Note: The Board Briefing Materials represent information presented to the Board for discussion or action. The Materials may include presentations or high-level summaries that are used to guide discussion and may not reflect the full scope of information provided to the Board. A review of Board Briefing Materials on each subject should include the Board papers, the Annex (if any) to the Board papers and presentation materials, if any.

New gTLD Program

- DNSSEC

- IDNs

- RAA amendments

- Registrar data escrow

Task of the Board: the challenging environment

- Take positions on issues where there is no consensus

  - Parties economically motivated

  - Opposition to the program

- Leave discussion open for newcomers to discussion

  - Governments

  - Brand owners

  - Financial services community

- Conclude discussions where there is desire to keep it going

Dealing with recently received information

- "VI-WG" Report (14 Sept)

- Applicant Support report (18 Sept)

- "Rec6 WG" report (Thursday)

- GAC response to GB4 (Thursday)

- Letters to ICANN, USG, other stakeholders

Take positions on issues, retain flexibility to amend Guidebook

Staff recommendations based on

- Preserve DNS Stability and Security

- Clear, predictable, smooth running process

- Address & mitigate risks & costs to:

    – ICANN and

    – global Internet community

- Make tradeoffs & balance, the new gTLD process can't be all things to all people

    – Leaving some issues for second round is *preferable*

Issue List

"Consent Items"

1. Trademark protection

2. Root scaling

3. Variant management

4. String similarity

5. Geographic names

6. Applicant support

Discussion Items

7. Board role

8. Malicious conduct

9. Economic studies

10. Vertical integration

11. Morality and public order

12. New gTLD Budget

13. Registry Agreement issues

Geographic Names

Current Environment: Geographic Names

- Protect names appearing on specific lists

    – ISO 3166-1

    – ISO 3166-2

- Recent requests:

    – GAC: add back "names by which countries are commonly known"

    – Request for translations of 5000 sub-national names

    – Specific request from Arab region to protect .arab

Decision: Geographic Names

- Maintain Board decision for reference to specific lists (ISO 3166-1 and others)

    – GAC consultation required?

- Sub-national names (ISO 3166-2)

    – Translations not to be protected; objection process secondary course of action

- UN Regions & Continents

    – augment current UN list with UNESCO list to include Arab States

World's a better place: Geographic Names

- Retain certainty for applicants

- Show flexibility in finding solutions

New gTLD Applicant Support

Current Environment: Applicant Support

- Many requests for fee assistance

- WG proposing financial and non-financial support mechanisms

- Sources of financial support and criteria not identified

Decision: Applicant Support

- Maintain current fee structure for Round 1

- Offer limited, non-financial means of support (budgeted)

- Support outreach for financial assistance from third party entities

- Ask community to develop for discussion:

  – Potential sources of funds and

  – Proposed criteria to disburse them

World's a better place: Applicant Support

- ICANN will provide (non-financial) support

- Additional cost, complexity not incurred for Round 1

- Development work will continue on sustainable financial assistance model

Root Zone Scaling

Current Environment: Root Zone Scaling

- RSSAC, SSAC responses pending

- Responses to letter to root server operators indicate adequate infrastructure for projected max delegation rates

- Delegation rates process limited

Decision: Root Zone Scaling

- Proceed with limited delegation rates (<1000/yr), based upon:

  – Staff paper

  – Summary of root server operator responses

- Do not delegate until monitoring system implemented

- Do not exceed delegation rates without:

  – RSSAC / SSAC input

  – Subsequent Board agreement

World's a better place: Root Zone Scaling

- Stable introduction: delegations at limited rate

- Monitoring system that is a value add in any case

String Similarity

Current Environment: String Similarity

- Recommendation 2: Prohibition on delegation of similar strings

- GNSO letter requests delegation of similar strings
    - In certain circumstances ('non-detrimental' confusion)

- Requires additional policy work before adopting new recommendation
    - Rules for delegating confusing strings

Decision: String Similarity

- Conservative approach: Similar strings should not be delegated without in-depth policy examination of issues

- Maintain existing approach for Round 1, support ongoing policy work

World's a better place: String Similarity

- User confusion avoided

- Safeguard registry interests by "reserving names"

Trademark Protection

Current Environment: Trademark Protection

- Essentially, down to two specific issues:

  – Sunrise and URS: honor trademarks that have undergone substantive review:

    • Public Comment: loosen substantive review req't

    • Delete requirement to show "use"

  – IP: revert to quicker URS (14 v. 21 day response time)

Redacted

Decision: Trademark Protection

- "Use" of a trademark should be required:

  – Provides additional protection against gaming

- The URS should be a rapid process:

  – Allow only 14 days to respond, in line with IRT recommendation (STI had 21)

  – Registrants protected by appeals procedure & name suspension.

World's a better place: Trademark Protection

- Balances instances where substantive review is required

- Provides clarity on rules

Variant Management

Current Environment: Variant Management

- Guidebook: don't delegate variants until solution found

- Recent requests for variant delegation

- Chinese language ccTLDs:

  - serious limits to where such an approach is viable

  - cannot be viewed as a general solution

  - long-term development work should be pursued

Decision: Variant Management

- Do not delegate variant TLDs (maintain status quo)

- Lead work toward a solution with a timetable

    – articulate problem statement

    – add resources to coordinate policy and technical efforts

World's a better place: Variant Management

- Avoids user confusion

- Sets aside variant names

- Develop path to variant delegation with clear, enforceable rules

Board Role

Challenge: Board Role

- Should the Board review and individually approve every application for a new gTLD?

- How can the existing process scale for hundreds of potential delegations?

- [Note Morality & Public Order working group Board consideration model]

Decision: Board Role

- The Board should provide process-level authorization to staff for execution and delegation where certain parameters are met, for example:

  – the evaluation criteria were met

  – no material exceptions to the form agreement terms

  – an independent confirmation that the process was followed, and

  – no request for reconsideration or independent review

World's a better place: Board Role

- More efficient and predictable process

- Reserving Board review for extraordinary situations

Mitigating Malicious Conduct

Current Environment: Malicious Conduct

- Extensive community consultations

- 9 recommendations implemented

- Financial community concerns:

    – Complete High Security TLD model

    – They wish to make it mandatory in certain cases

- Background check detail required

Decision: Malicious Conduct

- Move forward with background check as further clarified

- Continue to support HSTLD work

  – consult with financial services representatives

  – launch program

- With these measures, consider issue settled with solutions in place for Round 1

World's a better place: Malicious Conduct

- Address current financial community discussion

- Better environment in new gTLDs than current environment

Morality and Public Order

Current Environment: Morality & Public Order

- Current model settled in Guidebook 2

- GAC provided letter:

  – criticizing process

  – asking for cross-community discussion

- "Rec6 CWG" issued report with varying levels of consensus on specific recommendations

  – Not considered or adopted by SOs or ACs

Decision: Morality & Public Order

- Given the twin goals of:

    – a predictable path for applicants

    – avoiding risk to ICANN and process

- Implement suggestions contained in the reports that does not contradict those goals, e.g.,

    – accept advice for changes in terminology

    – reject advice taking independent dispute resolution out of process

- Create Board working group to make recommendations final

World's a better place: Morality & Public Order

- Objection process should provide

    - a predictable path for applicants;

    - a dispute resolution process independent of ICANN;

    - dispute resolution panelists with the appropriate expertise; and

    - the clearest and most uniform set of standards possible

New gTLD Budget

Current Environment: New gTLD Budget

- Budget approval timing: do not delay launch

- Need to fund certain activities that are a pre-requisite to launch:
  – Retaining / onboarding evaluation panels

  – Integration of evaluation processes

  – Communications campaign

Decision: New gTLD Budget

- Follow BFC recommendation and approve $4 mil Deployment Budget without impact on FY11 adopted budget

- Link Application Processing Budget to AGB final approval:

  - Receipt and disbursement of $185k application fee

World's a better place: New gTLD Budget

- The gTLD Budget:

    – Reduces risk of delay in accepting applications

    – The program maintains the revenue-cost neutral principle without impact on other ICANN programs/ projects

    – Is based on sound fiscal responsibility

Registry Agreement

Current Environment: Registry Agreement

- At this point, after making dozens of concessions …

- Should new gTLD registry agreements be modified as requested by existing and prospective registries:
    - less-rigid price increase notice requirement
    - less-limited cap on damages and indemnity
    - removal of requirement to pay variable transaction fee if registrars don't
    - removal of "searchable Whois" requirement

Decision: Registry Agreement

- On last dozen (smallish) issues:

  – ICANN made concessions on several

- Wishes to remain firm on:

  – Notice on price increases

  – Limitations on liability and indemnity

  – Pass-through of registrar fees

World's a better place: Registry Agreement

- Protections against discriminatory renewal pricing

- Maintains status quo re:
  - Liability
  - Pass through of fees

Vertical Integration

Current Environment: Vertical Integration

- Should registrars be prohibited from applying for and operating new gTLDs (and vice versa)?

  – Under what set of circumstances?

Redacted

- Economist reports support integration

- GNSO report: lack of consensus, discussed 7 models

Decision: Vertical Integration

- Choose a vertical integration/separation model for the guidebook

- Categories should not be used as a basis for providing separation exemption unless the criteria are very clear and objective

World's a better place: Vertical Integration

- Definite and certain path for potential applicants

- Promotion of competition in a balanced marketplace

Economic Studies

Current Environment: Economic Studies

- Fifth economic study, work still underway

- Currently, no requirement for Board decision

- Tool of New gTLD opponents

- No economist consulted to date believes a completely quantitative approach is possible.

Decision: Economic Studies

- None at this time, paper in preliminary form

- Awareness that report will not be quantitative

- Redacted