

USE OF A DRAWING FOR PRIORITIZING NEW gTLD APPLICATIONS

Summary

An equitable and reliable method is required for prioritizing new gTLD applications to meet root zone scaling requirements and enable timely processing of applications through contract execution and pre-delegation testing.

ICANN will use a Prioritization Draw method to assign a priority number to each application – dubbed the Draw Number. The Draw is scheduled to occur on a day during the period December 4-15. A Draw will be done through the sale of numbered paper tickets. The tickets will be drawn and Draw Numbers will be assigned. This Prioritization Draw method provides each application with the same chance to move ahead in priority. Participants must purchase the drawing ticket – either in person or through a in-person representative. Travel costs can be offset by the appointment of representatives (at no additional cost to applicants). More details are provided below.

Draw Numbers will be used to schedule initial evaluations and release evaluation results, the first evaluation results will be published starting in late March and finishing in late June. The Draw Numbers will also be used later in the process to schedule appointments for pre-delegation testing, and executing agreements. There will be approximately 20 pre-delegation testing appointments per week and 20 contracts executed per week. The procedure will include an incentive for applicants to accept the published standard form registry agreement rather than negotiate alternative terms.

IDNs will be given a priority. Advance release of IDNs promotes DNS diversity, makes the Internet more accessible, increases avenues of participation and serves the public interest.

Providing ~20 appointments weekly for pre-delegation testing will meter applications toward IANA at a smooth rate that meets root zone scaling requirements of 1000 delegations per year. Applications will be released into the contracting and pre-delegation testing processes at a rate that can be anticipated and managed. No contracts will be fully executed or delegations made prior to the ICANN meeting in Beijing (April 7-11, 2013).

Given recent discussion regarding the length of the objection period and how it applies to the time necessary to process 1923 applications, it has been determined to terminate the objection period on March 13.

This plan is posted for a 30-day comment period at <http://www.icann.org/en/news/public-comment/drawing-prioritization-10oct12-en.htm>. Comments on any part of this proposed plan are welcome.

What follows is:

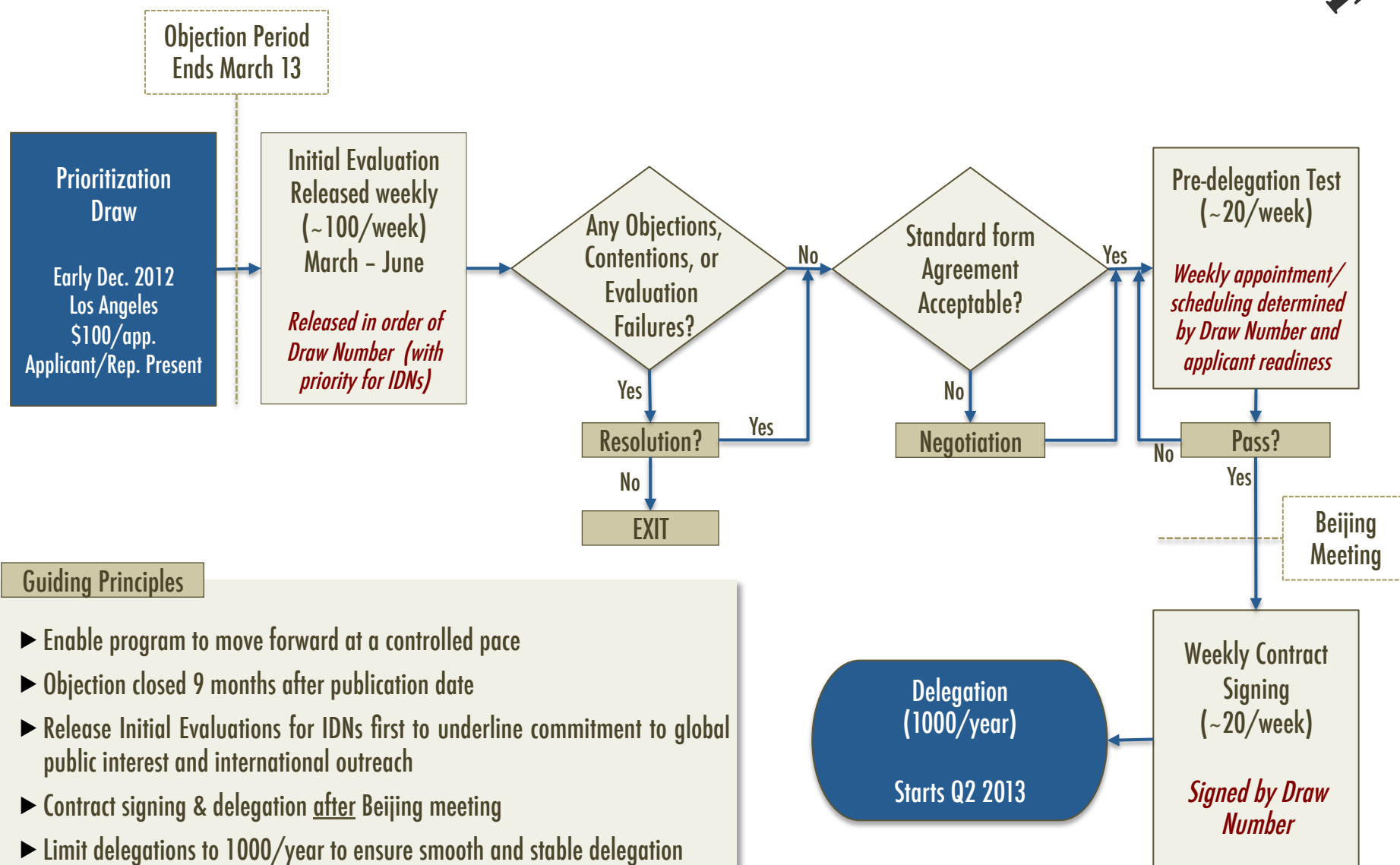
- A graphic of the process
- Prose description of each step, including answers to questions
- Use Case - example of the method to illustrate how it will work



PROPOSED PRIORITIZATION FOR DELEGATION

(Combined batching & metering solution)

DRAFT



Prioritization Draw Method Description

1) THE DRAW:

- a. The Draw is a prioritization method. It is a manual process. ICANN will use the Prioritization Draw to assign a Draw Number to each application.
- b. Draw Numbers will be used to schedule initial evaluations and release evaluation results, the first evaluation results will be published starting in late March and finishing in late June.
- c. The Draw will occur during the period December 4-15. The exact date will be announced as soon as it is known – in time to provide adequate notice to applicants.
- d. An independent consulting firm or other third-party retained by ICANN will supervise the Draw.
- e. The Draw is an exemption to lottery laws in California and other relevant jurisdictions that permit certain non-profit groups (including ICANN) to hold fundraising drawings. ICANN has registered for the license for conducting the Draw and expect to receive a license no later than the end of November.
- f. Each applicant will purchase a paper draw ticket. The ticket must be purchased in person, before the Draw occurs. Additional rules and information details, including the exact dates, will be published shortly.
- g. If an applicant cannot make the trip, the applicant can appoint a representative or request ICANN to appoint an independent representative. The ICANN appointed independent representation will be offered at no cost to applicants, although there will be registration requirements to participate.
- h. The price of the Draw ticket is expected to be \$100. ICANN will publish allowable payment methods. Due to the rules regarding such drawings, ICANN will not be able to sell the tickets via the Internet, but only to applicants or their representatives directly. There are also requirements regarding the use of proceeds for such drawing that will be strictly adhered to by ICANN.
- i. As a result of the Draw, each application will be assigned a Draw Number that will determine priority during the entire process.
- j. Draw Numbers cannot be exchanged between applications or applicants.

Notes on Prioritization Drawing:

How does the Prioritization Draw method relate to the previous discussions on Batching or Metering?

The Draw is a prioritization mechanism. The solution can be implemented when, before, or after all the evaluation results are ready. In the lexicon used to this point, the solution is a form of batching because it is releasing evaluation results before all are completed.

Is a Prioritization Draw an equitable method, especially for distant (from the U.S.) and needy applicants?

Each application will have the same chance to move ahead in priority. Travel costs can be offset by the appointment of local independent representatives (ICANN will help with that).

Why was a Draw chosen, and why was this solution not proposed from the outset?

There were logistical concerns with a Draw when first considered. We also have new information (e.g., number of applicants, the ability to bring applicants together, comparisons to secondary timestamps or other measures for creating prioritization) that relieved the requirement for speculation and makes the solution more straightforward to devise. We have continued to conduct logistical analysis over the past months to settle remaining issues. (Just as we have continued to analyze other potential solutions.)

What if more than one applicant decides to not participate in the Draw?

Those who choose to not participate can be assigned at the end of the process in random order. (It is allowable to use random assignment once applicants have "opted out" from the Draw.)

How will a representative (or proxy) be appointed?

ICANN will furnish a form letter by which an applicant can either appoint a representative or request that ICANN appoint a representative for the applicant. One proxy can represent multiple applications for a single applicant or multiple applicants.

What if ICANN does not receive a license to conduct the Draw?

After a review of all possible locations, ICANN is requesting a license in the United States to obtain benefits from our non-profit status. There is still some minimal risk that ICANN might not be able to obtain a license to conduct a draw. If ICANN is unable to obtain a license, ICANN will hold a form of contest. In that case, the rest of the steps in the process after the Draw (steps 2-7) will still apply.

What are the technical risks in the system?

The draw is a manual process. There is no technical risk.

Was there another emerging solution from the comments submitted by the applicants / community?

There were other recommendations such as: games of skill (e.g., guess number of jellybeans in a jar, rock/paper/scissors) or advancing certain categories of TLDs.

2) INITIAL EVALUATION RESULTS:

- a. Initial Evaluation (IE) results will be released in accordance with the Draw Number. Release of results will commence in late March and continue weekly thereafter until the end of June.
- b. IE results will be released weekly in lots of no fewer than 30/week initially to keep pipeline full (but releases will ramp to over 100/week).
- c. Preference will be given to IDNs by releasing IE results for the 116 evaluations first into the process.

Notes on Initial Evaluation results:

At what rate will evaluation results be released?

They will be released in weekly sets starting in late March 2013 and are scheduled to finish at the end of June of that year. Those with the lowest Draw Numbers will be released first (after IDNs). Dividing the number of applications by the number of weeks available indicates that approximately 150 evaluation results should be released per week. In the first weeks, the number of releases might be fewer than that because, when the Draw occurs in December, it will cause a re-ordering of evaluations by the panels. We expect that the number released weekly will ramp up quickly.

Why we would adopt a level playing field method and then skew it slightly by saying we're going to prioritize one category of applicant, IDNs?

Prioritization of IDNs is in the global public interest to provide a broader choice to users in countries that do not use the Latin script. IDNs are placed at the head of the line for those people who have not been able to use the Internet either totally or substantially because of historical (by Internet standards) linguistic developments. Also, it is consistent with GAC advice to the Board and is consistent with ICANN's international outreach strategy.

3) HANDLING OF OBJECTIONS, CONTENTION, EVALUATION FAILURES

- a. Objections: the period for receiving objections in this process will expire March 13, 2013.
- b. Applications that pass initial evaluation and are free of objections, and contention will progress immediately onto the next step.
- c. Applications that fail initial evaluation, or are not free of objections and contention, will not proceed to the next step until evaluations are passed and/or objections and contention cleared.
- d. Application that later pass extended evaluation, or clear objection or contention will proceed on to the next step along with the applications that pass initial evaluation in the same week that are free from objection and contention.

Notes on handling of objections, contention, evaluation failures:

Why was the objection period extended?

There is an ambiguity in the Guidebook that, at one point states that, “[t]he objection filing period will open after ICANN posts the list of complete applications as described in subsection 1.1.2.2, and will last for approximately 7 months,” and later states, “[t]he objection filing period will close following the end of the Initial Evaluation period (refer to subsection 1.1.2.5), with a two-week window of time between the posting of the Initial Evaluation results and the close of the objection filing period.” The ambiguity stems from the fact that the pertinent section of the Guidebook did not take “batching” into account.

Recent comment indicates that potential objectors require more time due to the high number of applications. However, ICANN’s recent publications state the objection period should not be extended to a time after the end of evaluations (in June or July) in order to provide certainty for applicants and avoid risks to the dispute resolution process integrity. Taking these points into account, an objection period end date of March 13, 2013 is recommended, nine months after the application publication date. This date ensures all objections are known before applications evaluation results are published and provides more time than seven months for potential objectors.

4) ACCEPTING STANDARD FORM AGREEMENT:

- a. Applications that pass initial evaluation and are free of contention or objection can immediately elect to accept the posted standard form agreement and pass on to the next phase, or elect to enter into contract negotiations.
- b. Applications in extended evaluation, objection, and/or contention can make the contract election as soon as they clear those respective processes.
- c. Applicants that do not accept the standard form agreement will enter a negotiation queue that will be processed by Draw Number order. Multiple negotiations will occur simultaneously. It is expected that negotiations will take substantially longer than the process of accepting the standard form agreement.
- d. Applications with contracts that complete the negotiation phase will then enter into the next phase, along with the applications that agree to the form agreement that same week.
- e. Contracts will not be executed by ICANN at this stage (see 6 below).

Notes on accepting standard form agreement:

How quickly can an applicant accept the standard form agreement?

The standard form agreement is posted in the Applicant Guidebook. The Guidebook requires certain manual steps such as completing a portion of the agreement (certain specifications). Then the applicant will be able to register adoption of the standard form by accepting the agreement via a specific acknowledgement on the ICANN web page. The details and timeline will be published.

5) PRE-DELEGATION TESTING:

- a. Applicants can make appointments for pre-delegation testing by their Draw Number order when they emerge from contract election.
- b. Sets of applications will be delivered from the contract election to pre-delegation technical testing weekly.
- c. There will be ~20 appointment slots per week to perform pre-delegation technical testing. Applicants can make an appointment at any available time that suits their circumstances.
- d. Missed appointments and pre-delegation tests yielding unsatisfactory test results must be rescheduled into an available future slot.

6) CONTRACT SIGNING:

- a. ICANN will execute agreements that were accepted by applicants in Step 4 above at the rate of ~20 / week. Contracts will be executed starting after the Beijing meeting.

Notes on contract signing:

Is it a final decision that ICANN will not contract with applicants before Beijing?

Yes. No contracts will be executed prior to Beijing, although the applicants may acknowledge acceptance of the standard form agreement before that time.

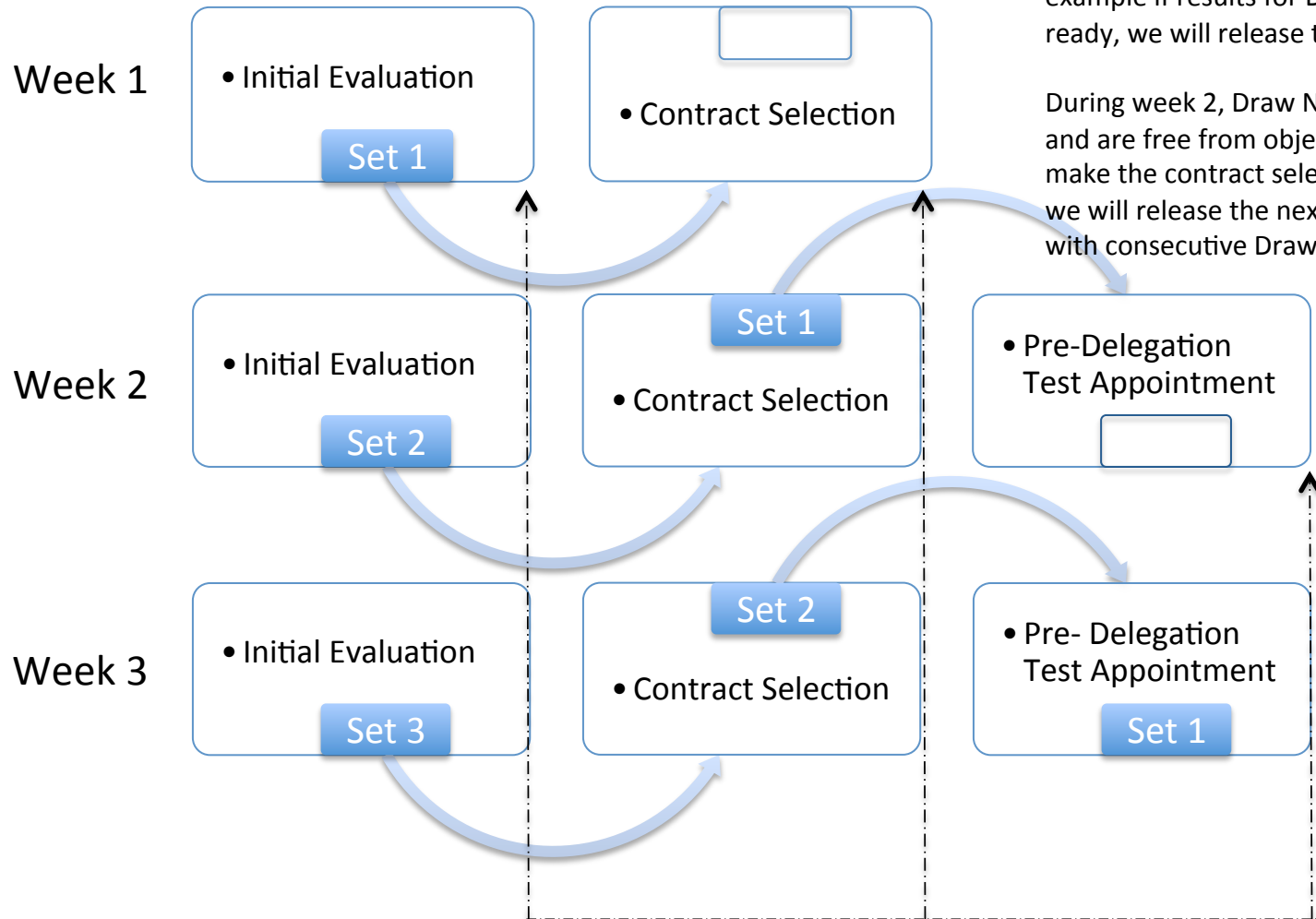
What are the benefits of releasing some initial evaluation results before all the evaluations are completed, given that ICANN will not contract before Beijing?

It effectively moves the processing of applications forward by three or four months, moving applications to delegation in Q2 2013 rather than August. It meets our commitment that the applications be processed as rapidly as possible.

7) DELEGATION:

- a. IANA processing will occur on a first-come, first-served basis.
- b. Based on the metering in steps 5 and 6 above it is expected that new gTLDs will be delegated at a rate of 80-85 / month, meeting the 1000 TLD / year target with an even delegation rate through the year.

Use Note: Weekly release of evaluation results



Applications will move on to the next process step in weekly sets. The first week that evaluation results are released, ICANN release all results with consecutive Draw Numbers that are ready. For example if results for Draw Numbers 1 – 50 are ready, we will release those results.

During week 2, Draw Numbers 1 – 50 that passed IE and are free from objections and contention, can make the contract selection. Also during week 2, we will release the next set of application results with consecutive Draw Numbers, say 51 – 120.

The releases will be made at the same time every week for whichever applications are ready to move to the next step.

During week 3, Draw Numbers 1-50 that selected the form agreement (or completed negotiation) can make a pre-delegation test appointment. And so on.

Releases occur same time once each week (say, 5PM Friday)

Use Example of the Proposed Prioritization Draw model
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The Prioritization Draw assigns Draw Numbers, 1 to 1923, for each application. The Draw will take place in December 2012.

Week 1 [~21 Mar 2013]:

- IE results for N^{os} 1-40 published, all pass except N^o 10
- All accept standard form agreement except N^o 15
- N^{os} 1-9, 11-14, and 16-40 can select an appointment time for pre-delegation test in that order

Notes:

There are approximately 20 pre-delegation test appointments per week
Those that are ready to delegate will take an early appointment
Those that will be ready at a later date will take a later appointment

- N^o 15 enters into negotiations

Week 2:

- IE results for N^{os} 41-140 published, all pass
- All accept standard form agreement except N^o 50
- There is an objection for N^o 100
- There is contention between N^{os} 120 and 800
- Except for N^{os} 50, 100, and 120, all N^{os} 41-140 can select from remaining appointment times for pre-delegation test in that order

Week 15:

- IE results for N^{os} 1500-1600 are published, all pass and accept standard form agreement, no objections, no contention
- Application N^o 10 clears evaluation and passes (from Week 1)
- Application N^o 15 completes negotiation (from Week 1)
- Application 100 clears objection (from Week 2)
- Applications N^{os} 120 and 800 resolve contention in favor of N^o 120 (from week 2)
- N^{os} 10, 15, 100, 120, and 1500-1600 can select from remaining appointment times for pre-delegation test in that order