

## ICANN BOARD SUBMISSION NO. 2013-07-18-1e

**TITLE:** **Competition, Consumer Trust and Choice Metrics for the New gTLD Program per the AoC Review**

**PROPOSED ACTION:** **For Board Consideration and Action**

### **EXECUTIVE SUMMARY:**

The Board is being asked to request that the CEO commence the process to create the Competition, Consumer Trust and Choice Metrics Review Team (CCT Review Team) under the Affirmation of Commitments (AoC). The Team will work in two phases: phase one will occur as soon as the Team is appointed by the CEO and GAC Chair, and involves working with, and considering the input of, the GNSO, ALAC, Staff and any other relevant inputs, and identifying the metrics to be collected by ICANN in preparation for the upcoming review of the New gTLD Program; and phase two will occur after new gTLDs have been in operation for one year and involves considering the data gathered and examining the extent to which the introduction or expansion of gTLDs has promoted competition, consumer trust, and consumer choice.<sup>1</sup>

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<sup>1</sup> 9.3 Promoting competition, consumer trust, and consumer choice: ICANN will ensure that as it contemplates expanding the top-level domain space, the various issues that are involved (including competition, consumer protection, security, stability and resiliency, malicious abuse issues, sovereignty concerns, and rights protection) will be adequately addressed prior to implementation. If and when new gTLDs (whether in ASCII or other language character sets) have been in operation for one year, ICANN will organize a review that will examine the extent to which the introduction or expansion of gTLDs has promoted competition, consumer trust and consumer choice, as well as effectiveness of (a) the application and evaluation process, and (b) safeguards put in place to mitigate issues involved in the introduction or expansion. ICANN will organize a further review of its execution of the above commitments two years after the first review, and then no less frequently than every four years. The reviews will be performed by volunteer community members and the review team will be constituted and published for public comment, and will include the following (or their designated nominees): the Chair of the GAC, the CEO of ICANN, representatives of the relevant Advisory Committees and Supporting Organizations, and independent experts. Composition of the review team will be agreed jointly by the Chair of the GAC (in consultation with GAC members) and the CEO of ICANN. Resulting recommendations of the reviews will be provided to the Board and posted for public comment. The Board will take action within six months of receipt of the recommendations.

The GNSO formed a Consumer Trust, Choice, and Competition Working Group, which included participation from members of the ALAC. The GNSO Council provided the advice from this working group to the Board, recommending the adoption of definitions, measures and 3-year targets to be used in connection with the upcoming review under the AoC to evaluate the effectiveness and impact of the new gTLD program. The GNSO noted that the ICANN Board also should consider the resource requirements for collecting new metrics, both in terms of internal staff and expense for external third-party assistance with surveys and other data collection efforts. The ALAC subsequently provided the Board with advice on additional metrics to measure end-user benefit and confidence.

In addition, ICANN and possibly others have in the past gathered data after the introduction of the first (2000) and second (2004) round of new gTLDs.

Analyzing the feasibility, utility and cost-effectiveness of each proposed metric requires additional work. Staff proposes that ICANN announce the initiation of the process to create the CCT Review Team as soon as possible so the team can be launched to evaluate the GNSO Council, ALAC, Staff and any other relevant input, discuss this with the community, and produce a recommended set of metrics to be gathered by ICANN for use in this AoC review. The Review Team will be explicitly tasked with assessing each metric recommended by the GNSO Council and ALAC and advise the Board on whether the proposed metric is feasible and useful to their AoC mandate and future review team analysis, and whether the implementation costs associated with collecting the metric are justified in light of the value of the information to be received. Where the review team determines that a metric from the GNSO or ALAC is not feasible, useful or cost-effective, the review team will consult with the GNSO and ALAC to see if an alternative approach could be developed that meets the goals of the GNSO and ALAC.

Data gathering decisions and actions need to be undertaken this year in order for the requisite review to occur one year after new gTLDs have been in operation. After the Team conducts this initial work, it will be reconvened to complete the AoC review.

## **BACKGROUND**

In December, 2010, the Board [requested advice](#) from the ALAC, GAC, GNSO, and ccNSO on establishing the definition, measures, and three year targets for competition, consumer trust, and consumer choice in the context of the domain name system. This advice was requested to support ICANN's obligations under the AoC. The Board received an [Advice Letter](#) from the GNSO Council (11 January 2013), and an [Advice Letter](#) from the ALAC (13 April 13), each advising ICANN to adopt specific metrics. Although ALAC representatives were involved in the GNSO working group's development of proposed metrics, when the GNSO Council did not adopt additional recommendations related to end-user benefits, the ALAC embarked on development of its own recommended metrics.

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In addition, ICANN and possibly others have in the past gathered some data after the introduction of the first (2000) and second (2004) round of new gTLDs. Such historical information on the types of metrics gathered in the past by ICANN or others may also be relevant to conducting the AoC review.

Extensive work is required for Staff to analyze the feasibility, utility, and cost effectiveness of the GNSO's and ALAC's recommended metrics. Staff is advised that neither the ccNSO nor the GAC is expected to provide further advice on this topic.

The proposed resolution informs the ICANN community of the next steps with regard to the advice received, and requests that the CEO commence the process for appointing and convening the CCT Review Team now (instead of waiting for the New gTLD Program to be in operation for one year) for the purpose of working with the GNSO, ALAC and Staff on proposed metrics, and evaluating and making recommendations on the metrics to be collected by ICANN. Selection of the members of the CCT Review Team will follow the process described in the AoC.<sup>2</sup>

#### **PROPOSED RESOLUTION:**

Whereas, in the [Affirmation of Commitments](#) (AoC) ICANN has committed to promoting competition, consumer trust and consumer choice, and to organizing a review that will examine the extent to which the introduction or expansion of gTLDs has promoted competition, consumer trust and consumer choice when new gTLDs have been in operation for one year.

Whereas, on 10 December 2010 the ICANN Board [requested](#) that the ALAC, GAC, GNSO and ccNSO provide advice on establishing the definition, measures, and three year targets for competition, consumer trust and consumer choice in the context of the domain name system, which resulted in the Board receiving advice this year from the GNSO Council and the At-Large Advisory Committee, each offering recommendations on specific metrics.

RESOLVED, that the Board thanks the GNSO Council and the ALAC for their advice letters, and thanks the ICANN community for the significant efforts undertaken in response to the Board's request.

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<sup>2</sup> The AoC describes the selection process as follows: "[t]he reviews will be performed by volunteer community members and the review team will be constituted and published for public comment, and include the following (or their designated nominees): the Chair of the GAC, the CEO of ICANN, representatives of the relevant Advisory Committees and Supporting Organizations, and independent experts. Composition of the review team will be agreed jointly by the Chair of the GAC (in consultation with GAC members) and the CEO of ICANN."

RESOLVED FURTHER, that the Board directs the CEO to commence the process under the AoC for convening of the Competition, Consumer Trust and Consumer Choice Review Team, for the purpose of: evaluating and reporting to the Board on the feasibility, utility and cost-effectiveness of adopting the recommendations of the GNSO Council and the ALAC; evaluating other inputs, including historical data regarding metrics used to evaluate earlier rounds of new gTLDs (2000, 2004); engaging with the GNSO, ALAC and Staff in an effort to reach agreement on the metrics; and proposing a set of metrics to be compiled by ICANN for use in the future AoC Review of the New GTLD Program.

RESOLVED FURTHER, that the Board requests the CEO to direct Staff to analyze each of the proposed metrics to evaluate its feasibility and utility, and whether the implementation costs associated with its collection are reasonable in light of the value of the information to be revealed, and to provide such analysis to the Review Team when convened. Where the review team determines that the metrics from the GNSO Council or the ALAC do not meet these criteria, the review team will consult with the GNSO and ALAC to share its rationale, and determine whether the collective set of metrics recommended by the review team sufficiently address the goals of the GNSO and the ALAC.

#### **RATIONALE:**

The advice letters submitted by the GNSO Council and ALAC reflect the extensive thought and analysis conducted by the ICANN community to help guide ICANN in preparing for the upcoming review of the New GTLD Program that is to commence one year after the first new TLDs are delegated.

The Board request for this advice followed community calls for metrics – objective measures that could be used to assess ICANN’s performance in the areas of consumer trust, competition, and consumer choice. As new gTLDs will be delegated this year, it is important that ICANN identify the metrics and begin collecting data that may be used by the future AoC review team to conduct its analysis. The Board’s resolution calls for the CEO to commence the process described in the AoC for convening of the Competition, Consumer Trust and Consumer Choice Review Team now (rather than wait for the New gTLD Program to be in operation for one year) to: evaluate and report on the feasibility, utility and cost-effectiveness of implementing the various consumer metrics recommended by the Community; evaluating other inputs, including historical data regarding metrics used to evaluate earlier rounds of new gTLDs (2000, 2004); engage with the GNSO and ALAC to identify agreement on metrics; and ultimately to propose a series of metrics for the Board to approve, to be collected for use in the future review to be conducted under the AoC. If, after discussing this with the GNSO and ALAC, the Review Team ultimately recommends against using a metric proposed by the GNSO Council and/or ALAC, the Review Team is expected to provide an explanation to the Board.

The Review Team will work in two phases: phase one will occur as soon as the Team is appointed by the CEO and GAC Chair, and involves engaging the Community, evaluating

and reporting on metrics proposed by the GNSO Council and ALAC, and recommending the metrics to be collected by ICANN in preparation for the upcoming review of the New gTLD Program; and phase two will occur after new gTLDs have been in operation for one year and involves examining the extent to which the introduction or expansion of gTLDs has promoted competition, consumer trust, and consumer choice.

Once the proposed metrics are delivered to the Board at the conclusion of phase one, the Review Team's work would be suspended until the new gTLDs have been in operation for one year. At the beginning of Phase two, the composition of the Review Team would be reconfirmed by the CEO and GAC Chair, to allow for substituting or augmenting its members, as appropriate. In the interim, Staff will develop the systems to collect the metrics approved through this process.

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