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)
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
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?

• 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