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2014-05-14-2-NGPC Paper-Adopting Scorecard of Remaining GAC Advice.docx

ICANN NGPC PAPER NO. 2014.05.14.2

TITLE: **Remaining Items from Beijing, Durban, Buenos Aires, and Singapore GAC Advice: Updates and Actions**

PROPOSED ACTION: **For Resolution**

EXECUTIVE SUMMARY:

The Governmental Advisory Committee (GAC) delivered advice on the New gTLD Program in its Beijing Communiqué issued 11 April 2013, its Durban Communiqué issued 18 July 2013, its Buenos Aires Communiqué issued 20 November 2013, and its Singapore Communiqué issued 27 March 2014 (as amended 16 April 2014). Over the past several months, the NGPC developed and adopted a series of scorecards to respond to the GAC's advice. At this time, the NGPC is being asked to consider adopting another iteration of the scorecard to continue to resolve the remaining items from the Beijing, Durban, and Buenos Aires GAC advice, and to address the new items of GAC advice in the Singapore Communiqué.

The scorecard provides updates on the NGPC's progress, and where appropriate, includes actions to be undertaken to continue to make progress on resolving the open items of GAC advice.

Consistent with the Applicant Guidebook, ICANN has notified relevant applicants of strings named in the Buenos Aires Communiqué of the GAC advice, and has provided at least 21 days for those applicants to submit responses to the NGPC for consideration. The applicants submitted comments by 2 May 2014, which are publically available for review on the New gTLD microsite <http://newgtlds.icann.org/en/applicants/gac-advice/singapore49>. A summary of the applicant responses is included in the Reference Materials to this paper.

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With the adoption of this scorecard, only a handful of GAC advice items would remain for the NGPC to resolve over the coming months, including GAC advice on the following:

1. Particular strings: .RAM, .INDIANS, .ISLAM, .HALAL

2. Second-level IGO and Red Cross/Red Crescent protections

3. Category 2 Safeguard advice

The NGPC may consider additional iterations of the scorecard at subsequent meetings as it continues to address the remaining items of GAC advice.

STAFF RECOMMENDATION:

Staff recommends the NGPC adopt the scorecard to address open items from Beijing, Durban, Buenos Aires and Singapore GAC advice as presented in the attached scorecard so that additional new gTLD applications are able to continue to move forward as soon as possible.

PROPOSED RESOLUTION:

Whereas, the GAC met during the ICANN 46 meeting in Beijing and issued a Communiqué on 11 April 2013 ("Beijing Communiqué").

Whereas, the GAC met during the ICANN 47 meeting in Durban and issued a Communiqué on 18 July 2013 ("Durban Communiqué").

Whereas, the GAC met during the ICANN 48 meeting in Buenos Aires and issued a Communiqué on 20 November 2013 ("Buenos Aires Communiqué").

Whereas, the GAC met during the ICANN 49 meeting in Singapore and issued a Communiqué on 27 March 2014, which was amended on 16 April 2014.

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Whereas, the NGPC adopted scorecards to respond to certain items of the GAC's advice, which were adopted on 4 June 2013, 10 September 2013, 28 September 2013 and 5 February 2014.

Whereas, the NGPC has developed another iteration of the scorecard to respond to certain remaining items of GAC advice in the Beijing Communiqué, the Durban Communiqué, the Buenos Aires Communiqué, and new advice in the Singapore Communiqué.

Whereas, the NGPC is undertaking this action pursuant to the authority granted to it by the Board on 10 April 2012, to exercise the ICANN Board's authority for any and all issues that may arise relating to the New gTLD Program.

Resolved (2014.05.14.NGxx), the NGPC adopts the scorecard titled "GAC Advice (Beijing, Durban, Buenos Aires and Singapore): Actions and Updates" (14 May 2014)", attached as Annex 1 to this Resolution, in response to open items of Beijing, Durban, Buenos Aires and Singapore GAC advice as presented in the scorecard.

PROPOSED RATIONALE:

Article XI, Section 2.1 of the ICANN Bylaws
<http://www.icann.org/en/about/governance/bylaws-XI> permit the GAC to "put issues to the Board directly, either by way of comment or prior advice, or by way of specifically recommending action or new policy development or revision to existing policies." The GAC issued advice to the Board on the New gTLD Program through its Beijing Communiqué dated 11 April 2013, its Durban Communiqué dated 18 July 2013, its Buenos Aires Communiqué dated 20 November 2013, and its Singapore Communiqué dated 27 March 2014 (as amended 16 April 2014). The ICANN Bylaws require the Board to take into account the GAC's advice on public policy matters in the formulation and adoption of the polices. If the Board decides to take an action that is not consistent with the GAC advice, it must inform the GAC and state the reasons why it decided not to follow the advice. The Board and the GAC will then try in good faith to find a mutually acceptable solution. If no solution can be found, the Board will state in its final decision why the GAC advice was not followed.

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The NGPC has previously addressed items of the GAC's Beijing, Durban, and Buenos Aires advice, but there are some items that the NGPC continues to work through. Additionally, the GAC issued new advice in its Singapore Communiqué that relates to the New gTLD Program. The NGPC is being asked to consider accepting some of the remaining open items of the Beijing, Durban, and Buenos Aires GAC advice, and new items of advice from Singapore as described in the attached scorecard dated 15 May 2014.

As part of its consideration of the GAC advice, ICANN posted the GAC advice and officially notified applicants of the advice, triggering the 21-day applicant response period pursuant to the Applicant Guidebook Module 3.1. The Beijing GAC advice was posted on 18 April 2013 <http://newgtlds.icann.org/en/announcements-and-media/announcement-18apr13-en>, the Durban GAC advice was posted on 1 August 2013 <http://newgtlds.icann.org/en/announcements-and-media/announcement-01aug13-en>, the Buenos Aires GAC advice was posted on 11 December 2013, and the Singapore advice was posted on 11 April 2014. The complete set of applicant responses are provided at: <http://newgtlds.icann.org/en/applicants/gac-advice/>.

In addition, on 23 April 2013, ICANN initiated a public comment forum to solicit input on how the NGPC should address Beijing GAC advice regarding safeguards applicable to broad categories of new gTLD strings <http://www.icann.org/en/news/public-comment/gac-safeguard-advice-23apr13-en.htm>. The NGPC has considered the applicant responses in addition to the community feedback on how ICANN could implement the GAC's safeguard advice in the Beijing Communiqué in formulating its response to the remaining items of GAC advice.

As part of its deliberations, the NGPC reviewed various materials, including, but not limited to, the following materials and documents:

- GAC Beijing Communiqué:
  https://gacweb.icann.org/download/attachments/27132037/Final_GAC_Communique_Durban_20130718.pdf?version=1&modificationDate=1375787122000&api=v2

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- GAC Durban Communiqué:
  https://gacweb.icann.org/download/attachments/27132037/Final_GAC_Communique_Durban_20130717.pdf?version=1&modificationDate=1374215119858&api=v2

- GAC Buenos Aires Communiqué:
  https://gacweb.icann.org/download/attachments/27132037/FINAL_Buenos_Aires_GAC_Communique_20131120.pdf?version=1&modificationDate=1385055905332&api=v2

- GAC Singapore Communiqué (as amended):
  https://gacweb.icann.org/download/attachments/27132037/GAC_Amended_Communique_Singapore_20140327%5B1%5D.pdf?version=1&modificationDate=1397656205000&api=v2

- Applicant responses to GAC advice: http://newgtlds.icann.org/en/applicants/gac-advice/

- Applicant Guidebook, Module 3:
  http://newgtlds.icann.org/en/applicants/agb/objection-procedures-04jun12-en.pdf

In adopting its response to remaining items of Beijing, Durban, and Buenos Aires GAC advice, and the new Singapore advice, the NGPC considered the applicant comments submitted, the GAC's advice transmitted in the Communiqués, and the procedures established in the AGB and the ICANN Bylaws. The adoption of the GAC advice as provided in the attached scorecard will assist with resolving the GAC advice in manner that permits the greatest number of new gTLD applications to continue to move forward as soon as possible.

There are no foreseen fiscal impacts associated with the adoption of this resolution, but fiscal impacts of the possible solutions discussed will be further analysed if adopted. Approval of the resolution will not impact security, stability or resiliency issues relating to the DNS.

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As part of ICANN's organizational administrative function, ICANN posted the Singapore Communiqué and officially notified applicants of the advice on 11 April 2014. The Buenos Aires Communiqué, the Durban Communiqué, and the Beijing Communiqué were posted on 11 December 2013, 18 April 2013 and 1 August 2013, respectively. In each case, this triggered the 21-day applicant response period pursuant to the Applicant Guidebook Module 3.1.

Signature Block:

Submitted by: Jamie Hedlund

Position: Advisor to the President

Date Noted: 7 May 2014

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2014-05-14-2a-NGPC Paper-.AMAZON.docx

ICANN NGPC PAPER NO. 2014.05.14.2a

TITLE:	**GAC Advice on .AMAZON (and related IDNs)**
PROPOSED ACTION:	**For Resolution**

EXECUTIVE SUMMARY:

In its Durban Communiqué, the GAC advised the ICANN Board that it is the consensus of the GAC that the applications for .AMAZON (application number 1-1315-58086) and related IDNs in Japanese (application number 1-1318-83995) and Chinese (application number 1-1318-5591) should not proceed. The New gTLD Applicant Guidebook (AGB) provides that if "GAC advises ICANN that it is the consensus of the GAC that a particular application should not proceed. This will create a strong presumption for the ICANN Board that the application should not be approved." (AGB § 3.1) As provided in AGB § 3.1, Amazon EU S.à r.l. ("Amazon"), the applicant of .AMAZON (and related IDNs) was provided an opportunity to submit a response to the ICANN Board to respond to GAC advice. In its response to the Board, Amazon asserted that the GAC advice should be rejected because: (1) it is inconsistent with international law; (2) the acceptance of GAC advice would be non-transparent and discriminatory, which conflicts with ICANN's governing documents; and (3) the GAC Advice contravenes policy recommendations implemented within the Applicant Guidebook and achieved through international consensus over many years.

In light of the GAC advice and Amazon's response, the NGPC decided to further study and analyze the issues raised by the applicant and the GAC advice, and in a recent iteration of the GAC-NGPC Scorecard adopted by the NGPC on 5 February 2014 noted that "ICANN has commissioned an independent, third-party expert to provide additional analysis on the specific issues of application of law at issue, which may focus on legal norms or treaty conventions relied on by Amazon or governments." The analysis, which is included in the Reference Materials to this paper, was provided to the GAC as well as Amazon on 7 April 2014. ICANN provided the analysis to keep the parties informed and noted that it welcomed any additional information that the parties believed to be relevant to the NGPC in making its final decision on the GAC's advice.

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At this time, the NGPC is being asked to adopt a resolution addressing the GAC's advice on AMAZON (and related IDNs). During its meeting on 29 April 2014, the NGPC discussed various options for responding to the GAC's advice in light of all of the information in the record, and refined its list of possible options to address the advice to the following:

1. Accepting the GAC advice concerning .AMAZON (and related IDNs) and implementing the advice by placing the applications on hold [indefinitely], recognizing that that Amazon and the concerned governments may wish to consider continuing further discussions to address noted issues and concerns about delegating .AMAZON (and related IDNs) to Amazon.

2. Without accepting or rejecting the GAC advice concerning .AMAZON (and related IDNs), placing the applications at issue on hold to allow an opportunity for Amazon and the concerned governments to resolve the noted concerns. The NGPC could state that the applications are on hold indefinitely, or signal that the NGPC intends to make a final decision at the ICANN Meeting in London or at its first meeting after the ICANN Meeting in London (to accommodate any discussions that may potentially take place in London).

3. Rejecting the GAC advice concerning .AMAZON (and related IDNs). As required by the ICANN Bylaws, in the event that the ICANN Board determines to take an action that is not consistent with the GAC advice, it must inform the GAC and state the reasons why it decided not to follow that advice. The GAC and the ICANN Board will then try, in good faith and in a timely and efficient manner, to find a mutually acceptable solution. The ICANN Board-GAC Recommendation Implementation Working Group (BGRI-WG) has developed a procedure for any consultations that might be needed if the Board determines to take an action that is not consistent with GAC advice. The procedure was approved by the BGRI-WG in Beijing and would be used for any consultation on this GAC advice. The procedure says that the consultation process should conclude within six months, but that the GAC and the Board can agree to a

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different timetable. The consultation process is included in the Reference Materials to this paper.

The Reference Materials to this paper include a timeline of key events and documents related to this matter. Additionally, proposed resolutions are attached to this paper for the NGPC's consideration.

Signature Block:

Submitted by: Jamie Hedlund

Position: Advisor to the President

Date Noted: 6 May 2014

Email: jamie.hedlund@icann.org

2014-05-14-2b-NGPC Paper-Community Views-.HEALTH.docx

ICANN NGPC PAPER NO. 2014.05.14.2b

TITLE:	**GAC Advice regarding Community Views -**
	.HEALTH and health-related TLDs
PROPOSED ACTION:	**For Discussion**

EXECUTIVE SUMMARY:

Agenda Item Not Considered.

Agenda Item Not Considered.

Agenda Item Not Considered.

2014-05-14-3a-NGPC Paper-SCO Review Mechanism.docx

TITLE:	**Report of Public Comments on Review Mechanism for String Confusion Objection Expert Determinations**
PROPOSED ACTION:	**For Discussion**

EXECUTIVE SUMMARY:

At its 5 February 2014 meeting, the ICANN Board New gTLD Program Committee (NGPC) took action to direct the ICANN President and CEO, or his designee, to initiate a public comment period on framework principles of a potential review mechanism to address the perceived inconsistent String Confusion Objection Expert Determinations (the "SCO Review Mechanism"). If adopted, the SCO Review Mechanism would constitute a change to the String Confusion Objection process in the New gTLD Applicant Guidebook.

The public comment period on the proposed SCO Review Mechanism closed on 3 April 2014, and a summary of the comments has been publically posted, and included in the Reference Materials to this paper. Thirty-five comments were submitted during the public comment forum. At this time, the NGPC is being asked to review and analyze the public comments submitted and to discuss its next steps.

As presented in the summary of public comments, a few themes can be observed from the comments submitted:

1. ***Do Not the Adopt Proposed Review Mechanism***. Eight commenters suggest that the NGPC should not create a review mechanism to address perceived inconsistent String Confusion Objection Expert Determinations in this round of the New gTLD Program. These commenters argue that changing the rules after the fact would be unfair, would constitute a breach of contract, and may be creating top-down policy changes outside of the GNSO policy development process. These commenters suggest that applicants agreed to the process included

in the Applicant Guidebook, which did not include this review mechanism, and applicants relied on these rules. Some commenters also expressed concern that adopting such a review mechanism may be a breach of ICANN's Bylaws. Additionally, commenters suggest that adopting the review mechanism at this time would call into question all other objection/contention sets, which would serve to undermine many other parts of the New gTLD Program. Also, some commenters suggest that future rounds should include a review mechanism, although such a review mechanism may not be appropriate for this round. (Commenters that fall into this category include: several individual community members, Commercial Connect, Uniregistry, Google, Domain Venture Partners and Famous Four Media.)

2. ***Adopt the Proposed Review Mechanism***. Two commenters recommended that ICANN adopt the proposed review mechanism. These commenters suggest that ICANN's Bylaws require it to address the perceived inconsistencies, and to allow the inconsistences to stand would cause an unfair prejudice. (Commenters that fall into this category include: DerCars and United TLD.)

3. ***Adopt a Review Mechanism with an Expanded Scope***. Five of the comments submitted generally support the idea of a review mechanism but urge the NGPC to expand the scope of the review mechanism beyond the two identified String Confusion Objections (.CAM/.COM and .CAR/.CARS). These commenters suggest that the proposed mechanism is too narrow as currently defined. The commenters express varying degrees to which the scope should be expanded. While some suggest that the scope be expanded to other String Confusion Objections, such as those related to .shop/.shopping, others recommend an even broader scope that would be widened to include "inconsistencies" in Community and Limited Public Interest Objections. Additionally, some commenters urging the NGPC to expand the scope of the review mechanism suggest that "inconsistencies" subject to review should include singular and plural versions of the same string. (Commenters that fall into this category include: ALAC, Donuts, Radix, GNSO Business Constituency, and VeriSign.)

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4. ***Do Not Adopt the Proposed Review Mechanism or Expand the Scope of the Proposed Review Mechanism .*** Three of the comments submitted suggest that the NGPC should either expand the scope of the proposed review mechanism to address other "inconsistencies", or do not adopt a review mechanism at all. These commenters generally seem to recommend an "all or nothing" approach. (Commenters in this category include the Intellectual Property Constituency and individual commenters.)

5. ***Adopt Some Form of a Review, But Not Necessarily the Review Mechanism Proposed.*** Two commenters suggest that some form of a review mechanism is needed, but these commenters do not necessarily advocate for the adoption of the review mechanism proposed. One of the comments outlines alternative review mechanisms that could be adopted by the NGPC. This alternative approach is based on using the SWORD tool. (Commenters in this category include an individual and Hotel Top-Level-Domain).

6. ***Suggested Modifications to the Proposed Review Mechanism, If Adopted.*** Various comments submitted during the public comment forum suggest that the NGPC modify the framework principles of the Propose Review Mechanism, if the NGPC decides to move forward with adopting a review mechanism. Some of the commenters note that they are not advocating for approval of the review mechanism, but merely suggesting improvements if the NGPC is inclined to take action to adopt the Proposed Review Mechanism. The suggestions for modifications to the framework principles generally focus on the following: (1) the scope of the Proposed Review Mechanism, (2) the applicable standard of review, (3) the parties who have standing to use the Proposed Review Mechanism, and (4) the composition of the Panel of Last Resort.

The other comments submitted did not take a clear position one way or the other on whether the NGPC should adopt the SCO Review Mechanism.

It should also be noted that some of the applicants for strings that would be directly impacted if the review mechanism is adopted provided comments in the public comment forum. Specifically:

- In the .CAR/.CARS String Confusion Objection set, Google (Charleston Road Registry Inc.), Uniregistry Corp., and DERCars, LLC submitted comments. As highlighted in the Reference Materials, Google asserts that there is no need for an entirely new review process intended "solely to re-litigate two specific instances in which an objection proceeding resulted in a dubious ruling." If, however, the NGPC adopts the review mechanism, Google suggests some modifications to the framework principles. Uniregistry Corp. highlights that the AGB did not provide a mechanism for appeals, and all parties who applied for TLDs relied on the promise that decisions by the dispute resolution service providers would be final. Uniregistry also suggests some revisions to the framework principles, if the NGPC decides to adopt a review mechanism. DERCars expresses general support for the review mechanism, but believes the NGPC should make a few clarifications concerning the framework principles.
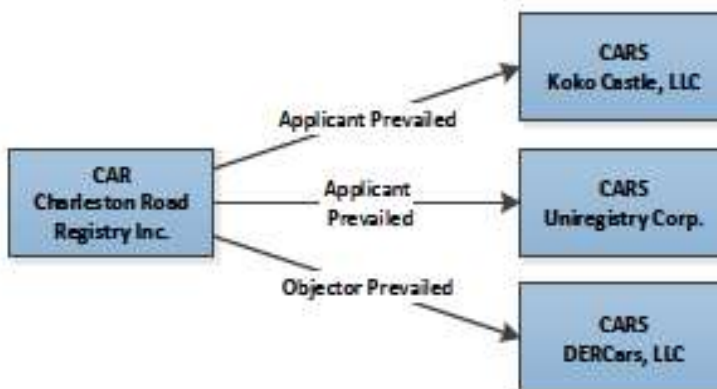
- In the .COM/.CAM String Confusion Objection set, United TLD Holdco Ltd., Dot Agency Limited and VeriSign, Inc. provided comments. As highlighted in the

Reference Materials, United TLD generally supports the proposed review mechanism, but proposes modifications to the framework principles. Dot Agency Limited asserts that amending the amending the New gTLD Program rules post event to allow an appeal is a breach of process under ICANN's own guidelines, and also legally. VeriSign suggests that the Proposed Review Mechanism "misses yet another opportunity to mitigate user confusion about which ICANN has been repeatedly warned…." VeriSign asserts that if ICANN believes that the "inconsistencies" in the .CAM/.COM situation cannot stand, then all three of the decisions should be reviewed.
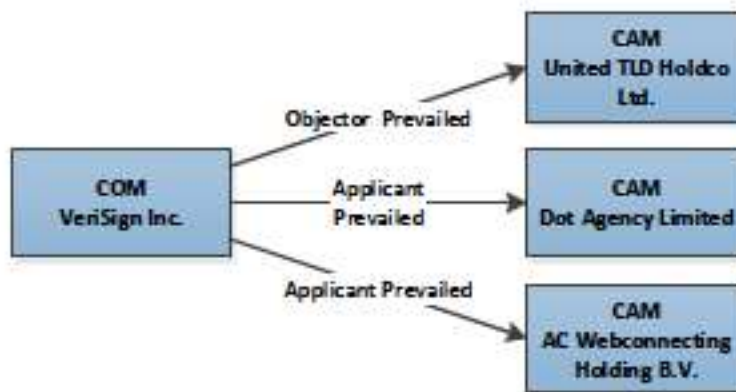
STAFF RECOMMENDATION:

This paper is provided for discussion. Staff notes that the public comments do not clearly advocate one position over another, but highlight concerns and competing interests that require careful consideration. In light of the comments, staff notes that not changing the Applicant Guidebook at this time to adopt the proposed review mechanism may present the better option, but awaits further discussion, direction and input from the NGPC.

Signature Block:

Submitted by: Amy Stathos

Position: Deputy General Counsel

Date Noted: 8 May 2014

Email: amy.stathos@icann.org

2014-05-14-4a-NGPC Paper-Auction Rules Update.docx

ICANN New gTLD Program Committee PAPER NO. 2014.05.14.4a

TITLE: **Briefing on New gTLD Program Auctions**

PROPOSED ACTION: **For Information**

EXECUTIVE SUMMARY:

This paper briefly describes some of the key features of the new gTLD program auctions procedures, the consistency of those procedures with the Applicant Guidebook (AGB), and provides an overview on how the auction rules and associated operational procedures were developed through community consultations.

Contention sets are groups of applications for identical or confusingly similar gTLD strings. Contention sets must be resolved prior to the execution of a Registry Agreement for gTLD string. An ICANN facilitated auction is a mechanism of last resort for resolving String Contention Sets, as described in section 4.3 of the AGB.

The AGB defined a "general introduction and preliminary" set of procedures including an ascending clock auction methodology and prescribed that a detailed set of Auction Rules would be made available prior to commencement of the auctions. Over the past eight months ICANN staff consulted with an experienced auction firm, Power Auctions LLC (Power Auctions), and with the ICANN community on the development of a set of detailed Auction Rules, as well as on the operational logistics to coordinate and execute auctions. In March 2014, after the conclusion of public comment process, a set of Auction Rules was published. After further discussions during ICANN 49, the Auctions Rules were updated to address the remaining concerns of potential participants {http://newgtlds.icann.org/en/applicants/auctions/rules-03apr14-en.pdf}. ICANN staff and Power Auctions took great care to ensure the Auction Rules were consistent with the descriptions of the auction procedures contained in the 4 June 2012 version of the AGB and that they incorporated the feedback of the community.

Consistent with the Applicant Guidebook

A key guiding principle of the Auction procedure development was to ensure the Auction Rules and any associated procedures were consistent with the descriptions of the auctions contained in the 4 June 2012 version of the AGB. For example, the following key elements of the Auctions are contained in both the Auction Rules and the AGB.

- Auctions for multiple contention sets will take place simultaneously.
- Auctions will be conducted over the internet.
- Auctions will utilize the Ascending Clock Auction Method.
- Applicants must sign a Bidder Agreement to participate in the Auction.
- Applicants must submit a deposit that will equat to 10% of their bidding limit for a particular application. There is an option to submit a $2M USD deposit that will grant an application unlimited bidding limit.
- The durations of the bidding rounds and recesses between bidding rounds are consistent with the ranges specified in the AGB.
- Winners must submit final payment within 20 business days of the Auction; failure to do so will result in the applicant being declared in default.
- The penalty for default is equal to 10% of the winning price. In the event of default the next highest bidder will be offered the rights to the string.
- Winners must execute a registry agreement within 90 days of winning the auction

Developed the Auction process through Community Consultation

ICANN staff consulted with the community, including new gTLD applicants, to solicit input and develop all aspects of the Auction process including the Auction Rules, the Bidder's Agreement and many of the features of the process. A preliminary set of Auction Rules was published on 31 October 2013. Staff presented these rules to the community via a webinar as well as presentation at ICANN 48 in Buenos Aires. Feedback and suggestions received were incorporated into a Final Draft set of Auction rules, the Draft Bidder's Agreement, and a Draft Auction Schedule, published for Public Comment on 17 December 2013. The public comment period concluded on 4 February 2014. Staff reviewed and analyzed the input received during the public comment period

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and published an operational set of Auction Rules and Bidder's Agreement in early March. At the ICANN 49 Meeting in Singapore the community identified terms and conditions changes that had been mentioned in the public comments but were not incorporated. After several discussions with the community, an agreement was reached and the documents were updated in early April.

Summary of community feedback

ICANN received a great deal of feedback on the Auction Rules from the community over the last eight months. Many of the items where feedback was received that did not conflict with the AGB have been incorporated into the current process. Feedback during the public comment period generally fell into the following categories:

1. *The use of Auctions or the Ascending Clock Auction method prescribed in the AGB to resolve string contention.*
   Some comments suggested eliminating Auctions as the last-resort contention resolution method, while others suggested alternative types of auctions in lieu of the ascending-clock auction
   Response: Numerous methods of contention resolution were considered during the development of the AGB. ICANN does not intend to modify the AGB at this critical juncture and has finalized the rules to move forward with ascending clock auctions.

2. *Comments relating to timing, scheduling and Auction logistics.*
   The New TLD Applicants Group (NTAG) and several individual applicants comments requested a predictable schedule, and the flexibility to advance or postpone an auction in the event of unanimous consent from the other members of the contention set. Other commenters urged ICANN to complete all Auctions within one year of the first auction or faster. A comment expressed the opinion that a fixed auction start time (16.00 UTC) was unfair to auction participants in the Asia Pacific Region.

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Response: ICANN has defined a schedule to conduct auctions at a predictable pace. Presently, plans call for auctions of up to twenty (20) contention sets per month. Additionally the process accommodates applicants requesting to postpone or advance their auction dates. ICANN and the Auction provider have identified three (3) Auction start times, which will be rotated each month to better accommodate auction participants from around the world. ICANN received positive feedback at the ICANN 49 meeting in Singapore that the plan meets the needs of the community.

3. ***Suggestions to modify details of the Auction Rules and the Bidder's Agreement.***
   Various suggestions were made to clarify the rules around anti-collusion, changes to rules, remedies for violation of rules, and indemnification. A few comments including those from the NTAG suggest that the winner of an auction be given 9 months rather than 90 days, as per the AGB, to sign a Registry Agreement.
   Response: ICANN incorporated many of the suggestions to improve and clarify the terms and conditions of the auction rules and received positive feedback from the community that their concerns have been adequately addressed. ICANN did not extend the 90-day period within which an auction winner must sign a Registry Agreement, as the AGB deliberately identifies a shortened timeline for contract execution of contended strings versus non-contended strings.

4. ***The use of Auction proceeds***
   A few commenters urged ICANN to develop a plan for the use of Auction proceeds.
   Response: The ICANN Board will engage with the ICANN community to define an appropriate use of Auction proceeds. Beginning the planning process for these funds is premature as the magnitude of the proceeds is unknown at this time and will be difficult to forecast until several months of Auctions have been completed.

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5. *The handling of contention sets with indirect contention relationships.*
   Some comments suggested that ICANN publish the auction rules for Indirect
   Contention sets before holding any Auction events.
   Response: While ICANN appreciates this perspective, rules for Indirect
   contention set Auctions are anticipated to pertain to a maximum of five (5)
   contention sets out of one-hundred eighty (180) remaining unresolved sets. Staff
   will continue work to finalize indirect auction rules while moving forward with
   auctions for the remaining one hundred seventy five (175) direct content sets.

Anticipated Auction Timeline
- Early May 2014 – Confirm participants for the first Auction event
- Mid May 2014 – Publish an update on Auction Rules for indirect contention sets
- 4 June 2014 - Conduct first Auctions

STAFF RECOMMENDATION:

No further action is recommended at this time.

Signature Block:

Submitted by: Christine A. Willett

Position: Vice President, GDD Operations

Date Noted: 22 April 2014

Email: christine.willett@icann.org