Dear members of the IRT,

Following my <u>note to the mailing list on 15 November</u> that informed you that ICANN org intends to discontinue the Continued Operations Instrument (COI), I would like to share further details on this issue, as promised.

For the next round, potential registry failures will be considered a risk of the Program. And therefore, ICANN intends to consider any EBERO events occurring within the first six years of the launch of the new gTLD as a risk to the Program to be covered by the program's application fees. However, due to the low number of EBERO events during the 2012 round¹ and the costs typically associated with these events, ICANN org's assumption is that the decision to deal with potential registry failure as noted above will not have an impact on the next round's application fee.

We plan to discuss this issue with the IRT in detail in early 2024, as we think some language around EBERO events should probably be included in the AGB. We hope that this information is not only useful to this group but also the GNSO Council's Small Team Plus that is currently assessing whether to develop a supplemental recommendation, following the Board's decision not to adopt <u>recommendation 22.7</u>.

If you have any more questions in the meantime, please do not hesitate to reach out on-list. Many thanks and best wishes,

Lars

¹ There were two such events to-date, one that drew on their COI, one that drew on ICANN's operating budget, as the latter EBERO event occurred after the 6 year COI coverage period had passed.