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ABU DHABI – GAC Meeting with the GNSO Subsequent Procedures PDP Working Group Co-Chairs (CBAs and Applicant Support Discussion)

Sunday, October 29, 2017 – 10:30 to 11:00 GST

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THOMAS SCHNEIDER: Good morning, everybody. We need to start, so please sit down and let's begin. So this is the session where we have our colleagues from the Subsequent Procedures Working Group, PDP Working Group with us and we've had some exchanges already before. As you see, we have a new co-Chair of this Working Group because Avri has moved –

CHERYL LANGDON-ORR I'm not Avri.

THOMAS SCHNEIDER: Has moved somewhere else in this environment which is called the Board, and so I'm very happy to have this partially renewed team with us. And this session is – we had exchanges on a number of issues. This session is particularly focusing on two elements that we haven't discussed with them in detail very much. One is the so-called another encryption that is difficult to understand for us as applicant support that was meant to be there to support

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applications from developing countries, or from regions with limited resources.

And the other thing is the community-based applications where there have been some difficulties with the concept, and a number of discussions and fights – if I may say so – in the past, and of course, this PDP is looking at these things and discussing how to do things differently in the hope to achieve the goals that have been behind these two concepts. So I will stop talking and hand over the floor. Please present yourself, because we have a lot of new people in the GAC. The floor is yours, thank you.

JEFF NEUMAN:

Thank you Thomas, I'm Jeff Neuman, I'm one of the co-Chairs of the Subsequent Procedures PDP within the GNSO. Thomas stole my thunder on the first announcement that I had which is we have a – that's okay, we have a new co-Chair. Avri, as Thomas said, went on to the Board, was promoted, I guess. I think we think that's a promotion.

CHERYL LANGDON-ORR:

Evolution.

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JEFF NEUMAN:

Evolution. So yes, Avri is now with the ICANN Board, and the group was happy and proud to have Cheryl step up. Cheryl Langdon Orr who is very well known in the ICANN community, and we've known each other for many years now. And I think Cheryl was previously Work Track 4 lead, which we'll talk about in a second, but is now one of the overall co-Chairs and I'm very happy to have her on board and sharing the work with me. So thank you, Cheryl.

Normally when we present, you see myself and, well, previously Avri and now Cheryl, but we actually have a great team of co-leaders for each of our different work areas that we call work tracks. Two of those work tracks are with us today, the co-leaders. We have Work Track 1 which deals with applicant support, but also with a number of other overall process issues including the Applicant Guidebook in general, fees for applying for a new generic top-level domain, and a host of other issues.

The two co leads of Work Track 1 are Christa Taylor to my right and Sarah Bockey to her right. They lead Work Track 1, and we also have the leaders here of Work Track 3. Work Track 3 deals with a large number of subjects including community-based applications, but also looks at all sorts of types of objections, looks at the role of public comment periods, how to incorporate GAC advice into the process. That team is led by Karen Day and Robin Gross, and so they'll be addressing the topic of

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communities. So I'm going to turn it over to them as we start to the next slide, which should be Work Track 1 Applicant Support.

CHRISTA TAYLOR:

In applicant support – just a little bit of background – in the first round there were three applicants, and only one was successful and met the criteria. So far, the working group have identified a number of different causes. One is that the criteria was configured improperly. Secondly, the program was made available too late. Thirdly, the outreach efforts were not executed well. And fourthly, there was a lack of a holistic approach beyond the financial support.

We're currently in the deliberations or focused around going beyond financial support and providing mentoring, technical support, and things like the annual ICANN fees being covered. And additionally, we're looking more at the middle applicants. The middle applicants are struggling regions that are further along in their development.

So our questions ideally we get some feedback on, one, how ICANN can best improve their outreach for the Applicant Support Program, and should awareness and educational outreach efforts vary by region or some other methodology? Secondly, what metrics would best reflect a successful Applicant Support

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Program? And thirdly, once the suggested changes to the Applicant Support Program are better understood, what's the best approach to balance the needs with demand?

JEFF NEUMAN:

Thanks, Christa. We've been working on these issues with applicant support. Just to go a little bit into some background, it was very important when we launched the last round of new gTLDs for us as a community to receive applications from those in developing countries and regions, and to really promote awareness of the new gTLD program. And as Christa said, there have been a number of issues identified with the lack of our ability to obtain applications, everything from outreach to appropriate amount of funds and resources to get those types of applications.

And while we have a lot of materials that discuss the background of what we call the Applicant Support Program, which was a Cross Community group that was formed – I think it was around 2010 or 11. It might have actually been formed in 2009, but around that time that came up with a bunch of criteria to determine whether applicants qualified to receive monetary funds from ICANN. For many of you that recall – and those who were not around, ICANN set out a fund of \$2 million to provide to applicants in the form of their application fee and to help them, or the thought was to help them throughout the process, apply, and from everything to

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doing their application. There was also some discussion about helping them get other types of support like technical support for registry services to help them along.

A lot of these things were discussed, but we found didn't really come to fruition. It didn't happen in practice. And what we're trying to do now is get input from the community, and especially the GAC which is extremely well involved in that process, to help us understand what you all believe went right, what went wrong, and ways that we can ensure for the next round and beyond that we do get applications from the developing countries. We know that you have a working group within the GAC that deals with issues with developing countries and outreach, and this is a very important area to all of us on how we can get those applications. So these questions are really for you all to provide us with input. Not just now. Obviously, we're here talking about it, but throughout the next several months and so on, on how we can improve and get additional applications.

THOMAS SCHNEIDER:

Thank you, Jeff, and I think this is a very important issue if we want to support ICANN in making sure that the opportunities that new gTLDs create can be seized not just by people with a lot of resources or groups with a lot of resources, but also by others. And I think we are now having an opportunity, [A], that the

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awareness among those who are working on this this is much higher, that this is important than it has been maybe at the beginning of the first round, but they need input. They are not necessarily having the experience and the knowledge, it is from these regions and countries that the input needs to come. They need to be told what the people need. And money may not be necessarily the biggest obstacle or the biggest issue.

And also with regard to the issue of gaming, maybe it should be a package that would be about support on the technical level. This is one thing, but also on support about how to develop a TLD, how to find out how a potential market may look like that you can actually sustainably operate a TLD in a particular region with a particular target group that you exercise. And this, unfortunately there are some TLDs in regions that have been going through the first round, and of course the experience that they have is fundamental, but it is also important that the governments contribute with their knowledge about the regions, about the needs of the people, about the structure of businesses and so on, that you provide input to this.

I understand that in the Underserved Regions Working Group, questions have been asked to GAC members to provide input, but that so far not too much input has come out of this. So I can only encourage you, it is in the interest of your people and of your

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businesses to use this opportunity. The time is now to feed in information about the needs about things that those who develop the framework for the next round need to know so that in all regions of the world, opportunities can be seized to develop TLD applications that will provide benefits on local levels. So this is I think very important, and if this opportunity is missed, then it's difficult to complain at a later stage why things have not been done. So I'm just alluding to this because this is something that sometimes happens in different parts of the community. With this, let me give the floor to GAC members to make comments or ask questions. Thank you. Egypt, Manal.

MANAL ISMAIL:

Thank you, Thomas, and thanks to everyone on the PDP. Just two points. And please excuse my ignorance here. I'm not sure, did we try to reach out to maybe potential applicants who were in the application process but then decided not to continue the application process for one reason or another? I mean, those probably are the ones who need the support and it would be beneficial to know what type of support, whether it was a technical reason, whether it was a financial reason or otherwise. And it's good that the name is applicant support and it can accommodate other forms of support as you have already mentioned, not necessarily financial support.



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The other point is with regard to the timing, the time frame. Again, I'm afraid that everything goes in one package, and by the time the PDP is finalizing, then the new round or whatever it is called is now starting, and then we start the awareness and the support which becomes very tight, and again, people can miss the opportunity. So I believe that this type of support or awareness, especially if it is a technical support or capacity building or something like that, it needs to start early on before the program itself or the project itself.

And finally, I think it may be good to also coordinate with the GSE team of ICANN and the liaisons to the different regions. They do their own webinars in the region, they do their own outreach, and maybe some specific webinars on this topic, and they may be helpful in identifying potential interests in the region. Thank you.

THOMAS SCHNEIDER: Thank you, Manal. Other comments or questions to the co-Chairs? Iran.

KAVEOUS ARASTEH: Thank you. Not a question, just a comment. The questions raised by Manal indicate the degree of unawareness of the GAC members of what is going on in this new gTLD development. This matter that she referred to is under discussion for many weeks,

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different ways how to proceed, one [inaudible] two [inaudible], stopping between, first come first serve and so on and so forth. That means there is no communications. So you have to find a way how you put the GAC in the pictures of the activities that you are doing. Thank you.

THOMAS SCHNEIDER: Yes. Egypt.

MANAL ISMAIL: Can I just seek clarification? Which part exactly of the question? Because I didn't understand the response.

KAVOUS ARASTEH: The part that you mentioned that how the applicant will be aware that if he miss the situation, what is the next situation that he could have the opportunity to come in, and how the round will be put into operations and so on and so forth, what would be the next situation? Would it be similar to the previous situation? We have a start and then stop it, then take it up another two years and so on and so forth. The whole process. Thank you.

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MANAL ISMAIL: Thank you, Kavouss. I think there is a misunderstanding. We can take it offline. I don't think I said what you have mentioned now, but we can discuss this afterwards. Thank you.

THOMAS SCHNEIDER: Thank you. Looking at the time, I think we have to move on the second issue that we are trying to look at a little bit more closely, which is the community-based applications. Thank you.

JEFF NEUMAN: Okay. Karen, do you want to start with the slide? Thanks.

KAREN DAY: Thank you, Jeff. In Work Track 3, one of the topics we have been looking at is the issue of community-based applications. And some of the things we have been discussing thus far are if ICANN were to privilege communities in the New gTLD Program going forward the way communities were privileged in the 2012 round, how would we define community? We are also looking at what are the underlying public interest objectives in action by creating the concept of community applications. Should we privilege communities ahead of other groups for the sake of something else? What is the significance or purpose of being a community-based applicant in the New gTLD Program? Next slide.

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What we have done thus far is we have taken an attempt just for the purpose of discussion to define community. We've labeled this our straw bunny, and the definition that we are working with now, again just for discussion purposes, would be a community is a self-defined, long-standing and structured aggregation of people and/or organizations who share a number of cultural, geographical and/or social attributes that bind them together and define the community, its goals and its actions. A community applicant is one that is bound to the named community and whose application and eventual management is directed by that community according to a published set of mechanisms which define its processes and accountability to that community.

So with that in mind, what we are seeking input from the GAC and from the rest of the community on is, does this privilege old institutions and disadvantage startup communities?

Are banks and other organizations – can they be considered communities? Should the requirement that a community have a public interest or a noncommercial goal to be privileged in the New gTLD Program, should that be a requirement? We are aware of and are using as input the commission on European Council's Commission on human rights report on community-based applications which came out earlier this year. We are awaiting the final report on community priority evaluation review process.

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That is ongoing, we'll be considering that as well, but these are the questions before us as regards to community priority in the subsequent rounds that we are looking for input from the GAC and others in the community on. Thank you.

THOMAS SCHNEIDER: Thank you, and thank you for – I think the reflections are very valid, and the questions that you ask are very valid. Just one question before I give the floor to Mark. What is the timeline of all of these when you say you are waiting for input? Maybe there's something for the overall PDP, what are the next visible time lines – if there are any – so that we understand how we should work?

JEFF NEUMAN: Sure. Thank you for that question. The time line we're working towards currently is that we are hoping to get out what we call an initial report. That initial report would come out somewhere around just after the next ICANN meeting, so probably April of 2018. That initial report will seek additional feedback and comments on our preliminary recommendations, and then the hope is to finalize all of that for a final report on all of these subjects with the exception of Work Track 5. Everything else, the goal is to finalize by Q4 of next year, 2018.

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THOMAS SCHNEIDER: Okay. Thank you. UK, Mark.

MARK CARVELL: Thank you very much, Karen, for presenting this part of the agenda. I think looking at this particular area of concern about the lack of definition, this is I think a very useful starting point, because our feeling is that a lot of the problems that flowed from implementing community prioritization for community-based applications probably stem from the lack of clear definition, and this straw bunny proposal I think is a very helpful start. And we will take it away and consider it, of course. We need a bit of time obviously to do that, and others in the community will also be wanting to do that, no doubt.

And you raise a question there about sort of [sectoral] communities. You reference in particular banks, but there are other sort of business sectors. I you look up, for example, the creative industries area, you've got opportunities for representative bodies who are representing a wide range of interests. Copyright developers, the owners of copyright material, I'm thinking for example of the music sector where you've got diversity of interests who are wanting to advance the interests of that particular sector through having a top-level domain. And are they eligible to be considered as a community?

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So I think it's a good question to raise, and that would flow back to the definition you've got in the first paragraph, people who share cultural, geographical and/or social attributes. There may be other elements to add into that reflecting say, for example, communities of actors in the media sector, or in the financial sector and so on. So that's a very useful prompt there in terms of question.

The GAC as I noted in our report to you about the history of the GAC's consideration of prioritization of community-based applications, we in the GAC have not really had the opportunity to investigate, go back to basics as you are doing very usefully, to look at definitional issues such as this, so that's I think a very helpful start.

We have throughout the whole history of the current round been alert to problems of implementation of what was in the Applicant Guidebook, how community prioritization was handled, how applications were evaluated, and the processes that were deployed, the agent who was undertook to carry out those evaluations, the deficiencies that became apparent, and also inconsistencies in the decisions that were taken by the entity carrying out the evaluation.

A lot of those problems came up, and the GAC recorded its concerns and its advice to the Board, and I sent out in our paper

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to you the history of our representations to the Board on that aspect of this whole community-based applications area in particular. And so we look forward to the PDP Working Group looking at those issues as well, how implementation can be carried out more effectively in light of the experience of the current round.

And the other aspect of that that we have highlighted is that in addition to the processes set out in the Applicant Guidebook, you then had the opportunity that was afforded to competing applications, the ones in contention that were involved in the round to resort to other processes that would in many cases frustrate the ambitions of community-based applicants who had gone through the regular process set out in the Applicant Guidebook. So that's another aspect of this issue that we're particularly concerned for the PDP Working Group to look at.

So I hope those initial comments are helpful. There may be others that colleagues in the room want to flag or to underline to bring to your attention. But we will certainly contribute to the work of the PDP to develop this work and to ensure that the problems that were encountered in this round are not going to be repeated in the next process whenever that comes into implementation phase. So a lot of preparatory work has to be done. Those are my initial reactions. I hope that's helpful. Thank you.



THOMAS SCHNEIDER: Thank you, Mark. Other comments, questions, input? Switzerland.

JORGE CANCIO: Thank you. Good morning, and thank you for coming to this giant session, and apologies for being a little bit late. On the issue of community-based applications, I just want to support what Mark just said, and I would also would like to flag that in an event where you see there might be disagreement between what we have been flagging before in our GAC advice or GAC inputs to the PDP Working Group, also issues that are not GAC advice but which were included on the Council of Europe report that you are aware of that, and that hopefully you come back to us expressly and as an outreach effort also consistent with the recommendations of the joint GAC GNSO Working Group so that we avoid to go down to further phases of the process where a disagreement would perhaps block the decision making by the Board or anything like that.

So as soon as any potential disagreement arises, please, I would urge you to come back to us and see if we can work out consensus, agree to solutions. Thank you.

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THOMAS SCHNEIDER: Thank you, Switzerland. Jeff would like to reply.

JEFF NEUMAN: Yes. Thanks, Jorge, and thanks for those comments. I think one thing that may help us in the interim – the paper was an excellent paper, and we've read it a number of times. There are a lot of unique recommendations in the paper and alternatives that are presented. One thing that would help us if possible is for an understanding of which of those specific recommendations have support from – I would love from the GAC as a whole, but I know that's a difficult task, but even from individual members of the GAC there are proposals from everything about how to improve what the existing criteria, to having an initial round only asking for communities, or having a round where all you ask for are the types of strings that are sought, the top-level domains, and then you go into I think it says a 30- or 60-day period for other people to apply for that string as a community, and then if someone is a community, then that application would get priority over even the first application that was filed.

So the point I'm trying to make is there are a number of recommendations in the report, and like I said it's a fantastic review of what's happened, but it would help us to understand which of those proposals have support from either individual members or the GAC. Thanks.

THOMAS SCHNEIDER: Yes, UK.

MARK CARVELL: For the benefit of newcomers to the GAC, better explain which report we're talking about. Not my condensed account of the GAC advice successively, but it's the Council of Europe report, this one entitled "Applications to ICANN for community-based new gTLD applications, opportunities and challenges from a human rights perspective." This report has not been considered by the GAC. I should make that point. We supported its transmission to yourselves and to the CCT review. So we note what you are requesting in terms of the GAC signaling which of these recommendations the GAC would endorse, and we need to have a discussion about that in the GAC actually. And maybe Thomas will comment to that.

So for those who are not familiar with it, it was commissioned by the Council of Europe who are an observer on the GAC. And actually, I provide a channel to the Council of Europe in Strasbourg because I'm on the Steering Committee on Media and Information Society, so I'm very happy to be a channel into the Council of Europe's process with regard to this report. Thank you.

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THOMAS SCHNEIDER: Thank you. We had some discussions about the report, but we didn't get to conclusions or clear communication on substance. We just recommended you to read it and take what you think is important. And we may actually spend some more time looking into the concrete recommendations and be more explicit about what the GAC as a whole or some individual members think are most important or the most useful recommendations.

Maybe if you allow me a personal remark based on my experience with the discussion of this. Back in 2008, 2009, and 2010, there was a big discussion about a one size fits all solution or creating categories of different types of TLDs. I was part of those who were advising at that time that categories should be created because of the difference of applications in terms of goals, risks, opportunities, target groups and so on and so forth.

And there was also a GAC advice that advised ICANN to look into creating categories, and it was then decided that there shouldn't be too many categories, although on lower layers in the Applicant Guidebook there are still different elements for categories like communities and geo names and others, for instance something like the brand TLDs that we indicated at that time that is a separate category because it has different – but of course there are reasons in favor or not, because who defines which category a TLD belongs to? Is it the applicant or ICANN? Because of course

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there may be reasons to declare yourself belonging to one category because you try to profit from privileges maybe, and so on and so forth, which is one of the issues with the so-called community priority evaluation that has been difficult for various reasons.

To cut the long story short, what I'm trying to say is there seem to be two categories of communities. One is what you're probably trying to capture in the first paragraph, which are communities related to cultural, geographical and social attributes, for instance people who share a same language, which is probably the easiest thing because you can monitor who speaks a language and who doesn't, which is a different community from a community of members of a particular industry, for instance, like a hotel association or banking association, or what have you.

And the background is different, the financial resources are different, the risks of abuse are different, business models are different, so I don't know whether you are already thinking about this, but it may be worth maybe defining two kinds of communities. One that is built on social, geographical, cultural attributes that may be linked to the notion of public interest and/or noncommercial. The question is then, is the noncommerciality about the goal of the TLD or the operation of the TLD? But let's say industry communities or economic

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communities where also the TLD itself may not have a commercial goal, but the industry is a commercial industry.

So to look at it from this angle may help you to refine let's say the thinking, the definition, and also the framework of the privileges that you will give, because they may not necessarily have to be the same. And I'm not just talking about money, but maybe about the framework in general. So this is just something that I learned in these several years of discussing what to do with communities and what is the public value of supporting in particular those communities who don't have a chance in competing, for instance, in an auction with commercial actors.

And whether the ICANN community thinks – and I think that was the origin of the whole notion of creating community priority, to give a chance to those who cannot compete economically in an auction-based or economic-based selection process, that those who have a clearly demonstrable public interest in creating a space for people that belong to a particular community, that they have a chance to actually get an application through the system. So I think that's maybe also to look at what are the intentions, what is the benefit behind them, and there's an economic intention, economic benefit, and there's maybe a not for profit that may help you to structure this.

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I think we are already quite over your time, so thank you for your patience and for your listening. Maybe one last chance for the GAC to say something else. Switzerland.

JORGE CANCIO:

Thank you, and sorry for coming back again. I think to be very operational and knowing how the GAC works, it would be very useful if we could have a view at the current thinking, the state of the current thinking within the PDP Working Group in writing, and so we could look into that and intersessionally hopefully give you feedback. And that feedback of course for some of the countries in the GAC will be informed by the Council of Europe Report which we support. Other countries may be informed by other views, but this would really get us to a more operational way of exchanging ideas on this. Hopeful that this helps. Thank you.

THOMAS SCHNEIDER:

Thank you for those good suggestions. I think the GAC will continue to discuss these issues because we've allocated some more time, and of course you are free – we're happy to have you stay, but if you have other urgent items where you are needed, we will let you go. It's up to you, but I think we have –

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CHERYL LANGDON-ORR: I will have to take my leave and get back to the GNSO Council.

THOMAS SCHNEIDER: That's what I thought.

CHERYL LANGDON-ORR: Thanks so much.

THOMAS SCHNEIDER: So thank you for those who have to leave, and of course thank you for those who can stay. So we have a little bit more time to continue the discussion, maybe let's go back first on the applicant support. Let's try and use this opportunity to share experience with in particular people that come from underserved regions whoever has that contact with people that were thinking of developing an application of developing a TLD and what were the discussions that you had with these people and why did they or did they not file an application, if they filed an application what were problems that they had, if they did not file an application it would be interesting to know why did they not file an application. So I need from the CTU you have some experience. Thank you very much.



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CTU:

Thank you Mr. Chairman. Nigel from the CTU. Yes I had some experience at the CTU from 2012. When the round was open for applications, there were some people around the Caribbean who had in mind maybe some applications, more for a Caribbean market but of course the size of the market wasn't such that you know large streams of revenue were to be expected and at the time the application fee if I remember correctly was something around \$125,000 or something of the sort. And I think it was me that you know, this is kind of high bar, and I understood that some concessions were granted that brought down the fee to on the order of \$40,000 or something like that. But even that when one considered the ongoing requirements made it difficult to make the business case for many of the people who might have had thoughts of putting in a bid.

So I think certainly when you, and this to my mind is one of the main reasons why you saw so few applications from what is called the underserved areas, is because the ideas or the markets that were not large enough to be viable when the entry level was so high. So I think I guess we are still grappling with it to come up with okay what might be an appropriate mechanism to allow more applications from these underserved areas and I guess we are working through it in the Working Group, but certainly what, I

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guess we are still open to ideas and creative means to solving this particular problem. Thank you.

THOMAS SCHNEIDER: Thank you. I have Pakistan and Argentina.

PAKISTAN: Thank you. I [indiscernible] that in the last three to four [indiscernible] there's a dire need to create awareness about the ICANN program because in developed countries in the areas the gTLD programs and they have a lot of capacity building there's no issue but in the underserved areas the people are not aware of the ICANN gTLD programs and if they know about the programs they are curious about what is the gTLD process, how do we apply, what is the business cost? So I would request that in underserved countries the awareness sessions through ICANN we spoke to ICANN to create awareness in underserved countries. Thank you.

THOMAS SCHNEIDER: Thank you. Argentina.

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ARGENTINA:

Thank you, Chair. I would like to share the experience that we had at a national level. We hosted with ICANN an event in the [indiscernible] and please consider that most of the economy of my country and many of Latin American countries are driven by smaller enterprises so the question came of the relevance why would a small or medium enterprise need a gTLD? Is it a viable business plan, can I invest money and would I have it back? And then the language and complex process barrier although there were versions of the applicant guide book in Spanish they didn't even get to understand they had to read it because they didn't understand the relevance of it before. And then it was in spite of the fact that the price was lower, I don't know if it was lower for small or medium enterprises, but could we apply for it? Was it seen as an extremely complex process, they needed help from lawyers from abroad and of course the issue of relevance, why would they need if you consider the few applications that were from Latin America they were most focused on companies that are working abroad like tourism companies and some big [indiscernible] thank you.

THOMAS SCHNEIDER:

Thank you. Do you want to respond?

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JEFF NEUMAN:

Thank you for those comments. I think they're very helpful and one of the things we've discussed or tried to discuss with ICANN organization is creating awareness of the existence of top level domains, what it means to have one, how it can be used. We initially got some push back from the organization, because they believed that doing that would in some way be marketing top level domains and making it look like ICANN were seeking commercial gain because they got paid for applications. I think one thing that would help is support from the GAC and others that for awareness program that explains top level domains, not any particular top level domain but just promoting the existence and what they're used for and use cases, just to show that you know one of the things I wanted to do at this meeting but came about it a little too late I probably will try to do it for the next meeting is putting up a stand or booth that shows how gTLDs are being used. Most people aren't aware that there are brands using top level domains for a lot of purposes. All we see it negatives about some of the abuse about some of the unrestricted top level domains and we don't see the positives and I think getting ICANN to start a program showing the awareness and how those top level domains are being used I think could go a long way but also you are the experts in your countries. We would love concrete recommendations of different organizations that ICANN could go to, to present, I mean Olga it was great that you hosted in

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Argentina, having additional places where we could recommend ICANN go to have this promoted would be fantastic.

THOMAS SCHNEIDER: Thank you. UK.

UNITED KINGDOM: Thank you very much. Mark Carvell for the record. That's a very important objective, Jeff, you've just set out for us as participants in this community in terms of promoting awareness. We in governments consult with stakeholders, we can identify entities of the kind you've just described who could be channels of communication and provide opportunities to presentation says for ICANN and government representatives jointly to mitigate that risk that this is being seen as purely a marketing opportunity by ICANN.

And I'm also mindful of the, since the round started really, the proliferation of national and regional governments where you have direct access to internet communities with governments participating in annual events and through web sites and so on of these rational and regional ITFs for being able to promote awareness and the links to be able to respond to questions and so on, and then finally my point, you are right about the brands. I mean we have in this community now the brand registry group

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and information is starting to come through about how brands are using top level domains, not for defensive reasons, solely for many actually they're using it to innovate and develop outreach to global markets and I'm always mindful of you know farming communities in developing countries and small island developing states who will benefit from potentially a top level domain to develop their outreach in the global economy so a top level domain with the help of a top level domain so these are all good points about developing and refining the support program to enable many more potential applicants as long as the fees come down. I thought there was a long, sort of understood expectation that fees would come down in a further round but the whole fee structure could be looked at in terms of assisting those potential applicants who have limited access to participate fully and realize the benefits of top level domains. Thanks.

THOMAS SCHNEIDER: Thank you, Mark. I may ask you to share some personal experiences. We have also, my government has filed an application for a community TLD which is not formally but also related to a geographical political entity.

It is not necessarily the entry fee that is the biggest barrier. It's the complexity of the process, the contracting part for instance. You need to pay lawyers that are familiar with U.S. law and they don't

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operate at the salaries that people sitting in this room operate. This is a different level of costs that you have and so if applicant support is primarily focused on the facilitating the development of an application and the development of the business model if that's needed and development of assessing, engaging with the future market, I think that's probably the biggest focus because you somehow may find the money to file the application fee but then to actually develop it and to develop it a company over the first two, three years in terms of finding your space in this market is something that is probably of high essence. And the second thing that I'd like to share with you is that for us the group of geo names have been fundamentally valuable, because there you have applicants from all over the world including regions like Africa and others that experience is maybe helpful for applicant support not only and it's actually where these two elements or conclusions can be drawn, for instance, what we seem to see is if you look at the economic analysis and the CCT review and if you look at the numbers out there, many of the TLDs that are maybe not making millions of Euros or dollars or what have you but have a more or less stable numbers geographic TLDs or others that are linked to some form of identity that makes people want to be part of a group and then they are willing to also pay a maybe higher price for a particular TLD than for another one. So whenever there's an identity issue linked to a TLD it has a higher chance to

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not have to compete with others but to survive in a sense and be less dependent on economic development as well.

And ccTLDs or other TLDs or communities, linguistic and others that are linked to identity and it's similar with brands, the company uses it to promote identities but there's a meaning behind the word to some people not just a generic name like fruit or vegetable or whatever but something that is important to some people for a particular reason and some of them are disbursed in several countries and if you can draw on their experience what were their biggest problems that may help to for instance, start thinking about promoting such TLDs at the beginning of the next round in all of the countries. So what about ccTLDs, regional TLDs and promoting these in other countries and that may then help to raise the awareness of the people if they know there's a new TLD for the place I'm living in that may incite other ideas about TLDs so in my experience this is one of the lowest entry doors a link to identity because this is what people understand what the TLD is for and that may help you to develop awareness and incite other innovative models. Thank you.

JEFF NEUMAN:

I want to come back to a comment that Mark had made on expectation on lower fees for the next round. I think many of us



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intuitively have thought that but that hasn't really been expressed. So if it is an expectation that is feedback we would love to hear. There are a number of parties that have expressed views that the fees should remain high in order to not sacrifice service levels and, to not sacrifice security and stability and others have said like you Mark, that there is an expectation for lower pricing now that we know what it actually costs. And yet there's a third that says we can't do complete cost recovery because we don't want it so inexpensive that we encourage speculation or those to purchase top level domains that don't really have an intent to use it.

So there's all of this, I don't mean to engage in any long discussion here on it but just to say that it's interesting that you said there's an expectation of lower fees. It would be great if that's feedback we could get from different groups if that is the expectation.

THOMAS SCHNEIDER:

Thank you, Jeff. We have a little bit of time left so maybe we can also ask GAC members that have experience with community applications in their countries because I know at least some of you have been in touch with applicants that have filed community applications from their countries and whatever experience that you may share with us here, with regard to communities, whatever worked, whatever did not work,

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whatever for whatever reason do you think has benefit of communities, what should be the objective of the notion of communities that would receive some sort of privilege compared to other applications. So please if you have experience to share that would be very useful, I guess.

NIGERIA:

Thank you very much. I think everyone speaks to the matter at hand not to say that reducing the costs will remove the value of the TTLDs. There are also other requirements which looks into the technical competence of the applicants and so on and so forth and I think that element was to ensure that you avoid speculators who just want to buy it for speculation purposes.

So I think the [indiscernible] about reducing or giving a rebate on the application fees and more specifically what the GAC chair spoke about the support in the process of the applications. A good example is the Africa. I don't want to go into all of the issues around that but the point is someone spoke about people not speaking to the values, the advantages and so on and so forth, they're looking at the bad things. That was one at least in the African region is a detail, showing people what it's about, it never took off for years and actually emphasized the fact that there's a lot of total costs of ownership because if you look at all the processes, lawyers and whatever that went into that, over and

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above the actual application fee hasn't been a good role model if you want to use that phrase.

Okay. So I think we should still go along with the rebates and the fees but more importantly, look at a mechanism for providing support and the process of the applications and I'm sure that we'll be able to get people who ICANN can still qualify as being technically capable to register and hopefully manage gTLDs. I know there's already a process where ICANN registered registrars, I don't know what you call them, in which you vet the people so if the application comes through you can be sure it's not just for speculation purposes and it is actually people working within these developing regions.

THOMAS SCHNEIDER:

Thank you. I think this is a very important point that whatever is done to support applicants should not support speculation but it should support the applicants actually trying to create value added and in your case it confirms the notion of costs in the development of the application but then also in the follow up once the application is approved, et cetera that it may be a key issue.

Further comments or questions? Yes UK.

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UNITED KINGDOM: Yes. Thank you. Mark Carvell. On the community-based applications the experience of some applications was that the scoring was very, very challenging in terms of, well, experience of inconsistency and some of them were sectoral ones. An example was I think it was dot hotel, they were able to demonstrate that they had widespread support amongst their community of that sector. And they scored highly. And then in contrast, I think it was dot music, they were grilled by the evaluator as to you know, you're not demonstrating that you have widespread support. So there was really examples like that, dot gay, the evaluator was saying you want a global organization the community that was advancing the application for this was not able to say we are an organization representing the gay lesbian gender community and so on, LGBT community and so they were penalized and their score went down and of course the scoring had a very high bar, so that kind of experience brought the whole process into disrepute and caused enormous amount of problems and frustration and lack of appeal to be able to question the evaluation score and go back to challenge the scoring.

So there were a lot of problems like that which we were all made well aware of and many of us talked to the applicants who were leading those applications, people involved and was able to I

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think completely disoriented by the lack of consistency and the process really working against their interests. Thanks.

THOMAS SCHNEIDER:

Thank you. Again what do you say the scoring has been difficult because the concept of what a community is and what are the criteria to define whether you really represent or have backup from the community as a consequence of this were not clear and the examples that you cite I good and there's a difference between dot hotel and even dot music and then even dot gay. There are different types of communities or different possible communities. There are several meanings of gay. There are several, with music there's a music market, music industry and music is also what people do on the streets when they have instruments in their hands. With hotel it is easy because you are either selling rooms or you don't. So this is something showing the importance of a clear concept either one size fits all or several of maybe two concepts, types of communities that would then allow you to develop criteria of support and inclusiveness of the community in a way that they actually make sense and then to try and go for a coherent approach of evaluating these criteria and of course if different people are looking at different applications it's difficult to align so it may be if another person had looked at the same application or another group of persons they would have

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come to different results so also to train the people that are tasked with doing these evaluations that they understand the concept and again that the clearer the concept is the easier it is also for these people to understand how they should evaluate and score an application in such a case. I will stop here and give the floor to further comments if somebody wants. Seems that everything is said for the time being on a Sunday morning that people are able to come up with. So yes Jeff.

JEFF NEUMAN:

Just to try to get conversation going one of the other items we're looking into Mark you had mentioned it too, is appeals, the whole notion of having the ability to appeal a decision of an evaluator or of ICANN. That is something that was not around in the first round in 2012. Everything, every kind of dispute automatically went to the ICANN accountability mechanisms which were a request for reconsideration or you went to the ombudsman or ultimately to independent review. So one of the topics we're talking about and leaning towards is having an appeals process and so just to throw that out there does that sound like we're in an appeals process you wouldn't go to the ICANN Board or the committee or ICANN staff person you would go to an independent third party who could hear the appeal not to have the complete evaluation done all over again. It's not meant for that but if you

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could show some in the United States I think lawyers call it clearly erroneous or something that's a clear mistake, it would be for those types of cases. Is that something, a concept that we, that could get supported? I mean that's a question to throw out.

THOMAS SCHNEIDER: Thank you Jeff. I think the appeal part was another challenge of course in the first round so please express your views and what kind of appeal process you would see. Of course this is something we haven't discussed so far in the GAC but this is an opportunity to exchange views particularly those who know of experience of others with appeal processes from the first round.

UNITED KINGDOM: This is Mark Carvell. I sort of mentioned it almost in passing which doesn't do justice to the importance which you've just underlined Thomas. We want to construct somethings that not going to be an elaborate process in terms of appealing a decision on an evaluation or consistency of criteria if one applicant finds it says [indiscernible] in a different way but we want ideally some efficient ready process of quick appeal but undertaken by an independent party that is knowledgeable about the whole process, knowledgeable about ICANN, knowledgeable about the whole ambition of the ICANN community in prioritizing

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community-based applications so I suggest that we as the GAC do look at that and do allocate some time to draw on our experience at the national and regional level with regard to the appeals process and see if we can articulate some mechanism or framework for appeals to be heard and in a quick and efficient not resource intensive manner. Thanks.

THOMAS SCHNEIDER: Thank you and just to support what Mark said I think particularly in the case of obvious shortcomings or whatever you call it there should be an easy appeal process by a structure that is actually able to decide and look into these things and understand these things. And the experience has also shown that at the same time that is reducing minimizing the risk by competitors to just block an application through taking it to all possible instances to delay it, to cause further costs and so on and so forth because this is also something of course that there's a risk that people use this.

So some thinking should be done about what are not, what is the ideal structure for such a process, how should this be set up or which existing ones can be used, which are less ideal, how many levels of appeal processes do you want to give, who bears the cost and so on and so forth, based on the experience with some cases that we've had in the past in order to come up with a possible remedy for obvious shortcomings but at the same time trying to



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not offer unnecessary scope for those who just want to delay other peoples applications so to find the middle ground of course is not easy but I think we're at a better stage than before where we had nothing to build deliberations on and now we have a few years of experience and I think that should help us.

So with this I think we can end the session. This was a very useful discussion I think, and we hope that you also considered this useful and I think we all agree that these are important issues from a public interest, public policy perspective and I hope that the GAC will take some resources to look into this and to continue to give input into the Working Group for whatever channels that we have, because it is now that the input is timely and instead of coming in later of course so we really should look at these things now and then be vocal about the things that we think are of public interest. Iran did you want to say something?

IRAN:

Yes I want to say something. The number of questions that you raised and some others is that Jeff needs to triple, four times, 10 times the number of meetings to discuss all of these issues. Thank you.

and Applicant Support Discussion)

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THOMAS SCHNEIDER: Thank you, Iran. Okay. So with this, let me thank you for this exchange and hope we'll have some future exchanges with individual GAC members and individual members from [indiscernible] and also as a whole. Thank you very much.

**[END OF TRANSCRIPTION]**