
ICANN73 | Virtual Community Forum – GNSO IDNs EPDP Working Session
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DEVAN REED:

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With that, I hand the floor over to Donna Austin.

DONNA AUSTIN:

Thanks, Devan, and welcome everybody to the IDN EPDP call for today. This is a little bit of a different time to what we're used to for our working group calls to fit in with the ICANN schedule, so thank you everyone for joining. And thanks to the other folks that don't usually attend our calls for also attending today.

Just have a little bit of confusion about this is a representative working group, so we have representatives from the different parts of the ICANN community. And there's uncertainty about whether the other folks on the call can contribute or not. I think strictly speaking you are observers, but if anyone has any questions along the way, then please feel free to ask them and we will do the best that we can to respond to those.

Just a few things before we get started. First of all to the working group team I just wanted to apologize for the short notice in cancelling the meeting last week. I know there are lots of things going on at the moment, but I was impacted by the rain bomb that was over parts of southeast Queensland last week so I was without power and other services for a couple of days. So rather than be wondering whether I would be good to go by the usual timing of that call, we just decided to cancel it for last week. So apologies for any inconvenience, but we just thought it was best to call it early rather than stressing about whether we could continue with the call or not.

With the language or the draft text that we had on Questions A5 and A6, thanks to everybody for their contributions. We will probably go through some of that next week with the team. I don't know that there's necessarily substantial changes to the text, but there are certainly some suggestions and questions from our ALAC rep. So I want the opportunity to go through that with the team.

And with that, what else have I missed. Ariel? Justine? Steve?

ARIEL LIANG:

Actually, I think I should turn on my camera because it's ICANN meeting time. Hello, everybody. I think one item is about A7. We have received input from Tomslin and NCSG's input for that question. That's the single-character TLDs and whether there should be some kind of a consultation with the Chinese, Japanese, Korean generation panels for the question whether they can develop any mechanism to identify allowable characters for that single-character TLD purpose. So there's some support from NCSG for that. And then there's an action item for leadership team and staff to develop a proposal. So that's one other item.

And the second item I want to highlight is that Daylight Saving will start, and I don't know exactly whether we're starting or ending, but that will impact some members' time for this meeting. But it seems to be if we keep the same UTC time, it's actually more favorable for West Coast folks in the U.S. and then for many other folks they're necessarily impacted by the time zone change. So from staff side we may just propose to keep the same UTC time. I think it's 13:30 UTC on Thursdays.

DONNA AUSTIN:

Thanks, Ariel. So if folks could have a think about that and if you want to put some comments in chat about whether you support staying with the UTC time, that would be helpful for us.

Also, something else that I wanted to mention before we got into the conversation proper today, and that is during the CPH conversation with the Board during this week we had some discussion about PDPs and other work efforts and recommendations and the importance of developing recommendations that are implementable and that aren't ambiguous.

So I just wanted to flag for folks that this is something that's really important, not just for us as we work through these questions but also to think about the next steps in this process and ensuring that those that...the council has to consider our recommendations, so they need to be sure that they understand what they are. The ICANN Board when they consider our recommendations, if approved by the council, also need to do the same thing but they also have an eye toward how to operationalize any recommendations. And obviously, they seek input from staff in that regard. And then there's the IRT work.

So I think what we're doing here is really important and we are responding to the charter questions as proposed. But let's be cognizant of the fact that the work doesn't stop once we've done our recommendations. We need to ensure that the recommendations are in such good state that they can make it through the other processes without too many hiccups.

And in that regard there was some conversation about the role of Board liaisons. And Edmon and I had a little bit of engagement during the Board session. And I think what I've suggested, and hopefully nobody has any opposition to this, is the with Edmon and Akinori, if they could put their Board hat on and just think about the recommendations as we draft them whether there is any ambiguity that we need to iron out and also whether there would be any concerns in terms of implementation.

So I just wanted to remind folks that what we're doing here is important. We are developing recommendations that ultimately will be implemented by quite possibly a different team. So let's try to be cognizant of that when we develop our recommendations and be clear in what we intend with the recommendations so that we overcome some of those potential hiccups that might happen further down the road in the process. So just a reminder on that.

Okay, so Edmon, go ahead.

EDMON CHUNG:

Thank you for bringing that up, Donna. I guess as we discussed in the other session with the Board, I think it's a very good idea. And especially with myself and Akinori here. But just to let people know, I think [inaudible] this would be kind of a new thing for the Board as well, and we would most likely take the information back to the Board IDN and do a working group and try to get early input as we work through some of the items as well.

So as we draft along, I think, and also later in the public comments side, I think that those would be milestone areas where hopefully we could actually get the sense of the Board and bring back some thoughts as well. And not only just the Board. I think through the Board with the staff because ultimately the staff needs to feel comfortable with the implementation. I know we have ICANN staff here, but then the deployment side might be a little bit different. And that's, I think, a very good point that you brought up in the session earlier. And I think let's try it.

DONNA AUSTIN:

Thanks, Edmon. So maybe we'll be a little bit of a test case. All right, so with that, I think I will hand it over to Ariel and she will take us through what we're going to deal with today. Some of this we're going back over some old ground where we've had—yeah, RDAP is alive and awake—and Ariel will take us on D1b. I hope we can get through that today. I think we should be able to get through B4. Not so sure about B4a and B5, but I think my hope is that we certainly get through D1b and B4 today. So with that, I will hand it over to Ariel, and she will refresh our memories and pose a few questions for today. So off you go, Ariel.

ARIEL LIANG:

Thanks very much, Donna. And also good day to RDAP, the rooster. So I hope everybody has a good start of this session as RDAP. So for D1b, just as a way of a reminder, the question is asking about what would be the process for an existing operator to seek to activate allocatable variant labels. And what would be the process for a new applicant to

apply for a primary gTLD and its allocatable variant labels. And what would be the associated fees related to this process. So this question essentially has three parts.

Just to remind folks where we are with this question, for Part 1 about a new applicant seeks to apply for a new gTLD and variant label of that gTLD, there's some general agreement from the EPDP team to have one application process that covers both the new gTLD, the primary one, and its variant label set. So in other words, the applicant will be only required to submit one application for both that gTLD and variant label set.

And there are some additional ideas that I won't elaborate here, but that's the general agreement from this group. So we essentially wrap up Part 1 of the D1b.

For Part 2 about existing registry operator seeks to activate allocatable variant label of that existing gTLD, for the EPDP team there is some support for creating a simplified process before the next round to allow registry operators to seek to activate variant labels. However, the process from the 2012 round still may need to be taken into account, especially regarding the staffing and resource need.

And to sum up the evaluation elements, they cannot be missed because we need to ensure that variants are introduced and managed in a secure and stable manner. And there is an action item for the leadership team and staff to develop a strawman proposal regarding this simplified process, so we also remember that.

But today I want to focus on one item for the EPDP team's consideration. It's that should we consider the demand side of things before we go about to develop a simplified process strawman? Because we probably want to find out from the existing registry operator what would be the demand for variant labels.

And we presented this data in one of the previous meetings about the situation of the current existing IDN gTLDs and how many of them are there and what are the languages/scripts associated with these gTLDs and which ones are actually eligible to apply for variant labels.

So you probably recall seeing this donut chart. These are the IDN TLDs that are currently delegated in the root zone. So there are a total of 92, but only in Chinese in Arabic they have allocatable variants. And that's according to the RZ-LGR rules. So the total is 61 that are still delegated in the root zone.

And staff did research in the ICANN website and then we found out that apparently there are 47 registry operators that operate these Chinese and Arabic gTLDs. So with discussion with the EPDP team leadership team we want to propose this proposal for your consideration. It's that how about we send out a targeted questionnaire to these eligible registry operators and ask them do they have interest or need to activate allocatable variant labels for their primary IDN gTLDs. And if they are interested in doing so, how many they would like to activate.

And of course, that has to be based on the RZ-LGR calculation. And also, if they're interested in activating these allocatable variant labels, what's the timing to do so? Do they want them urgently or there's no

rush to do that? They can wait until next round. What's the possible timing considerations they have? And any additional consideration that may help them decide whether to activate variant labels or not, such as fees and process and those types of things. That could be an open-ended question.

So we'd like to seek the EPDP team's input whether such targeted questionnaire can be sent out to these 47 eligible registry operators to understand the demand side of the things before we develop a process. And if there is no demand, then it may not be worth it to develop a separate process to allow for activation of these variant labels for existing registry operators. But if there is demand, then the rationale is strong there. So that's the proposal we'd like to have the group to discuss. And I will stop here now.

DONNA AUSTIN:

Thanks, Ariel. There's a question from Michael in chat about why we have Cyrillic twice on the donut wheel. Is that just an oversight that we didn't pick up in editing, or do you know the answer, Ariel?

ARIEL LIANG:

Yep, eagle eyes, Michael. That's probably a typo. I will update the chart after the meeting. I think that the 1.1% is Thai. It should be Thai not Cyrillic. But the 7.6% one is Cyrillic.

DONNA AUSTIN:

Thanks, Ariel. So I'd like to open up to the group whether you think sending a targeted questionnaire to eligible registry operators is a good idea. I think we've found working through this process that data is really helpful to us in considering these questions. So I think it would be useful to get an understanding from eligible registry operators what their interest in variants would be. And then that would help us answer the question. And if we think there's a significant body of applicant that would be looking for variants, then what the process might look like. So I think the questionnaire would help us twofold.

So I see support in the chat from Anil and also Jerry. So interested to hear from others whether they think the questionnaire is a good idea and also if you have any thoughts about what we...questions that we could ask in the questionnaire. And obviously, if we do go down the road of doing a questionnaire, then any questionnaire that we develop, we would run by this group before it was sent out. So input please on your thoughts on this question. Sarmad?

SARMAD HUSSAIN:

Thank you, Donna. A couple of things to consider. First of all, I think the interest or actual application may critically, in some cases at least, depend on the application fee. And so unless there is a small clarity or some assumptions, the data we may get may actually still be not representative, I guess, of the actual scenario. Just something to consider.

The second thing would be that if it is...I guess it would be useful to also potentially ask which particular variants they may be interested in, not

just the number of variants. That may also actually give us some good input. Thank you.

DONNA AUSTIN: Thanks, Sarmad. And we will hopefully have a conversation today about fees. Not necessarily the actual fee but in principle whether existing registry operators would have to pay additional fees for variants. So hopefully we'll have that conversation today. Michael?

MICHAEL BAULAND: I agree with Sarmad that probably the fee could be an important factor for the existing registries to say whether they want to activate a variant label or not. So maybe we could add that to the questionnaire. Something like would you want to activate a label if it would be the same application fee as you paid for the initial label, and would you activate labels if it were for free or something like that. So that might also be an interesting result of the questionnaire. Thanks.

DONNA AUSTIN: Thanks, Michael. And it did just occur to me that we do know what the application fee would be for existing registry operators because the application fee for 2012 was \$185,000. So obviously we need to discuss, first of all, whether we think an application fee would be necessary for the variants. And we do actually know what the application fee was for 2012, so we actually have more information to deal with than if this was for future registry operators.

Any other thoughts on this? I don't see any more hands, so I'm going to, based on the responses we've had in chat, I think we can go ahead and develop the questionnaire. And we will run that by the group, and then we'll need to get that out reasonably quickly, I think, so that we can get the answers back and we can finish this discussion. I think the idea would be that Ariel and Steve and the team would draft the questionnaire, and then we'd finalize it with the working group.

Edmon, go ahead.

EDMON CHUNG:

Just to preface this as speaking not as Board liaison but personally, I think referencing the application fee from the last round is a useful reference. However, that particular fee was based on a cost calculation, and the activation of a variant would probably not involve the same type of evaluation process. So there we have another data point as in it would not be in that size I think at least to get started with. But I think those are probably good reference points in how we think through the process itself.

There are other extended evaluation and other things that happened in the previous round and fees around that as well. So those might be useful references as well.

DONNA AUSTIN:

Agreed. Thanks, Edmon. Okay, so I think we can move on, Ariel.

ARIEL LIANG:

Thanks, Donna. Thanks for the discussion of the Part 2 of D1b. Now we are going to Part 3 of D1b. It's about the associated fees and specific implementation guidance regarding the process for applying for and activating allocatable variant labels.

Based on the discussions so far what the team actually discussed is the fees, what they are. And there was a presentation on that in one of the previous meetings. But so far we haven't reached a concrete conclusion regarding this question.

There's some emphasis on the cost recovery/revenue neutral principle by some members during the previous meetings. And then also some members suggested the fees paid for the 2012 round could potentially be considered in the activation of variant labels for existing registry operators.

But these are some of the comments and opinions expressed during the meeting, but of course it is a hard question to tackle without going through each stage of the application process in detail. We recognize that it is a difficult question to address right now.

But there is something that the leadership team and staff would like the team to consider so maybe we can try to parse out this question into some detailed sub questions. So these are the ones listed on the slide here.

One for the future applicants, maybe one of the principle questions to ask is: Should the cost of applying for the primary new gTLD and its variant labels be the cost of one application? So in other words, should

there be any variable pricing associated with an application that includes both the primary new gTLD and its variant labels, or should the one-fee-fits-all system apply?

So perhaps that's one of the principle questions for future applicants, and then that's something the EPDP team can consider addressing.

And another principle question for existing registry operators is: Should the existing registry operators be charged for their request to activate allocatable variant labels of their existing gTLDs?

And we also understand that the feedback received from the registry operators from their questionnaires may impact how this question is answered. So perhaps that's not something the team can answer right now, and after we hear back from the registry operators for their questionnaire answers we can have a more informed response to this question.

The third principle question applies to both future applicants and existing registry operators. It's about the annual registration fees for delegated variant TLD labels. What should that be?

So these are some of the questions we think may be helpful for moving this charter question forward. And I guess I will stop here now and open the floor for discussion.

DONNA AUSTIN:

Thanks, Ariel. And apologies to Lianna. I missed your question in chat related to the questionnaire discussion. So Lianna asks, "What will be

the reasonable time given for the responses so that based on this we can discuss the process?”

We’ll have a think about that. I think once we develop the questionnaire, that will take us a couple of weeks to do that, and then maybe a full week maximum to get responses back given that we’re on a schedule here as well. Hopefully, that will be reasonable and make sure that we get the responses from the applicants. Does that answer your question, Lianna? Okay, great.

All right, so let’s talk about...I want to have this conversation about fees as an in-principle discussion, particularly for future applicants. Because we don’t know what the application fee is going to be. And SubPro, I think their recommendations as it relates to fees had a number of guidance parts to it. But I think ultimately the decision about the application fee will be done by ICANN through the IRT.

I know Jeff isn’t on the call with us today but perhaps, Steve, you can correct me if I’m wrong on that. But I think that’s the intent that the actual fee itself would be developed, decided in the IRT process. And also that the fees will ensure that the program itself is cost neutral.

So that’s a question we don’t have to answer about what the actual fee should be. But what I want to discuss here is in principle do we think future applicants should have to only pay for one application fee, or should it be different given that they are applying for an IDN gTLD plus its variant set.

Now we know in the conversation we had with SSAC that once a variant is in the root, it operates as a normal TLD. So from that perspective, there's no difference between the primary and the variants. But I think what we need to think about here is will the process be different and will there be additional loading.

So in principle do folks think that for an IDN gTLD application that is requesting variant labels as well, should that be one application fee or should it be something different? So if folks have thoughts on that, it would be great to hear them. Michael?

MICHAEL BAULAND:

In my opinion, the variant should not be for free because there's actual work involved with ICANN to validate them and to run some of the processes. But they certainly shouldn't be as high as the regular application.

And the [reason] for point two, I also say that activating later one of the variant labels should cost them some amount of money. I have no idea how much, but it should be.

And for the last point, I think for the yearly cost there should not be. At the moment just pay \$25,000 per TLD as minimum and then some amount per domain. And I think for the variant it should be similar but just not a minimum fee. It should be put all together so if you have got 10,000 domains under one label and 10,000 under the second label, you pay the same as you would if you had 20,000 domains in one label. That would be my feeling for fair pricing. Thanks.

DONNA AUSTIN: Thanks, Michael. Just for the purposes of this discussion if we can just focus on the first dot point which is the application fee for future applicants. But we will note Michael’s contribution in that dot point. Tomslin?

TOMSLIN SAMME-NLAR: Thank you, Donna. I think Michael said some of the things I was going to say. I was merely going to say it makes sense to me that it should be variable fees for this, however it shouldn’t be simply a double of the fee if it has a variant. I was going to use .russia now for point number two, but like you said I’ll stick to only point number one for now. That’s what I was going to say. Thanks.

DONNA AUSTIN: Thanks, Tomslin. Yeah, okay, that is this issue for future applicants that I wanted to. Sorry, a bit confused. Maxim, Anil, and then Jerry.

MAXIM ALZOBA: I think we don’t have a particular guidance from our constituency. If my memory still serves me fine, I think there were some conversations by the time of SubPro. But it was long ago, and ideas of the constituency might change over time. Because there were different opinions about why yes and why no. Some including, for example, some registries have ACSII string and IDN string. From their perspective it would not be fair if

some other registry would have two IDNs and basically [leverage of] that location and paying only once.

On the other hand, we never knew that this future round is still, I'll say, in blueprints or before the blueprints phase. And not allowing countries and people living in those countries to use their own languages might not be the best choice.

So I think we will need to come back to our constituency to ask for clear guidance because there will be a discussion among the members, and I [can't] predict the outcome now. Thank you.

DONNA AUSTIN:

Thanks, Maxim. Anil?

ANIL JAIN:

Thank you, Donna. I am also of the same view that there should be a pricing for variant in addition to the new gTLD application. Whether it should be the same or it should be different, that is separate. Because there are two scenarios. In one, when an applicant submits and application for a new gTLD plus variant together, and a second scenario whether a new gTLD applicant or an existing gTLD applicant applying for a variant at a later stage.

So in case we keep only one charge for one bucket, then it will be unclear for others. Therefore every time, whether we are applying together for a new gTLD or a variant or only a variant later on, we should charge. Now whether we should charge the same as the new gTLD for

the variant, that I agree with Michael that the variant charges should be less because some processing cost which is already incurred in selecting an IDN gTLD, we have already covered that and only some cost is required to be there. So I think it should be less. Thank you.

DONNA AUSTIN: Thanks, Anil. Jerry?

JERRY SEN: Thank you, Donna. Mostly I agree with Michael's suggestion. I have another aspect of view here also. A variant is not a new big market opportunity for the IDN registry operator. Neither will it yield much benefit. It only solves the problem that some of the users cannot navigate in their familiar scripts.

I have an example here that there are a few Chinese IDN gTLDs that do not have any variant. The label is the same both in traditional Chinese and simplified Chinese. So even a TLD that has variants, activate all of them, the best effect is [equal] to a TLD that has no variant. And that is what ACSII domains look like. So [inaudible] for the same purpose is not fair to IDN TLDs. Thank you.

DONNA AUSTIN: Thanks, Jerry. That's an interesting perspective. Edmon, go ahead.

EDMON CHUNG: I'd like to add to what Jerry just said. I think that's a very important concept in framing this. The variants there are not to explore new markets. It's really to fix something that the IDN technology wasn't able to fix on the technology side and requires a policy intervention. So in reality it is really operating one TLD, at least for the Chinese situation which I'm more familiar with and I suppose Jerry is more familiar with as well. So I think that should be taken into consideration in our discussions here. For all intents and purposes, it's operating one TLD.

DONNA AUSTIN: Thanks, Edmon. And thanks, Jerry, for pointing out the purpose of the variant label. I think one of the challenges with having this conversation is we don't know about volume. So if you think about from a cost recovery perspective, so if this was a new gTLD round which was just for IDNs and the variant labels and you're trying to apply the cost neutral or revenue neutral principle, then what you're trying to do with the application fees is cover all the costs.

So I appreciate the point that Jerry's making that part of the challenge with the application fee is that it contributes toward the cost of the program. So if there are additional costs associated with processing an IDN gTLD and its variants, then how would that work? I think, Jerry, your point is probably important to, if we can see the third dot point about the annual registration fee, so maybe we can pick that up there.

But I think just—and I don't...Jerry, is that a new hand or an old hand?

JERRY SEN: Sorry, the old hand.

DONNA AUSTIN: Okay, thanks very much, Jerry. But I think what I'm hearing in principle for future applicants I think there is agreement that primary new gTLD and its variant labels, it would be the application fee plus some kind of variable pricing associated with the variants that would cover those additional process requirements for the IDN and its variants. So maybe there's a calculation or a percentage or something that we could provide as implementation guidance based on the additional processes. Perhaps that's one way that we could respond to this question. Edmon, go ahead.

EDMON CHUNG: Yeah, so on that particular issue I think it may be useful perhaps to get some information on how geographic names or brand TLDs that have additional processes that may...or that may incur additional processes and how those might work. And also things like additional security and stability processes that might be required to take a look at how these types of extra processes that different types of TLDs might incur as references.

DONNA AUSTIN: Thanks, Edmon. So on that, Ariel, could you put the slide with the various cost breakdowns on them? Justine, go ahead.

JUSTINE CHEW:

Yes, thanks. If I'm hearing clearly, I think people are saying that variants are a special category of TLDs. Technically speaking they're all the same. Whether it's a variant or primary TLD they're the same, no difference. But from a policy perspective and a business perspective, what I'm hearing now is that the variants should be treated differently from a primary TLD which then justifies not 100% application fee being applicable.

Just to Edmon's point is I believe at some point in time this EPDP is meant to look again at the process, the entire application process, and figure out what wouldn't apply in the case of assessing a variant application. Thank you.

DONNA AUSTIN:

Thanks, Justine. I agree with your recap on that in terms of where we are. I just wanted to—Ariel has put up the slide that breaks down the fees from 2012, and just to give an indication of where there were additional fees required in some cases. So there's variables within those costs as well.

So to Justine's point, we need to understand the process and whether, how challenging the evaluation process for a gTLD and its variants would be compared to just being a gTLD. And maybe there's not too much difference, but we don't actually know what that is now.

But I think as a principle we can note the purpose of an IDN and its variants that Jerry highlighted because I think it's important that we should capture. And also that in principle I think the group has agreed

that for a gTLD application, for an IDN gTLD application and its variants, it should be one application fee with some kind of loading to cover the costs associated with evaluating the variants. And that's something we'll follow through when we try to identify what that process might look like.

Okay, so Ariel, can we just go back and we'll have a brief—before we move off this one, we'll have a bit of a discussion about the dot point which is about the ongoing fees once a gTLD is approved. I think it's important to keep in mind a principle that Jerry identified about the purpose of a gTLD and its variants. It is really just one TLD and ensures that the users are able to reach the TLD based on the script that they're used to using.

So I guess with the ongoing fees, currently the fixed fee is \$6,250 per quarter, so it's a \$25,000 per calendar year fee. And I think there's a transaction fee if there are more than 50,000 transactions in the TLD in a calendar year. So I guess just, again, in principle conversation, do we think that the ongoing fee should be for the IDN gTLD and its variant labels or should they be considered separately? Any thoughts on this one? Edmon?

EDMON CHUNG:

On the last part on this slide on the transaction fee, I just want to highlight to people that really it's based on transactions. So even if today a TLD operates second-level domain registrations, they're based on transactions and not based on IDN variants. So if there is a transaction that would create a second-level domain and also a

second-level variant, the IDN variant domain, as long as it's one transaction for the registry ICANN also charges only one fee for it. So I think that's a useful consideration when we think about the issue.

DONNA AUSTIN: Thanks, Edmon. Michael, would you mind just restating what you said earlier in relation to this specific part of the question?

MICHAEL BAULAND: No, I wouldn't mind.

DONNA AUSTIN: Thank you.

MICHAEL BAULAND: I think in the sense which already Edmon and Jerry hinted at that the variant TLDs are not really meant for making more revenue but it's just another view of the existing TLD, it should be handled in the same way as the existing TLD is handled. So you just pay the minimal annual application fee, minimum annual fee of \$25,000 or the transaction fee if that is higher. And you just count the number of transactions, i.e., domain [inaudible] together over all domains in the variant set. So the original TLD plus all of its variants.

By the way, I think there's a calculation error or something wrong because it says \$25,000 is a minimum annual fee and 50,000 is the border from which onward you have to pay the transaction fees. But I

think those figures should match up so that 50,000 times the fee is \$25,000. So it's probably not a quarter of a dollar but half of a dollar I assume. Thanks.

DONNA AUSTIN:

Thanks, Michael. We'll check on that calculation. I think, do we have other thoughts on this question? So would it be fair to say that in principle this group, recognizing that the gTLD and its variant sets is considered one TLD by the end user, and it should be for the purposes of the annual registration the gTLD and its variant sets should be considered one TLD so it's one annual registration fee? Maxim?

MAXIM ALZOBA:

I think as I stated before we need the guidance of the constituency. Because if we say that we agreed, it would be our personal agreement, and we are representatives so we cannot do that. Thanks.

DONNA AUSTIN:

Okay, fair enough, Maxim. So I guess what I'm trying to do is if we can get in principle agreement on these questions, then we will draft the recommendation language and that's when we will be seeking input or sign off from the groups represented in this PDP. So that's pretty consistent with how we've been doing this. So if we have in principle agreement, we can draft the language and have that signed off by the representative groups.

Okay, so I think we'll move on from this conversation for the existing registry operators. We'll come back to this question once we've completed the survey because I think it's probably not worth us having a conversation now until we have that additional data point.

Okay, Ariel, I think we can move on to B4. Thanks, Ariel.

ARIEL LIANG:

Thanks, Donna. Now we're tackling a new question, but it does have some correlation with D1b that was just discussed earlier. So I will read the question wording right now.

“The policy recommendation advises that variant TLD labels be allocated to the same entity, however a process to apply for a variant TLD does not exist.” So this requires the working group and the SubPro IRT, which doesn't exist right now, but supposedly to coordinate and consider the following questions. “What should an application process look like in terms of timing and sequence for an existing and future registry operator with respect to applying or activating their allocatable variant TLD labels?”

This slide is to provide some context for this question and hopefully will make the question clearer. First the policy recommendation referenced in this question is regarding to the “same entity” principle for future gTLDs. And SubPro has already recommended adopting such principle. And if you recall earlier, the EPDP team has also affirmed that the “same entity” principle should be applied to existing gTLDs. And that conclusion was reached when we discussed charter questions B1 and

B2. So that's a clarification about policy recommendation referenced in this question.

Second, this question is actually focusing just on the timing and sequence aspects of the application process. We're not talking about the process itself. And a lot of this discussion already took place in D1b discussion. So now we're just focusing on timing and sequence, these two aspects.

So to clarify what timing means, after consulting with Dennis who was the chair for the chartering team of the IDN EPDP team, timing here means whether the application or activation request for variant TLDs should take place within a gTLD application round or that can take place on a rolling basis external to application round. So that's what it means about timing.

And then sequence is regarding whether the applicant needs to submit an application for all the variant TLDs its interested in, in one single package or it can be applied for separately. This question also may be determined by how the timing question is answered. They're kind of hand in hand, but I think timing is probably something we want to address first. And then that may impact how the sequence question is being answered.

So let's try to simplify this question. Oh, sorry. One more thing I forgot to mention is just as a reminder what is this question's relation to our discussion for D1a and D1b? For future applicants the EPDP team has reached agreement that the future applicants can submit one

application for both the primary gTLD and its variant label set. So that kind of addressed the sequence part of the question in some degree.

And then there's some already existing discussion about for existing registry operators, there's support for a simplified process before the next round to allow registry operators to activate variant labels. That sort of answered the timing aspect of this question to some degree, but of course we need to wait and hear back from the registry operators about their questionnaire and then that will inform us about the timing for their consideration for activating variant TLDs.

So these points provide some clarification for the context of this charter question. Now this slide is to try to simplify the question itself or interpret it in a way that makes it easier to answer by the EPDP team. So these are some suggested questions for the team to consider in order to address charter question B4.

For future gTLD applicants the first question we want to ask you to consider is: Can allocatable variant labels of future new gTLDs be applied for outside an application round? That's the first question. And then the second one is: Can an applicant apply for variant labels separately on a rolling basis? Or does the applicant have only one opportunity to submit a single package that covers all allocatable variant labels of the primary new gTLD?

Those are the two questions for future gTLD applicants regarding the timing and sequence aspect. And there are some additional two questions related to the existing registry operators. But maybe I will stop it here because that could very well be impacted by the feedback

we receive for the questionnaire. So perhaps I will stop here and, Donna, over to you.

DONNA AUSTIN:

Thanks, Ariel. Steve Chan, I'm going to put you on the spot or maybe if you can answer this question in chat. In relation to the SubPro recommendation on rounds I think if I remember correctly, the initial recommendation is that the gTLD application process be done in rounds initially. I think it might be a first come, first serve basis sometime down the track. But I think this is probably one where we should be cognizant of what the recommendation is from SubPro regarding rounds.

So if folks have thoughts on—let's just talk about the timing question for now—but whether allocatable variant labels of future new gTLDs could be applied for outside an application round, do folks have thoughts on this? Maxim?

MAXIM ALZOBA:

I think we need to ensure we do not create mechanics which is not compatible with suggestions of SubPro and which effectively will be seen as a circumvention of the mechanism suggested by SubPro. Because a lot of time was invested there, and I'm not sure if we have an option of, I'd say, revisiting the same thing by creating an alternative mechanism which might not be fully compatible. That's my thinking.

DONNA AUSTIN: Thanks, Maxim. Edmon?

EDMON CHUNG: So I think the first line here terminology is important and the earlier concept about applying for a TLD including all the variants. So it's one application for everything. So the terminology for applied for is a little bit confusing. If it's activating the variant, I think that would clarify things much more.

In that sense then, of course if you apply for a new gTLD, it might come in rounds. But if you are activating a part of the TLD, then it doesn't make sense to have to fix everything in that round. And it would more likely be just like when you change backend registries or you make a change within your TLD. It would be more like that kind of concept.

So I guess the point I want to make is that terminology here makes a big difference in terms of how we frame how we think about this.

DONNA AUSTIN: Thanks, Edmon. So I think...I got a little bit hung up on this question too when we had the leadership call earlier this week[, Edmon. And I was] challenged by the idea of timing and sequence, and Justine was very clear about what it meant and I wasn't so clear. So I think what we're talking about here is the timing of applying for a new gTLD rather than when the label can be activated, I think. Michael, go ahead.

MICHAEL BAULAND:

Now I think you confused me too. Sorry. The application for the first label, so to say, such that the registry comes into existence. Is this what you're meaning? Because I guess that, of course, only is possible in the official rounds which we so far just had the 2012 one. But if you already have a TLD, then getting variant labels of that TLD to be activated, I think that should be possible outside of the round.

And I'm with Edmon here. I would compare it a bit to something like you have a TLD and want to activate a new IDN table with kind of allowing other labels in the second level. But this is allowing new top-level domains. But I think it should be handled similarly for a timing purpose. Of course, this is not considering the fees, but it should just be a natural process, not restricted to rounds. Thanks.

DONNA AUSTIN:

Thanks, Michael. And I apologize for the confusion here. So I think what we're talking about here is the application process itself. So when an applicant applies for a TLD and its variant labels, should that be done inside an application round or do we want to have a recommendation that—and this isn't for the primary new gTLD but for the variant TLD.

So if you've applied for the IDN gTLD and two of the variants in one application round, if you want a subsequent variant to that, do you need to go through another application round to be able to do that or can you just request that by another means? And Dennis Tan, if you can unravel this for us, your input might be helpful. Sarmad?

SARMAD HUSSAIN: Thank you, Donna. I was actually going to say that it would actually eventually also depend on what are the processes in an application round that an IDN variant TLD goes through. So we talked about this earlier that if each variant TLD has to go separately through a similarity review panel and a stability review panel and an objections round and then additional processes, then those panels need to be in place for that IDN variant TLD application to go through.

So if it is in a way the whole IDN TLD string along with its variants has already gone through a process and it just needs to be activated, that's a different question. But if that new string actually has to go through some of these processes and I think we've not really, I guess, had that discussion that which of those processes apply, so it may actually be something which can be more easily answered once we know which processes apply specifically to the IDN variant TLDs in addition to the base string and then whether that could be done, for example, outside the round. Thank you.

DONNA AUSTIN: Thanks, Sarmad. Dennis?

DENNIS TAN: Thank you, Donna. Dennis for the record. Dennis Tan, that is.

DONNA AUSTIN: Sorry.

DENNIS TAN: That's okay. That's okay. I know Dennis Chang, so he refers to me Mr. Tanaka to avoid the confusion.

DONNA AUSTIN: Yeah, I was actually getting you confused with Steven Chan, so I apologize for that because I just said Steve's name.

DENNIS TAN: That's okay.

DONNA AUSTIN: Pardon me. Anyway....

DENNIS TAN: That's okay. Anyway, yes, so I'm processing all of this. It's a good discussion, good conversation, good insights, and good perspective. I want to echo the last point that Sarmad made same as Edmon and Michael. I think we need more input, and potentially this group would benefit with looking at scenarios as to how all these come together.

Because we're talking about trying to balance different objectives. The objective of the IDN program per se. We want to put online identifiers to [inaudible] and to reflect the use of the language or the linguistic needs of certain communities. On the other hand, we want to balance the security and stability and also the processes that are in place in order to allow these identifiers to be in the marketplace in the first

place. Also balance the interests and needs of those that are going to put this into the market, namely registry operators and registrars.

So just, again, I think we need to put all these ideas, perspectives, inputs and how would each of these components [inaudible] [levers] as to measure the appetite of registry operators and [registrants to implement]. Certainly, cost is going to be a big component.

I see, for example, one scenario. And I'm not sure if this is what Edmon was envisioning, but I think at least in my mind [inaudible] as follows. Let's say for new applications the registry operator or the applicant applies for the label that he wants as a primary and all the variants. And the set entirely, all the allocatable variant labels in the set, go through the whole process.

Again, I don't know what the cost associated for that to happen needs to be, but let's for discussion purposes from an operations standpoint that's efficient because you evaluate all the set one time, go through similarity processes, go through contentions and anything. But the registry operator has at that point the decision to say I want to activate level one and level three but keep the other ones in the status withheld. And at a point in the future he might say, okay, now I want to activate label two. Already gone through all the processes, pay the fees and what have you and it at that point is an activation.

Again, if we wanted to optimize for operational efficiency, that seems to be a way. The other way around, you only apply for one and only go through one. And then if you decide to apply for another variant label and you don't have the means to assess whether there's going to be

similarity or not, then you have to bring panels again in order to review, that's going to be not so much cost efficient. So I think we need to put all these ideas together. What do we want to solve for?

And again, going back again to our objectives, there are different objectives that we want to [do]. We want to answer market needs. ICANN has strategic initiative or objectives to promote the adoption and implementation of IDN. How do you do that? In the commercial world—and I have a [inaudible] management background—if you want to encourage adoption of new services, you have this concept of loss leader. And I'm not saying...ICANN is a nonprofit company, so they're not making profit. But I think we talk about nominal fees instead of full-blown application fees or what have you.

So I think we need to put all of that on paper so that we can see and react to the different components of, again, what are we trying to solve for? We want to be efficient from an operational standpoint. At the same time, we want to be able to manage from...as a contracted party I want to be able to know exactly what am I going to be responsible for, how are we going to manage this set of labels, and what are going to be my obligations vis-à-vis this set? If I retire one label in the set, what's it going to do with the other?

All those things I think converge into this complex area. But I think we are in the right direction, but I think we need to process all this information and input and put it somewhere here for us to react. So I'll stop there. Thank you.

DONNA AUSTIN:

Thanks, Dennis. So I think you've made a couple of really helpful points. And I think one of them is in relation to the application process we could make the assumption that the applicant is going to apply for the gTLDs and the available variant sets in one process. What we're talking about the timing is if the applicant doesn't apply for all the variants in the set and wanted to apply for a variant later, what would that timing look like? Would they do that outside an application process, or do they have to wait for another application window to open before they could do that?

And then in relation to the sequencing or at what time the registry operator wanted to allocate the variants, that could be discretionary for the registry operator. So I think that's what I'm hearing.

And just a reminder to the team and also folks that are new to this discussion that what we're talking about here only relates to seven scripts, and that is because the root zone LGR generation panels, when they've done their work, they have identified that many of the scripts we'll not be able to allocate variants. So they've done that within the root zone LGR process. So what we're talking about here is Arabic, Bengali, Chinese, Greek, Latin, Myanmar, and Tamil. And with the exception of Arabic, most of those scripts have restrictions within that for the number of variant labels.

So this isn't a wide open problem. It's a reasonably narrow scope. But I think thanks to Dennis' intervention and Sarmad's I hope it's a little bit clearer about what we're trying to do here. So the application process is you apply for a gTLD and its variant set but you may decide you don't

want to apply for all the variants at that time. If you want another variant at a later point, would you have to go through an application round to do that or is there something separate that you could go through. With the timing of activating your variant, is that discretionary or does there have to be some other process put in place for that?

Sarmad? And I know that we're four minutes out from closing out this call. Sarmad, go ahead.

SARMAD HUSSAIN:

Thank you, Donna. I'll keep it brief. I just wanted to, I guess, raise another aspect which is related. I do certainly agree with Dennis' intervention that there are some pieces to this which still need to be unpacked. So for example, in the string similarity review panel, will only the applied for string or what's the set of strings which eventually form a variant TLD set which will be actually reviewed for string similarity and so on.

If for one of the possible ways of ruling this is for it to be done is that if we obviously proactively pre-evaluate, but one of the issues or challenges with that could be that there may actually be cases where an appointment really needs a single string and does not want a variant TLD. And in those cases, a variant TLD if it is evaluated could potentially cause issues with the original application which is maybe undesirable for the applicant. So that's another thing which could may be kept in mind. Thank you.

DONNA AUSTIN:

Thanks, Sarmad. So given we're two minutes from time, I think we'll wrap up the call. But I think this has been a useful conversation. And while it may sound very confusing, I think it has identified that maybe this is a little bit more complex than we thought it was. But actually I think once we work out process steps and answer some other questions, then maybe this won't be so hard.

So I think with that, do we have any other business? I know there's an outstanding question about what timing we will move to for these calls. I think the recommendation is that we stay with the UTC time which I think is 13:30. We will repost that on the list to see if there are any objections. And if there aren't any objections, then we will move forward with that.

I think with that, we can wrap it up. So thanks, everybody, for joining the call today, particularly our observers that don't normally attend. I hope it didn't sound like we don't know what we're doing. I think we do. I think we've made some good progress today. So thanks, everybody. We can end the recording now.

[END OF TRANSCRIPTION]