

3 March 2022

RE: Getting to the Next Round: ICANN Operational Design Phase

Karen L. Day President, Brand Registry Group

Thank you for your <u>letter</u> from 17 December 2021, in which you share the concerns of the .Brand Registry Group about the Subsequent Procedures Operational Design Phase (SubPro ODP) and its impact on future rounds of new gTLDs. The Board has appreciated and supported the work of the multistakeholder community in developing the New gTLD Subsequent Procedures (SubPro) policy recommendations.

The SubPro PDP Working Group (PDP WG) went into great detail in drafting its outputs and the Final Report contains recommendations for significant new processes, for example, the Predictability Framework and the enlarged scope of Public Interest Commitments and Registry Voluntary Commitments. There are also significant changes recommended to the Applicant Support Program and the addition of a dedicated appeal mechanism, among others. In a few areas, the PDP WG did not reach consensus, i.e., ICANN's auctions of last resort, the use of private auctions, and Closed Generics. The Board launched the ODP to understand the operational impact of recommendations - or lack thereof - on these topics of future new gTLD rounds, before determining whether the recommendations are in the best interest of the ICANN community or ICANN, as required by the Bylaws.

The Board made a commitment to <u>a future new gTLD round</u> in February 2012 and we believe that formally approving the launch of the next round, as well as subsequent rounds, of new gTLDs requires a clear understanding of relevant operational implications. To reiterate a point made in a <u>recent blog</u> published by Karen Lentz, ICANN org's VP of Policy Research and Stakeholder Programs, we are working toward building a foundational structure for all of the work that the org, the community, and the Board will do over the coming years because the work from this ODP is not only for a single round but rather targeting a long-term plan "for multiple rounds."

You also raise the issue of costs in your letter. The Board believes that the costs incurred during the ODP phase are considered part of the development costs for the next round and will be incurred regardless, as we noted in the rationale from our 12 September 2021 <u>resolution</u>. Once completed, we expect that ICANN org will share a breakdown of ODP costs. The Board will then decide on any additional resourcing that may be required for the next phase.

Given your concerns about progress, and acknowledging that the majority of ODP work still lies in front of us, I would like to highlight the significant work that ICANN org's ODP team has completed since the Board asked ICANN org to launch the ODP in September 2021:



- Presenting an ODP webinar on 28 September 2021
- Reviewing submissions for selection of an entity to support global outreach in response to the <u>Request for Proposals</u>.
- Offering several ODP-related sessions during ICANN72
 - Session 7 GAC Discussions on Subsequent Procedures
 - North America Space Session
 - At-Large Policy Session 1: Closed Generics: What's Next?
 - LAC <u>Regional Readout</u> Session
 - ICANN72 Africa Readout
- Submitting the <u>first set of clarifying policy questions</u> to the GNSO Council liaison on 17 November 2021 and the <u>second set</u> on 10 February 2022.
- Publishing a high-level work plan.
- Holding monthly calls with the GNSO Council Liaison to the Subpro ODP.
- Providing an ongoing series of blogs on ODP progress and methodology see <u>icann.org/subpro-odp</u>.

The Board appreciates the continued dialogue with the Brand Registry Group and we hope this letter addresses your concerns. We encourage you and all members of the Community to regularly check the <u>SubPro ODP page</u> for updates and to engage with ICANN org's ODP team as this important work progresses.

Best regards,

Maarten Botterman ICANN Board of Directors, Chair