHANAN:            Hi. Jordyn Buchanan with Google. I have a couple questions about the root server scaling review. Second of which maybe goes to other reviews as well.

But the first question is: Are you considering at all the effects of cache fragmentation on recursive resolvers, or are you purely looking at the effects on the root?

UNKNOWN SPEAKER:            So, at this point, we've issued an RFP for a partner to help us on that report. We haven't gone into excruciating detail about the methodology by which the partner will derive the data associated with the root scaling study that they will be doing. Something like looking at fragmentation would be interesting -- cache fragmentation would

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be interesting, although I'm not sure how we would be able to obtain such data ourselves.

If there are organizations who, say, run large caching servers who would be interested in providing us such data, I'm sure we'd be happy to accept it.

JORDYN BUCHANAN: Let me rephrase my question. I guess do you consider effects on changes to the root zone on things like the recursive revolving universe in scope of that review or not?

UNKNOWN SPEAKER: So, you know, the intent of the review is to study the impact of the new gTLD program on the system -- root system as a whole. So that would presumably fall in the scope.

JORDYN BUCHANAN: My second question is why the heck is it going to take so long? I don't understand -- like, either -- are you waiting for data to be collected? Is it analysis of the data? Is it figuring out what you want to analyze? What went into developing those timelines?

UNKNOWN SPEAKER: Did you want to talk to it? I can talk to it. So part of it is identifying the data sets to collect establishing the necessary agreements in which to

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obtain the data. We have to enter into, in some cases, you know, some data access agreements.

And then, you know, working through that data to try to provide a reasonable analysis that will stand up to the friendly scrutiny of the community.

When we did the original root scaling study back whenever that was, 2008, 2009, I recall it taking on the order of six to eight months. So this doesn't seem to be outside of the realm of that.

JORDYN BUCHANAN:

So I guess I'll conclude with a comment, which is: I think, if you look back at the name collision topic, which probably required some -- looking at similar but not identical data sets, I think you would even look -- in the scope of an ICANN public comment period, you got a number of fairly robust sets of analyses from various parties even over like a 42-day period. So it seems like we might be able -- even though you're right. I'm sure you could spend six to eight months thinking about it. You might also encourage people to move a little faster as well. Thanks.

RUBENS KUHL:

I'm Rubens Kuhl of .BR. I have a comment regarding the competitive analysis.

There is a figure of a markup from wholesale to registered pricing. It's possible it's not that simple, that registrars had a fixed cost like

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transaction cost or handling cost and then a markup price. That would probably explain why you see a larger markup on registries with a lower wholesale pricing, because there is a fixed cost that you want to add. So probably fixed plus variable cost would model better that phenomenon. Thank you.

UNKNOWN SPEAKER: I appreciate the comment. That is really good to know. And, if there are any other comments like that out there, I would be happy to hear them. Thanks.

REMOTE INTERVENTION: Hi, this is Cristina Flores. And we have several questions from the remote participants.

The first two questions are from Adrienne with Atgron. She asks: How is the rights protection mechanism document communicated to new registries and new gTLD applicants? We signed our contract on 1 October and the RPM document was released on the ICANN home page on 30 September. But it was never reported directly to us by ICANN during contract negotiations or any time after. We were informed about the document during a random conversation with a registrar when communicating our proposed sunrise plans.

Oh, sure.

UNKNOWN SPEAKER: Slow down.



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REMOTE INTERVENTION: Okay. How is the rights protection mechanism document communicated to new registries and new gTLD applicants? We signed our contract 1 October, and the RPM document was released on the ICANN home page on 30 September. But it was never reported directly to us by ICANN during contract negotiations or any time after. We were informed about the document during a random conversation with a registrar when communicating our proposed sunrise plans.

KAREN LENTZ: This is Karen Lentz. So, Adrienne, if I understand the question, it's about the RPM requirements section of the registry agreement, which is part of spec 7. So, you know, I don't know that the timing of your agreement exactly. But this is incorporated into the registry agreement. So, during the negotiation process, there's not a -- you know, a specific notice of specific sections of the agreement. But it's incorporated into that process in general.

If that's not what you meant by your question, then, you know, let us know. And we can look at it again. Thanks.

REMOTE INTERVENTION: Thanks, Karen. Adrienne also had a second question.

Similar to our question about the RPM document, we would also like to know how the specifically TLD startup form required to accompany the TLD startup plan has been communicated to new registries and

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new gTLD applicants. We were informed that the form could be found on the ICANN trademark clearinghouse web page after we submitted our startup plan and waited five days for ICANN to inform us our submission was incomplete.

KAREN LENTZ:

So thank you, Adrienne. So the -- well, again, I don't know the timing of your specific circumstances. But typically, once an agreement is signed, there's a welcome packet. And there's access to the portal, which gives you access to all of these forms and instructions. But, if you would maybe send your question in to customer service through the portal, we can take a look at your specific circumstances. Thanks.

REMOTE INTERVENTION:

She also submitted a final comment, which is: The result of these delays were significant to our go live. We signed contract number 51, and we were the 120th TLD to start our sunrise period.

DANNY McPHERSON:

Danny McPherson, VeriSign. So I wanted to pile on to what Jordyn mentioned, actually, for Dave Conrad and the root scaling study and make sure it doesn't focus. I think there was a misstep in the last iteration of this where a lot of what we did focused on the impacts of the root server system itself as opposed to what we ended up finding, things like public suffix list, internal name certificates, name collisions, those things that aren't in the root server system itself but result in

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some sort of impact on the broader Internet or the usability of new gTLDs.

And so I did read the RFP. And I was going to send that comment in. But -- and it is fairly tightly scoped with the root server system, and I hope we don't misstep again. I do think that we've learned a lot from the previous work SSAC and ICANN has done with the last round, and we may not have those issues. But I would like to make sure that it's not so tightly scoped to -- just to the root server system that does include things like recursive name server fragmentation and the like, if we can do that. Thanks, Dave.

REMOTE INTERVENTION:

Hi again. Two questions from Constantine Roussos at .MUSIC. The first question is for the Analysis Group and Greg Rafert.

With respect to the competitive effects of ICANN's new gTLD program, will the report have any analysis on, quote, community generic strings in comparison to, quote, non-community generic strings?

GREG RAFERT:

So excuse me. I think the answer is likely yes. So one of things that we're thinking about doing is looking within different types -- if I understand the question -- is looking within different types of gTLDs to understand whether or not the results that we're seeing more broadly or kind of consistent or mirrored and looking at slightly different cuts of the TLD space. So, like I said, if I understand the question, I think it's yes.

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REMOTE INTERVENTION: Thank you. The second question pertains to the creation of minimum requirements for a valid abuse complaint that is under discussion with ICANN compliance.

Would ICANN compliance consider a minimum requirement threshold based on overwhelmingly high take-down rate -- excuse me -- overwhelmingly high take-down requests against a domain name? For example, a domain receiving over 10,000 take-down requests based on Google's ongoing transparency report.

If so, will there be any public comment period opened or process to offer such recommendations directly to ICANN compliance to consider?

KAREN LENTZ: This is Karen Lentz. So, Constantine, I think I'm not sure there's anyone here on this panel who can answer that question relating to the proposal or discussions in the compliance area.

There are a few sessions at ICANN 53 this week with a compliance focus. So perhaps you could direct them there or, you know, get in touch with the compliance team through the forms on the Web site. I apologize that we can't address that here. Thanks.

REMOTE INTERVENTION: Thank you.

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There's one more comment and another question from remote participants. A comment from Adrienne in response to your previous answer. I believe the specifics of the RPM document are not in specification 7 in our contract or any of the recent contracts.

Moving on to the question, it was submitted by K.K. And it says: Could Karen Lentz and others please comment on the concerns and critiques of the draft RPM's mechanisms report and how these deep concerns, including from NCSG, will be addressed?

KAREN LENTZ:

Thank you, Cristina. So the comments from the NCSG on the draft report related to a few things that I recall. One was what I mentioned is that those comments seemed to interpret the report as being only interested in what IP holders thought of the RPMs and not looking at the RPMs in the broad context of the ecosystem.

And so I think that was -- I can clarify that was definitely not the intent. We hoped to get feedback from a broad range of stakeholders. We got feedback from the NCSG, from the registry stakeholder group, and others. So that was very welcomed.

Another thing that was mentioned in the NCSG comments was -- particularly around the URS, for example, a lack of focus on the registrants who might be interacting with that process as the recipient of a URS complaint.

So there was a lot of, you know, for example, suggestions or concern around missing information about how to respond to a URS. What

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would it mean if you get this notice? You know, what can we do in terms of webinars or more support and languages and all of that?

So those comments were very well-taken in our analysis of the comments. And, yeah, that's -- that was definitely something that we noted in our review.

In general, in terms of concerns that were expressed in the comment period on the RPM review report, you know, this is all intended to, you know, feed into community processes where these things can be -- can be discussed, and if there are, you know, significant issues, that's the place to address them, is in the policy process. And certainly rights protection is going to be one of the elements that's considered by the CCT review team. So there's definitely going to be attention to -- given to these topics in the upcoming reviews. And so our goal with raising some of these things and getting comments on the report is to help support that. Thanks.

REMOTE INTERVENTION: Thank you.

JONATHAN ZUCK: I guess I have a couple of questions I can ask. I asked David initially and I'll have to go through the survey in greater detail but on the awareness part of it, I saw some of the ones you had listed and one of them was .EMAIL, for example, which isn't going to be in very high use anytime soon. And I'm wondering was the construction of that question, include a list of some examples that people might have

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heard of or was it more open-ended and said, have you heard of any that are part of the new gTLD program? I mean, how much did you help people along?

DAVID DICKINSON:

Yes. For all of those questions there was a prescribed set of options that they were given. There were the new gTLDs that were the highest registration levels at the time of the survey. So they were a surrogate. And I think part of what you're experiencing there probably relates to that larger dynamic -- sorry. Thank you. Probably relates to that larger dynamic as .EMAIL is something that seems very interpretable, very easy to -- for somebody to figure out, or seems familiar to them and so you may get some initial heavy -- higher recognition levels than might actually correlate to ongoing usage or deployment just because it seems familiar to people.

JONATHAN ZUCK:

And if I can ask a follow-up methodology question I think will apply to Greg as well, in theory the characteristic of that marketplace will be sufficiently different a year from now because there will be so many more TLDs et cetera, will you go ask the question about the same ones or the ones that are the top subscribed ones at the time? And I'll refine the question for you, but I'm just curious how that evolves.

DAVID DICKINSON:

Yeah, that's been a question that's been raised and the design for the next wave is not solidified yet. It's a choice of whether we use the

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exact same set of names as a benchmark or we rotate to whichever ones are the most highly registered at that point of time, do both if there's real estate in the survey. So we're well aware of that issue and again, the design for the next wave won't be completed for some months.

JONATHAN ZUCK:

And then again, this may violate the rules of surveys, but there are some outlier stories where things were given away, XYZ, where there was very high pricing for trademark owners in the case of .SUCKS, et cetera. Does any of that come up explicitly or again when asking trust questions will they just be open-ended questions to see if they come across any of that news?

DAVID DICKINSON:

Well, regarding the trust questions, they were intentionally kept at a fairly high level. The more situational aspects you give to somebody in evaluating a question like that, you're going to influence the result. So we asked those at a very high level. That's not to say that in a subsequent wave we can't put more situational examples out there or ask about specific things that have occurred in the marketplace. But that wasn't part of this wave.

JONATHAN ZUCK:

Thanks. And Greg, I guess I'll ask the same question of you, a year from now, you -- the selection you had chosen ended up representing 80% of the registrations. But that probably won't be the same a year



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from now. And so how will you handle what might be the evolution of the popularity of different domains, et cetera.

UNKNOWN SPEAKER: (Off microphone).

JONATHAN ZUCK: You might want to turn yours off.

GREG RAFERT: All right. Now we seem to be good. So that's a great question, and so our plan is to update the set that we're going to analyze. So in particular I think we'll keep the current set that we're looking at right now, but then we'll add in new gTLDs which once again are kind of designed to capture more recently popular gTLDs as well, using kind of the same methodology that we used to select this group.

JONATHAN ZUCK: I'm wondering about renewals as well. Like if there's a spike initially in usage that then -- but then there wasn't a renewal uptake. Is that going to be taken into consideration in your analysis?

GREG RAFERT: So once again, good question. I think we would like to take that into account. And so to the extent that we have the data to do so, we definitely will. Maybe we can talk a little bit more about -- or if you want to say how -- help us think about taking that work into account.

JONATHAN ZUCK:

I guess we have a meeting after this, but I'm raising some issues. The other thing is about pricing. I mean, one really sort of blunt measure of competition in the -- will be average pricing and things like that, but there's such a variation in pricing that there's going to be some outliers that are incredibly expensive that might still represent competition, et cetera. I mean, I'm just curious how -- how coming up to an average price will be beneficial, given the enormous variation in pricing that exists.

GREG RAFERT:

So I think, you know, we've presented thus far mostly average prices. But going forward, especially in what we publish in our August 2015 report, is we'll look at dispersion. So that's one way of, I think, getting at your issue, which is a good one. And then another thing that we're considering, and I didn't really spend much time on it, is basically constructing kind of almost like a weighted price index. So basically for each, for example, gTLD in our sample, we would look at its price but then we would weight it by its volume to kind of construct a -- you know, an average price based on what consumers are seeing in the market. And I think we want to look at all of them because I think they're all likely to be informative.

JORDYN BUCHANAN:

Hi, Jordyn Buchanan from Google again. Jonathan asked so many questions I decided I could ask another one. So I'm curious on the

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RPM review whether you guys have given any thought to trying to figure out -- like contextualize the mark relative to the TLD and in particular if you're looking at things like oh, what industry or service is this mark registered against and does it -- you know, does it tend to get better protected or no difference or whatever and TLDs that might have semantic meaning related to that mark. So I would expect, for example, like if there was a .SANDWICHES, subway.sandwiches, like that would probably be something really good they would want to make sure they're protected. But, you know, subway.nyc or something like that, you might not expect them necessarily to have that because people might think that was a train instead of a sandwich shop. So is the RPM review attempting to look at those semantic contexts at all?

KAREN LENTZ:

Thank you, Jordyn. So when we -- when we're defining the scope of the trademark clearinghouse portion of the review, we've talked a lot about doing more in-depth analysis of, you know, actual marks in the clearinghouse and patterns and, you know, registration patterns as well. We hadn't talked about that specifically in terms of semantic word relationships between the domain names or the mark and the TLD. But that's a great suggestion.

Any other comments, questions? All right. Thank you, everybody, for being here, and thanks to the panelists again.

[ Applause ]

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**[END OF TRANSCRIPTION]**