Report to GNSO Council on New gTLD Program: Subsequent Rounds
22 September 2014

As part of the GNSO Council's motion on New gTLD Subsequent Rounds during the ICANN 50 meeting in London (http://gnso.icann.org/en/council/resolutions#201406), the Council requested a report from staff. This included status reporting on: (a) the New gTLD program generally; (b) ICANN's anticipated timeline and work plan for the review specified in Section 9.3 of the Affirmation of Commitments; (c) ICANN's work to date on any evaluation of the first round; (d) the work to date on the post-launch independent review of the Trademark Clearinghouse; and (e) ICANN's current projection for a timetable for subsequent rounds.
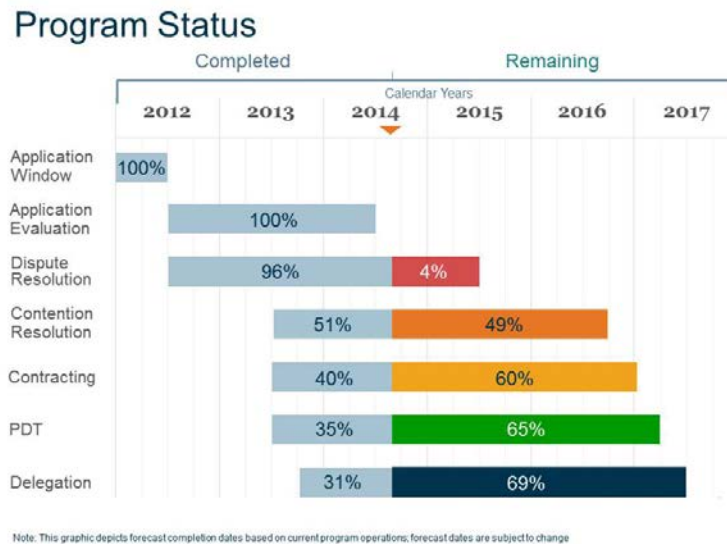
This report responds specifically to the points raised in the request, as being most helpful to the planning processes of the GNSO. For each of the topics requested, the sections below outline the work that is under way and planned, with interactions between areas described where relevant.

(a) The New gTLD Program generally

As of this writing, 404 new gTLDs have been delegated. A total of 1,168 applicants have been invited to contracting. Of those applications in string contention sets, 49% remain subject to contention resolution procedures, which are forecast to be completed by the third quarter of 2016. ICANN anticipates contracting to be completed by the end of 2016, and pre-delegation testing by early 2017, before completing all the new delegations by mid-2017.

Updated statistics are published on a weekly basis at http://newgtlds.icann.org/en/program-status/statistics, with the detail according to volume of applications within the various stages.

The chart below provides a high-level snapshot of the percentage complete of evaluation phases, and current projections for time remaining to completion.

To date, 311 TLDs have submitted TLD Startup Information to ICANN, enabling publication of dates for their Sunrise periods. TLD Startup Information is updated on a regular basis and is available at http://newgtlds.icann.org/en/program-status/sunrise-claims-periods.

(b) ICANN's anticipated timeline and work plan for the review specified in Section 9.3 of the Affirmation of Commitments

Preparations for the review called for in Section 9.3 of the Affirmation of Commitments (the Competition, Consumer Trust, and Consumer Choice Review, or "CCT Review") have been under way for some time, beginning with the Board's request for advice from the ALAC, GAC, GNSO, and ccNSO on establishing definitions, measures, and targets for competition, consumer trust and consumer choice in the context of the DNS (See https://www.icann.org/resources/board-material/resolutions-2010-12-10-en#6). This resulted in recommendations from both the GNSO and ALAC (see http://gnso.icann.org/en/issues/cctc/cctc-final-advice-letter-05dec12-en.pdf), whereupon the Board formed the Implementation Advisory Group on Competition, Consumer Trust, and Consumer Choice (IAG-CCT) in September 2013 to review those recommended metrics and make recommendations to the Board based on an evaluation of the feasibility, utility and cost-effectiveness of each of the proposed 70 metrics (see https://www.icann.org/resources/board-material/resolutions-2013-09-28-en#2.d).

The IAG-CCT has paid particular attention to baselines, to ensure that data is collected that will be important for benchmarking the impact of the New gTLD Program in these areas. The IAG-CCT provided an interim recommendation for a consumer survey and an economic study to help capture baseline data; this recommendation was approved by the Board in March 2014 (https://www.icann.org/resources/board-material/resolutions-2014-03-27-en#2.c). The Final Report of the IAG-CCT is expected to be provided to the Board in October, for consideration during the ICANN 51 meeting in Los Angeles.

ICANN is conducting an open RFP process to engage providers for the consumer survey (see https://www.icann.org/news/announcement-2-2014-07-16-en), and the economic study (see https://www.icann.org/news/announcement-2014-09-08-en). For the additional set of metrics recommended where baselines are necessary, and that relate to in-house data, staff is already in the process of compiling the data as well as exploring tools to provide for upkeep and presentation of that data to the community.

In addition to the areas of competition, consumer trust, and consumer choice, the review in 9.3 of the Affirmation of Commitments includes review of the effectiveness of the application and evaluation process, and of safeguards put in place in the program to mitigate issues. These relate to areas discussed below in sections (c) and (d) of this report.

The process of convening a Review Team, as called for in section 9.3 of the Affirmation of Commitments, is projected to begin in Q3-2015. This will enable the availability of baseline metric data for consideration, as well as comparison data as one input to the Review Team's analysis. Additionally, reports on the rights protection and program implementation reviews

will be available for the Review Team's consideration. Finally, the bulk of TLDs are expected to have been delegated and launched in the marketplace at this time, enabling consideration of a variety of TLD types (for example, IDNs, geographically-oriented TLDs, community-based TLDs, brand-related TLDs) to support more detailed analysis.

The metrics data and other inputs described here are intended to help provide background on the results of this round of gTLD delegations. However, whether and to what degree it relies on these data sources will be entirely within the discretion of the CCT Review Team.

Once convened, the CCT Review Team will develop recommendations to the ICANN Board of Directors (estimated as a 12-18 month process). The Board is expected to take action on the recommendations within six months. Once that occurs, implementation of the recommendations will commence as appropriate.

(c) ICANN's work to date on any evaluation of the first round

Staff's work in reviewing the program to date has focused on operations, efficiency, and cost-effectiveness. A preliminary set of review areas (i.e., focus areas) that would benefit from in-depth discussions about the program's implementation has been identified. The focus areas are intended to enable advancement of the work by ensuring that complex issues and related topics are considered together, and allowing resources to be focused on the areas where significant levels of work are anticipated. In most of these areas, it is expected that operational re-design as well as open consultation with the community will be required.

A preliminary list of focus areas is below:

	Focus Area	Goal
1	Financials	Examine the financial performance of the Program and undertake projections to develop subsequent application fee amounts, corresponding refund structure and processes, as well as identifying cost areas in Program operation and identifying ways to enhance financial management as needed.
2	Evaluation processes	Examine the objectives, approach, and criteria used in the Technical and Financial evaluation processes and develop proposed updates to these processes. Design updates may take into account use of Registry Service Providers by applicants, and individual versus portfolio application processing.

	Focus Area	Goal
3	Continuity mechanisms	Examine the current approach and mechanisms for supporting TLD continuity and develop proposed updates to these processes. To provide for registrant protection in the event of a failure of registry critical functions, all gTLD applicants were required to obtain a Continuing Operations Instrument, either a letter of credit or a cash escrow deposit. Identifying and managing such instruments has proven complex both for applicants and for ICANN, and the effectiveness of the current approach should be assessed to determine whether alternatives should be explored.
4	Change management	Examine the phases and timelines of the application evaluation process and develop an effective change management framework for the Program. This would include rules and procedures for application change requests, as well as handling of emerging issues (e.g., name collision). Recognizing that not all potential issues can be anticipated, change management practices can be built into the Program to provide support and consistency in the handling of emerging issues.
5	Objection process	Examine the goals, standards and procedures used in the formal objection process and develop proposed updates to these processes. This includes consideration of the objection process, independent objector role, objection timelines, mediation/self-resolution steps, and related areas.
6	Communications & customer service	Examine the communications objectives and activities executed by ICANN for various stages of the Program, including consideration of outreach strategies, educational resources and tools made available, and support for regional and language considerations. This also includes examination of the procedures, tools, and resources used for supporting applicants and facilitating their communications with ICANN throughout the application and evaluation processes.

To guide and help support a consistent analysis of each area, a set of pre-determined dimensions has also been identified for consideration. To guide the analysis, each of the review areas above will be looked at along the following dimensions:

1. **Efficiency**: to what extent resources (time, effort, cost) were well used for the intended purpose.

2. **Effectiveness**: to what degree the process was successful in producing desired results/achieving objectives.

3. **Fairness**: to what extent decision-making was consistent, objective, and adhered to documented policies and procedures.

4. **Predictability**: to what extent the Program process/procedures/timelines provided predictability.

5. **Security and stability**: to what extent the process/procedure/framework supported security and stability of the DNS.

6. **Alignment to policy and implementation recommendations**: to what extent the Program criteria, requirements, and execution adhered to GNSO policy recommendations and the Applicant Guidebook.

The identification and review of these areas of program implementation are an initial phase that will lead to working with the community to develop and design a subsequent application process. Depending on the outcome of the assessment, one or more focus areas may become a set of parallel projects with dedicated project leaders, to take each set of issues through consultation with the relevant experts, community participants, staff, and vendors, and lead the process for discussion of proposals and solutions with the community. For example, the consultation and expertise necessary on financial evaluation would differ from that needed to consider communications and outreach, and these streams of work could proceed in parallel.

It is envisioned that the outcome will be a roadmap to guide staff in the design of the needed systems and processes to support subsequent application rounds or procedures.

(d) The work to date on the post-launch independent review of the Trademark Clearinghouse

This review originated in GAC advice, where an independent review was proposed to take place "one year after the launch of the 75th new gTLD in the round." (This would be February 2015, which is the current target for this review.)
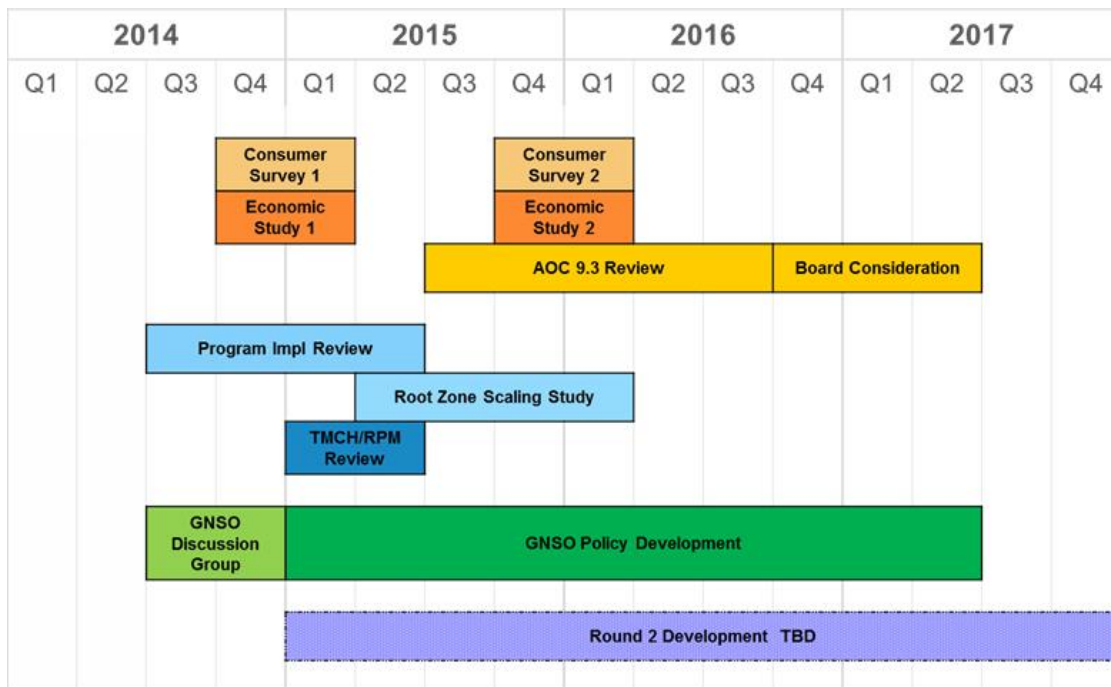
Additional activities are in process relating to rights protection that are also relevant. First is a standing GNSO request for an Issue Report reviewing all rights protection mechanisms (current and developed for the New gTLD Program) including the UDRP and URS, to be delivered 18 months after the first delegation of new gTLDs (which occurred in October 2013). Staff is on target to have significant data collection and analysis done by this time (April 2015) to inform the creation of this Issue Report.

Second, as noted above, effectiveness of the safeguards put in place for the New gTLD Program is a topic for consideration under the 9.3 Affirmation of Commitments review, and the analysis in progress is expected to be another input to that effort.

In light of the above, staff is well under way in compiling data on the usage of the new rights protection mechanisms in the program (e.g., provider statistics, review of frequent customer service questions, issues raised in user feedback) and expects that this analysis will serve as groundwork for a number of purposes, including the above independent review. A discussion session on reviewing the rights protection mechanisms is also slated for the ICANN 51 meeting in Los Angeles.

(e) ICANN's current projection for a timetable for subsequent rounds

Using the initial estimates for activities described in this report, as well as a root stability study that is expected to take place, a rough timeline is shown below. Based on current estimates, a subsequent application round is not expected to launch until 2016 at the earliest.

Some notes on the basis for the estimates used in the timeline are also provided in the table below:

Preparations for CCT Review	
Consumer Survey	RFP for survey vendor published July 2014. Procurement in process. Study targeted to begin in Q4-2014, with follow-on study 1 year later. Outcomes targeted by Q2-2016.

Economic Study	RFP published September 2014. Procurement in process. Study targeted to begin in Q4 - 2014, with follow-on study 1 year later. Outcomes targeted by Q2-2016.
CCT Review Team Process	
Review Team Process	The process of convening a Review Team, as called for in section 9.3 of the Affirmation of Commitments is projected to begin in Q3-2015. This will enable the availability of baseline metric data for consideration, as well as comparison data as one input to the team's analysis. Additionally, reports on the rights protection and program implementation reviews will be available. Finally, the bulk of TLDs are expected to have been delegated and launched in the marketplace at this time, enabling consideration of a variety of TLD types (for example, IDNs, geographically-oriented TLDs, community-based TLDs, brand-related TLDs) to support more detailed analysis. Based on the timelines of previous Review Team processes, a rough estimate for this process is that the convening of the team occurs across 3-5 months, a draft report is issued within 6-9 months, and a final report is issued within 3-6 months from the draft. The Board vote then must take place within 6 months of when the recommendations are delivered.
Program Reviews	
Root Stability	This study is projected to begin in Q2-2015. This will enable consideration of the delegation process as well as the performance of the root zone with greater numbers of TLDs.
Rights Protection	An initial paper analyzing the use of rights protection mechanisms in the Program is to be available in Q4-2014. This will be refined and updated after a public comment period and a revised report available in Q1-2015. This will support delivery of an Issue Report to the GNSO as requested by Q2-2015. This will also be an input to the independent review of the Trademark Clearinghouse projected to begin in Q2-2015. This will also be an input to the CCT Review Team as noted above.
Program Implementation	Program Implementation reviews are under way currently, and are projected to be completed in Q2-2015. This analysis will be published for review and comment, and will also serve as an input to the CCT Review Team.
Policy Development	

Discussion Group	The discussion group is under way currently and currently projected to complete its work in Q4-2014.
Policy Development Processes	Following the output of the discussion group, the GNSO may elect to initiate policy development processes on one or more areas identified in its review. The timeframes involved will depend on the policy work undertaken.
Next Round Development	
Development work	Based on completion of the Program Implementation Reviews, some work could begin as early as Q1-2015. The timeline for completion of development work is also dependent on outcomes of other work taking place as described here.

Additional Comments and Next Steps

Staff notes that the Discussion Group formed by the GNSO motion referenced above has been convened and intends to work on issue identification and categorization, as a preface to any policy development work that may be pursued by the GNSO, and will follow those developments closely.

Staff looks forward to a dialogue with the Council on these activities and remains ready to provide any additional information or clarification.