
ICANN78 | AGM – Joint Session GAC and ALAC
Tuesday, October 24, 2023 – 11:30 to 12:30 HAM

GULTEN TEPE:

Hello, and welcome to the ICANN78 GAC Meeting with the ALAC session being held on Tuesday, 24th of October at 09:30 UTC. My name is Gulden Tepe Oksuzoglu and I'm the remote participation manager for this session. Please note that this session is being recorded and is governed by the ICANN Expected Standards Of Behavior.

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NICOLAS CABALLERO: Thank you very much, Gulten. No need to clap. No need to clap. In any case, welcome, everyone, to our fifth session. It's actually the third session of the day. But technically speaking, it's our fifth session, the GAC meeting with the ALAC. Welcome, everyone. I have the pleasure and the privilege to have Jonathan Zuck with us, Alan Greenberg, Monte Cahn. And I hope I'm pronouncing your last name correctly. We'll have moderation by Joanna Kulesza. We also have Jorge Cancio and Nigel Hickson from the United Kingdom. Is Greg going to be here as well? Greg Shatan? Just asking, just in case.

We're going to be discussing very interesting topics indeed, like closed generics, contention resolution, and some other very important issues. With that, let me welcome again the ALAC. With that, let me give the floor to Jonathan. All yours.

JONATHAN ZUCK: Thanks, Nico. I don't have too much to say. You all saw me just a couple of days ago. It's great to finally get this meeting started four days in. But we're excited to have some really substantive discussions here today about some opportunities to work together on a couple of pieces of advice to really throw our combined weight together behind that advice to the Board on closed generics, on contention resolution. I'm excited just to get the conversation going. Thanks for having us here.

NICOLAS CABALLERO: Thank you again, Jonathan. With that, I'll give the floor to Alan Greenberg so that we can move on to the next topic on the agenda. Alan, all yours.

ALAN GREENBERG: Thank you very much. We're starting off with a very brief session on some cooperative work that we did six years ago. In 2017, the GAC and the ALAC advised the Board two different issues or two related issues. One is to provide even to non-insiders quick and easy access to ICANN documents. Essentially, we were looking for every document should have a title, a date, a reference number so that we can identify it specifically and make sure that they were understandable. To do that, we wanted things like executive summaries, which would concisely tell again to non-insiders what an issue is about so they could start participating. Both the At-Large and GAC, on an ongoing basis, have a large number of new attendees, new participants and getting people up to speed is a major issue.

There have been a number of related enhancements specifically to ITI over the last number of years, but there's been relatively little action on the specific issues that we raised. ICANN Org has suggested that for document numbering, since the GNSO is the source of many of the documents, that we talk to them directly and that's something certainly that the GAC and ALAC should do, just a matter of writing a letter.

ICANN has also requested that the GAC and ALAC identify up to 10 subjects where we want short, concise descriptions. Again, identify the issues that are currently real topics of interest and give us concise

summaries of what they are for new attendees. That's something I think both the GAC and the ALAC have agreed that over the next month or two, we should come up with a list of topics. Given that the advice was asking for some quick fixes and we're now six years later, clearly, we have to get this over and done with. And I'm going to turn it over to Jorge with a suggestion on how we may proceed and take this one off of our books. Jorge?

JORGE CANCIO:

Thank you, Alan. Jorge Cancio, Swiss representative, for the record. Actually, I'm here out of historical reasons because it was an initiative by the then GAC chair, Thomas Schneider, my still boss and predecessor of Manal as GAC Chair. So predecessor also for Nico. He initiated that joint statement with Yrjo Lansipuro from ALAC. Basically, here we are six years later, and as Alan put it, there hasn't been so much progress. In these six years, I think that generations of GAC members have come and gone. And only some historical remnants are still there, like myself. So maybe I should think about changing subject. But that's another issue.

Basically, we have been stumbling forward to certain extent with the documents. We look after ourselves in the GAC, we try, with our excellent support staff, to improve our GAC briefings to make sense of the issues. But of course, whenever you have to rely on the wider documentation of ICANN, be it GNSO papers or ICANN Org papers, it's really a disaster. At least to my Swiss and also Spanish eyes, that are a bit more Cartesian and try to find some order in things. You don't have versions, you don't have dates, you don't have identification numbers

of the documents, so the links are broken after some years so it's really difficult to have a track record of things. And of course, if that is a challenge for people who are more or less insiders, it's a huge barrier for any newcomer here.

So we have a situation, we have a problem. We say, "Houston, we have a problem," or we say, "Santa Monica," wherever ICANN is, "we have a problem, we should do something about it." And maybe the first step there is to ask the Board to instruct Org to give us a readable report of where they stand in the implementation of that joint advice of 2017 and then take it from there. Because otherwise, it's like fishing and trying to find something in the fog. We need some basis to start with. And I think asking them to report on where they stand or where we stand could be such a basis. Then of course, we could, here in the GAC, for instance—and without putting on anyone on the spot—we could look into our underserved regions, working group colleagues, what are really the low hanging fruits or the biggest stumbling blocks in terms of accessible, meaningful documentation. We could also work out some priority lists together with you, with ALAC, and then talk to our GNSO colleagues, etc., etc. But we need something to start from. And I think maybe we can do that with asking a situation report.

NICOLAS CABALLERO:

Thank you, Switzerland. Before I give the floor back to Jonathan, do we have any questions in the room or online in this regard? I see the lady over there. Could you please state your name? Thank you. Go ahead.

NANAYAA PREMPEH: Thank you. Good morning. My name is Dr. Nanyaa Prempeh from Ghana. I'm the new kid on the block. I want to know if you have any kind of walkthrough orientation, anything that directs new people who come to the GAC meetings? Because I have to tell you, I was lost yesterday. When I came to sit here, I felt like I was in no man's land. Today, I actually went to introduce myself to the beautiful ladies at the secretariat, and so they're going to help me through the registration process. But I think there has to be a consensus effort to welcome new people who come in on the first day and show them how to go about things. Because they will come and they will go back without knowing what to do. Thank you.

NICOLAS CABALLERO: Thank you, Ghana. Well noted. Any other question or comment? Seeing none online, then back to you, Jonathan.

JONATHAN ZUCK: Thanks, Nico. And thanks for the comment, Ghana. I think onboarding is a difficult issue. I've started working with the ICANN community in 2005. And I feel like in just a couple more years, I'll understand what's going on here. I feel like it's any day now. I have that feeling. I feel confident.

But as Alan mentioned, we're going to try to identify some key topic areas that get discussed and get ICANN to prepare briefing materials, we're calling it a primer, on those issues that are of greatest concern to us collectively, to newcomers, and so they can get more spun up. I know that our staff, the ALAC staff, this morning did a training session

for our newcomers just about how things work and where they're located and what the processes are. I think that's worked well for us and so it could work well for the GAC as well. But it's an ongoing problem. Don't feel singled out. I think everybody in the room has gone through what you're going through.

NANAYAA PREMPEH: That makes me feel better. Thank you.

NICOLAS CABALLERO: Thank you, Jonathan. Thank you, Ghana. Any other question, comments? [UAE], go ahead, please.

UNIDENTIFIED MALE: The underserved regions were mentioned here. And I've been speaking to people and found out because we're working on the redelegation issue for [UAE], and delegation issues has somehow just disappeared. They got stuck in the PTI IANA process and the report is not filed to the Board, etc., and it's not official who is seeking redelegation. And digging through this, I found out we're not alone. So something has to be done about that. There are new countries. Redelegation process is an expensive process. You need expertise. You need a lot of things. And we've been lucky to have it. But still, it's a catch-22. That is a topic that I think has to be raised because we still have countries where the registries have nothing to do with any countries, etc. The old problems from the '90s are still there. I think it's about 15 countries. Are you going to ask me something?

NICOLAS CABALLERO: No. Thank you. Thank you for your comment. Well noted.

UNIDENTIFIED MALE: I think it is a high priority issue too. Because we keep on going forward with different things today, it's 99% gTLDs. But the CC issues that we are probably supposed to work with, since we are the governments, it can't be like this, that really—excuse me for using the word—they buried them. No matter how right or wrong, they are buried. Thank you.

NICOLAS CABALLERO: Thank you for the comment, [UAE]. We'll note it. Do you have a specific question or you just wanted to flag this out?

UNIDENTIFIED MALE: I just wanted to flag it out that we perhaps should have it on list for priorities to see what's going on. There are specific questions why are they not official. So these countries could perhaps work together. There are different problems or whatever. But also, that it's somehow why is—how to formulate the question? I mean, we have the FOI, etc. But still, we do have that national law supersedes ICANN Bylaws. But that is not considered in these matters. I can formulate the question to be more specific but it's very broad because we've been in this for two and a half years now. And the redelegation question and IANA PTI doesn't complete the report. They just dig it down somewhere.

JONATHAN ZUCK: If I can be presumptuous, it sounds like a very important topic, and it might be a good topic for the public forum in front of the Board. And if I can be further presumptuous, it could very well be that it's worth the GAC holding a session like the public forum that's about a more of a freestyle discussion about what topics should be priorities to bring up or something like that, and to help set the agenda. I think it's worth bringing it up. But I would definitely bring it up at the public forum later in the week.

NICOLAS CABALLERO: Thank you, Jonathan. You took my words. Thank you again, [UAE]. Let's move on with the agenda. If there are no further questions, I see none online, so let me give the floor—

NANAYAA PREMPEH: My hand is up, please.

NICOLAS CABALLERO: I'm sorry. Ghana, go ahead.

NANAYAA PREMPEH: I just want to concur with my friend who just spoke. Yesterday, I raised the question of the redelegation at the opening, and Sally actually interjected that it's ideal at the public forum. But just like ALAC just mentioned, I think the GAC must make conscientious effort to have a survey of how many countries are facing redelegation issues, so we make it an agenda to address them. We cannot be silent on them. Because I'm boiling on the inside. I have a mandate to deliver

redelegation to my government, and I'm frustrated. My priority here in this ICANN conference is to get solutions. So if GAC is not interested in my priority, then I'm in the wrong place. So, we need to do a consensus and find out how many countries are having such difficulties, and for how long when one individual can sit on the whole state asset for parochial interest. So please make it an agenda on the GAC meetings, maybe if not this time, in the future, so you can show concern for these things. It's very important. Thank you.

NICOLAS CABALLERO:

Thank you very much for that. Certainly, you're more than welcome to participate in the calls before each ICANN meeting in which we basically allocate time for the topics. We agree on certain topics like we did for this meeting. So we're not precluding anybody or any topic or anything to be included on the agenda. And I have Cook Islands. Go ahead, please.

TEPUAH HUNTER:

Thank you, Chair. And thank you, [UAE] and Ghana, for raising it. I just want to take us back a few ICANN meetings just to give you some background on this particular topic. It was one of the tasks delegated to the Underserved Regions Working Group. So we actually have frequently asked questions on delegation and redelegation of ccTLDs. And this was prepared in consultation with the ccNSO and the PTI. It's actually on our GAC website, if you want to go through that, the questions are there. But again, to your point, that it is a very important topic. Maybe we can revisit this particular topic again. Thank you so much.

NICOLAS CABALLERO: Thank you very much, Cook Islands. I have Iran, [UAE], Ghana. Just to make sure, we're not precluding anybody from participating or including any kind of topic. On the contrary, we strongly recommend you participate in the agenda, setting calls that take place before each ICANN meeting, so you'll have the chance to flag whatever problem you consider is not being taken into account or anything like that. But since we didn't include that on the agenda for today's session, I suggest we move forward with the agenda already agreed by everybody beforehand. I have Iran. Go ahead, please.

KAVOUSS ARASTEH: Thank you, sir. I think you're absolutely right. You have to work according to agenda. However, as you mentioned, you have two sessions for agenda. Every country is requested or invited to attend both of these or any of these to include the issue that they want to discuss. Nevertheless, the meeting is based on establishing priorities and so and so forth. But once again, please participate. Chair, I don't know whether you're talking about the identification of document or not. If yes, I have a comment. Thank you.

NICOLAS CABALLERO: Thank you, Iran.

JONATHAN ZUCK: He has a comment.

NICOLAS CABALLERO: Sure. Go ahead. Sorry, Iran. Go ahead.

KAVOUSS ARASTEH: Thank you, sir. The identification of document, it's not a difficult issue. Because I am working for the government, I attend many international organizations, we have a very simple way how to locate and identify document. Starting of the keyword, from the date and so on and so forth. The issue is that the ICANN web needs to be reviewed and modernized in order to enable people to find document. I have also many difficulties to find a document, struggling sometimes. I'm sorry. Maybe I'm not as smart. More than time is necessary to find the document, and at the end, unsuccessful, then I have to disturb Rob or disturb any other staff, supporting staff. So there is a need to identify this issue. It's not difficult, but it needs to be taught and be reviewed. Thank you.

NICOLAS CABALLERO: Thank you, Iran. Jonathan, would you like to take that one?

JONATHAN ZUCK: Sure. Thanks, Iran. I think it's definitely a serious issue. And part of the issue is that ICANN has made a fairly substantial investment in ITI, which was intended to be the answer to these types of questions. And it's been slow, it's been difficult to get the features that they wanted, but it's not really an area in which they're not doing anything. They tried to do it, they've been working on improvements to the site and improved searchability and subscriptions and a number of different things that are designed to make the website easier to navigate. I think

it's been a problematic software development for them. But that's where they've been putting their efforts is on ITI. It could be that this advice outlived its usefulness from 2017. But we can revisit it and figure out in the current environment and the current technology that they have, how we might refine that advice to fit within the game plan that they've laid out. So it doesn't need to be a closed issue, but it might be worth closing this particular advice.

NICOLAS CABALLERO:

Thank you, Jonathan. Again, for the sake of time, and in order to have enough time to discuss closed generics and contention resolution, and everything else, not because I want to, but because we all agreed beforehand to do that and include that on the agenda, so with that, let's move on to the next topic which is precisely closed generics. Jonathan, go ahead, please.

JONATHAN ZUCK:

It was really just Nico. Nobody else wanted to discuss those things. What I would like to do since the first very short topic turned out not to be so short is skip closed generics because I actually think that's a simple thing that a quick phone call can resolve. Why don't we jump ahead to this issue of contention resolution? Because I think that's a more fulsome discussion, we have a guest speaker on the panel here, and I just want to make sure that we leave enough time. And if there's enough time, at the end, let's do closed generics, but otherwise, we'll table it and handle it on a call if that's okay with you.

NICOLAS CABALLERO: Absolutely.

JONATHAN ZUCK: Okay. Just by way of introduction on this issue, the GAC in its previous communiqué indicated that it wanted to see either private auctions outlawed entirely or strongly discouraged, I think, was the terminology used in the communiqué. And that is certainly a feeling on which we agree as the At-Large community. That we think that it's bad optics, bad business, bad for underserved communities. Everything that went down in 2012 or related to private auctions was ridiculous. I think we have consensus on that. And what we were hoping to do is go a step further and propose the alternative.

We held a session at the last ICANN meeting on this issue of contention resolution and looking at what the alternatives to these private auctions might be. And our guest speaker here, Monte Cahn, made a recommendation that we basically blend the auction process into the application process. So that instead of having a contention, announcing a contention set, organizing, trying to monitor whether or not people are having a private auction or not, and people trying to game the auction, you literally incorporate the auction into the application process.

That resonated with us and seemed like a solid suggestion. So what we wanted to do was bring it in front of you, talk about this idea, have Monte talk about this particular idea that's called a sealed bid second price auction, I think, if I have that right, and let him pitch you on the idea. Because, once again, if we can agree not only to the problem, which is private auctions, but the solution, which might very well be

the sealed bid second price auctions, then that would make our advice even more constructive to the Board because we're not just saying what not to do, but what we should do. That's what we'd like to do is get you spun up on this issue, help you understand this proposal, and then discuss it further.

I think without further ado, what I'd like to do is introduce Monte Cahn, who's probably the most experienced domain auctioneer in our community just to give a little bit of a brief introduction to this technique that he's proposing and why he thinks it will be effective. Give yourself whatever additional introduction that is necessary. Thanks, Monte.

MONTE CAHN:

Thank you, Jonathan. Thanks to the GAC and ALAC for having me up on the committee in full transparency. As Jonathan mentioned, I have probably the most experience in the industry with auctions. I introduced auctions to the industry in 1999. I was the first one to sell a domain name back in 1995. I've conducted more than 5000 auctions of digital assets and domain names with producing more than \$585 million in proceeds to sellers.

As everybody may know or hearing about, the problems from the last auction of which I also participated in as an auction provider, I witnessed the gaming, the collusion, the issues with the Internet while auction was going on during a couple of the sessions, the multiple days it took to resolve contention, the intent of bidders to participate just to profit from that participation with no intent to actually run the string. The goal of typical auctions, if anybody's been to a Christie's

Auction or a Sotheby's Auction, is to create a market and sell something at the highest market price. In this case, I think, because we're talking about domain name strings and how it affects communities and even cultures within the Internet, the recommended structure in this particular auction would be a sealed bid second place auction format. If everybody's familiar with typical auctions, it's in the ascending bid auction where the bidding stops at the very highest price and the seller receives it the proceeds of that higher price.

The second auction you might have heard of is a Dutch auction. That's called a descending auction. That's when you're also trying to get the highest price but you start off at a very high price and work your way down and the first one that puts up their pot or their bid online to win that asset then wins it at that time.

A sealed bid auction protects the identity of all auction participants so nobody knows who's participating. No one knows who's bidding what because it's sealed, so you can't see the bidding going back and forth. In order to drive fairness in the process, the second-place component means that the highest bidder pays the second highest bid price. Therefore, truly bidding on a fair market value and not overbidding or overpaying. As everybody's experienced in this last process, several companies did over bid, overpaid and weren't able to run their strings collectively or in a proper manner. And others, of course, had to bail out because they felt like there were big corporations involved and they didn't have a fair chance.

Sealed bids second price auctions are designed to give you the fairest price, not the highest price. That's what I'm highly recommending in

this process. One other thing it does, if you do it at the point of application, it prevents the process and the time it will take to review hundreds of applicants. The highest bid submitted with the application is the first one that gets reviewed. And if they pass all the tests, they're the only ones that get reviewed and no one needs to be reviewed after that. So you don't really need to review 20 contenders for a particular string, you review one. If that one bidder does not meet the process, then you go to the second highest bidder. It's a very easy process to formulate.

It doesn't require any Internet or online activity, no learning of auction strategy, it doesn't require any kind of connectivity on the Internet or even in the language barriers for that process. So you save time in bidding preparation and learning about auction theory and strategy because you're putting your best offer forward in a sealed envelope. That envelope is delivered just like legal documents are, through courier, Federal Express, DHL, UPS, and then opened by a licensed auctioneer in that process. Then that high bid then is tied to the application that was submitted with, and then that application is either approved or not approved. Everyone else that submitted their application doesn't need to be reviewed if the highest bid was the winning applicant. This saves a ton of time in the back end, a lot of expense, and a lot of back and forth and contention amongst bidders and amongst applicants to begin with. I mean, that's it in a nutshell. But it's a very proven process. It's called a Vickrey auction in case somebody wants to know what the proper name of it is. And it's used for fair auctions of charities, those types of things.

The last point I'll make is that in order to eliminate the gaming of the auction and participants winning money, is to have all the proceeds go to ICANN initiatives. One World One Internet, charities, so on and so forth. Therefore, only participants that are truly interested in running the string will be participating in this process, not people trying to game the system or win money from losing. The whole intent is to have legitimate winning bidders and winning applicants run the strings successfully and provide a better service and item to the community. That's basically it. It's a very simple process to run. It doesn't require any technology, it doesn't require any training, it doesn't require any online connectivity, it doesn't require anything that really is a stumbling block to what happened in the last round. That's my recommendation, and I'm happy to answer any questions regarding that.

NICOLAS CABALLERO: Thank you so much, Monte. Before I give the floor back to Jonathan and then to Jorge Canio, I see Iran. Go ahead, please.

KAVOUSS ARASTEH: Thank you very much. You want to simplify the situation? Bring your auction back into the application. From the preliminary review, yes, it may be okay. But starting with the high bids, the one who have the high bids would get the threat, if I properly understand that, that eliminates the one who does not have money. So you give the privilege to those who can support and who can afford money to put the highest bid and eliminate the one who does not have that possibility.

So your suggestion needs to be carefully studied to see the pros and cons and cannot be as straightforward at this stage. Thank you.

NICOLAS CABALLERO: Thank you, Iran. Jonathan, would you take that one?

JONATHAN ZUCK: Thanks, Kavouss. I think there's two answers to that question. One is this is an alternative to the Internet auctions that were going to take place anyway. So the problem that you raise is one that we're going to have to address somehow, regardless of the solution. One of those solutions is something called community priority evaluation. In other words, if it's a community application, they already get priority in a contention. That's likely to favor the less wealthy applicant.

A second possible solution that I wanted to bring to this discussion is a bid multiplier. In other words, if someone is making an application from underserved region using the applicant support program or some other criteria, then we would just automatically multiply whatever they bid by some number. I don't know what that number is, but let's say it's five. So whatever they bid, it will count as five times as much. Because it's not really about the money from ICANN's perspective. They have plenty of money. It's really just about how to have a fair auction and to have fair contention resolution. If you want to explore going beyond community priority evaluation to simply give priority to applicants for support, we can have that conversation, too. But there are at least two ways to address this issue. But I stress we will have to resolve that issue regardless of how we resolve the auction

issue. Because there will be auctions of some sort and we're just pitching the one that seems the most fair.

NICOLAS CABALLERO: Thank you, Jonathan. Monte, anything you would like to add in that regard?

MONTE CAHN: Well, no. I mean, I was going to say the same things. But also, you have to keep in mind that those that can't afford to participate in an auction may have a less chance to actually operate the strings successfully also. Although it's a sensitive topic, people have to consider that, having running a string myself, .hiphop, it takes an extreme amount of resources, time, energy, money, marketing, and all that. So there is fair ways to address that. And that's why the second price component of this is important because people in a second price sealed bid auction typically bid what they can afford to bid and not overextend themselves. So it makes it a fair auction process than someone getting caught up in the competition, that participation, the time they put in to keep bidding on something, typically auctions drive prices up because of that and you go over your budget. And this prevents going over your budget, which is a big concern for those that can't afford to play in auctions. So it is the best auction format for those types of scenarios.

NICOLAS CABALLERO: Thank you very much, Monte. So we need to move on. That takes me back to you, Jonathan.

NANAYAA PREMPEH: May I ask a question? I just want to ask him what are the measures for transparency accountability, and what are the guarantees of those, if you have any. Is this like a Chinese auction?

MONTE CAHN: No, it's not a Chinese auction. It's a victory auction. And when you say transparency, people don't know who the other bidders are but they are meeting the application process, obviously, in order to be the winning bidder. So you have to meet the application criteria. That's one area of qualification, if that's kind of what you're asking.

The second part of that is that if someone does place a bid and they have a certain time period to put that money into escrow or to pay that money out, and they don't perform that, then the second highest bidder then comes to the table, and then has that opportunity to do that. So that protects somebody that saying, "I can bid this amount, I can pay this amount," but then they can't pay it. And then you move on to the second highest bidder to meet that second highest bid.

NANAYAA PREMPEH: When you tell me someone bid higher than me, I'm supposed to just trust you and believe you?

MONTE CAHN: Well, I'm a licensed auctioneer in a licensed auction company and I would be violating the law if I told you any different. Plus, it could be videotaped. There's lots of process to be able to do that to unveil

those envelopes. We've done it several different ways. But if I was the auctioneer in that process, I'd lose my license if it wasn't an honest process.

NICOLAS CABALLERO: Thank you, Monte. Thank you, Ghana. I have Denmark.

FINN PETERSEN: Thank you. Finn Petersen from Denmark. If there is going to be an auction, I actually think that sealed bid auction second price is a fair and a good one. We have used in certain of our mobile auctions and it have certain benefits. There's not the same possibility for collusions and you don't come out with a winner's curse that you pay too much. By paying the second highest price, you have a fair price which is not there only to extract money for other companies. If there's going to be one, we have good results from mobile auction to use that. Thank you.

NICOLAS CABALLERO: Thank you, Denmark. I see a hand online. Would you please state your name and your country? Go ahead, please.

RUSSELL WORUBA: Russell Woruba from Papua New Guinea. Sorry. I'm in the room. But this is a question to Jonathan. Your comment about adding multipliers to each of the criteria, would it be more comprehensive if you had it as weighted scores across the criteria, given a particular TLD which you're dealing with?

JONATHAN ZUCK: Thanks for the question. The IRT process is going through and trying to figure out what the Applicant Guidebook looks like and what the application process is going to look like. I think the problem with weighted criteria is that the criteria are meant to be thresholds and not comparative. In other words, most of the evaluation in the application is go, no go. It's not comparing one to another. So multiplying is really just lying about somebody's capacity to do something. And that's a different issue than a multiplier on a bid, which is just meant to allow a less wealthy participant to participate in an auction process.

So if you multiply criteria, you're essentially being dishonest about that applicant's ability to actually run a TLD. And that's got to be a threshold issue before we give a string to anyone. Because as soon as we give them a string and they allow people to register names, and then it turns out they can't, then we're dealing with redelegation and everything like that again. So I think that process has to be pretty airtight to determine whether somebody is qualified, I think.

NICOLAS CABALLERO: Thank you, Jonathan. Papua New Guinea, are you okay with the answer? Okay. I have the UK. Nigel, go ahead, please.

NIGEL HICKSON: Nigel Hickson, UK GAC. Just very briefly, thank you very much indeed for this valuable information. Something which I think of my own perspective, we need to think about very clearly. We have a situation

where, if you like, we're not at the beginning of this process. We're not trying to formulate policy advice on contention sets. I mean, there is already policy advice, there's already an implementation review process going on. So we have to be, I think, fairly clear in how we might be able to go forward on this. Clearly, there are lots of concerns in the GAC on private auctions, a lot of concerns on the gaming that took place in the earlier round back in 2012. And the real focus of us governments is to try and prevent that. If there's a way of preventing that, then all well and good.

I suppose the point I wanted to make was that I think there's a difference—and I stand to be corrected. Perhaps I don't understand all the process. When multiple applications are made for a name, of course, we do have processes in looking at those applications. That might be community applications that might have some special status in terms of the overall application round. So perhaps we do need to separate, if you like, the application process from the auction process. Because as I understand it, if three people apply for a name and one of them is a community application, then that will be looked at. If it truly is a community application, we'll have some preference. If the community application then was to drop out or not take place, and then you had just two commercial applicants with the same name, then perhaps this process would then kick in then. And would seem to be from how you've eloquently described it.

I think this is not unusual. In Scotland, which is part of the UK—at the top for now—our friends in Scotland do this when they buy houses. Rather than have the highest bid for a house, they have a sealed bid process where the money that they're wishing to offer for the house

goes into an envelope. And this is seen by many people to be much fairer. Thank you.

NICOLAS CABALLERO: Thank you, UK. Alan?

ALAN GREENBERG: I just wanted to note that the community application, if there is one, does get absolute precedence. If there's three regular applications in one community, the community, assuming they qualify, does get absolute precedence and there's no auction. However, if there are two community or multiple community applications, then the auction process still applies within the community groups. Thank you.

NICOLAS CABALLERO: Thank you, Alan. I see Iran. Go ahead, please.

KAVOUSS ARASTEH: Thank you very much. For the time being, it is an idea. We do not fit to what we have already on the table, supporting ALAC and having this advice and so on, so forth. We should take that as it is. And for the time being, before we study carefully the pros and cons of this, it is not appropriate at this time that we have any fallback position. Thank you.

NICOLAS CABALLERO: Thank you, Iran. Any other questions or comments at this point before I give the floor to Switzerland? For the sake of time, I'll give the floor to Switzerland as a GAC speaker, then back to the ALAC speaker

Jonathan Zuck, and then Joanna Kulesza will moderate questions and answers. Switzerland, go ahead, please.

JORGE CANCIO:

Thank you, Nico. Jorge Cancio, GAC Switzerland. I don't know in which capacity I'm speaking here, national or topic lead for new gTLDs who has been proud of drafting the advice we have.

First of all, I would like to thank you for the information. And this brings memories of discussions in SubPro, because we had different discussions about different models of auctions. And if I remember correctly, the Vickery system was one of the options that was considered then. In any case, we have seen that there are many questions, there are many issues that would have to be looked in detail. Careful consideration, careful study as Kavouss from Iran has said. Basically, we still have our advice on the table. So I wouldn't prejudge the decision of the Board, whether there will be auctions or not or what kind of auctions there will be. Because at least, we have a GAC consensus advice that we issued in Washington and we haven't had an answer. Amongst other elements—and these are just elements for discussion—is that in this advice, we asked the Board to avoid the use of auctions in contention sets between commercial and non-commercial applications. Non-commercial applications are, at least to myself, a much larger concept than community applications. Community applications are subject to many requirements and many non-commercial applications may not fulfill them. That's one other element. Of course, we have the second element of our advice regarding private auctions.

I think we still need some further feedback from the Board on our advice, what they are going to do with our advice. Of course, there could be ways of connecting our advice and our general policy principle position with potential specific solutions. But there is, at least to my eyes, still some gap to bridge between the solution plane or the solution sphere, and the policy principles sphere that we are still trying to discuss with the Board.

NICOLAS CABALLERO: Thank you, Switzerland. Any question or comment on the point to Jorge in the room or online? Okay, that not being the case, back to you, Jonathan.

JONATHAN ZUCK: Thanks a lot. Thanks, Jorge, for your remarks. I certainly didn't think that we would leave the room with a consensus today. I just think that the Board would benefit from some specific advice. But as for your other, I had forgotten about this. So thank you for the reminder about the advice to avoid auctions altogether for contentions between commercial and non-commercial applicants. We haven't taken that on as of yet, but my guess is that we supportive of that advice as well. I think our intentions here are aligned.

The question is just the best ways to work together to make the voice of those intentions as loud as possible to the community. That's really what we're after here, because I think we really want to see non-commercial entities, underserved regions' IDNs really run the day of this round or consider it the round of mistake. That's, I think, where we

both are. Let's just keep looking for ways to be not in contention ourselves and work together to make those intentions loud and clear. Thank you, Nico. I don't know where we are on time, but we can bring up the closed generics if you like.

NICOLAS CABALLERO: Yeah. But I have Iran. Go ahead, please, Kavouss.

KAVOUSS ARASTEH: Thank you very much, Jonathan. We already benefited from the good collaboration with ALAC. I just take this opportunity to echo what Jorge mentioned. For the time being, be fully maintained our previous advice and we do not change it at this stage until we have fully study of the new elements that may or may not help. Thank you.

NICOLAS CABALLERO: Thank you, Iran. Any further questions or comments? Seeing none, let's go back then to closed generics. We're running out of time. I'm sorry about this, Nigel, but back to you. We're going back to closed generics now. Topic number three. Unless—

NIGEL HICKSON: Jonathan could go first.

NICOLAS CABALLERO: Sure. Whatever is better for you. Jonathan, go ahead, please.

JONATHAN ZUCK: We should hold a vote. How many people are tired of hearing from me? If it's too many, then we'll... Okay. That's one very important vote in the back there.

UNIDENTIFIED MALE: We'll have an auction for it.

JONATHAN ZUCK: On the issue of close generics, this is also an area in which the GAC has made itself very clear in a communiqué dating back to Beijing, that closed generics should only be allowed in the rare case in which the applicant has a clear global public interest or a public interest intention for the domain. And we shouldn't suck up generic words, especially industry relevant generic words without a public interest component.

As you know, there was a small team discussion on this that involve the GNSO, the ALAC, and the GAC, trying to figure out what that public interest framework for closed generics might look like. And that process made clear that there were some still very clear divisions in the understanding of public interest and what should be allowed and what shouldn't be in that document as a result was not as useful, I think, as we had hoped.

The next result was a conversation between the three chairs. We were brought in like adults at a preschool party or something like that to resolve this issue. And the GNSO made clear that this was not a significant enough issue to hold up the new round. The number one priority, the GNSO, at this point appears to be to have a date certain

for when the new round can begin. And right now, that seems to be April 30, 2026. They also said that given that it was no longer a critical path, they didn't think there should be further policy development work on it because there's so much else to do. Nico and I responded by, "Fine, let's write to the Board and say, 'Let's table this and not accept applications until there's been further policy work.'"

Unfortunately, that language treads on the notion of policy versus process. The GNSO believed that that amounted to policy advice, that they couldn't give the Board without consensus from the group. So we sent two separate letters. The GNSO sent a letter that essentially said, "The ball's back in your court, Board, you decide." And we sent a letter that said, "Let's pause them until we have more policy advice."

The question that's actually on the table at this point doesn't have anything to do with closed generics. It has to do with whether or not it's the community's job to establish policy or the Board's job to establish policy. I think Nico and I—and we did this just as chairs, and we may need to dig further and do advice as well—but it's been our position that it is the community's job to establish policy and to keep working on it until they do. The Board is not Solomon. They don't have any information that we don't have. There's simply an opportunity for forum shopping. And I think that's not the way that we should proceed with policy inside ICANN. That's actually the question that's on the table right now, is who should be responsible for policy? I think, at least, Nico and I believe that should be the community.

NICOLAS CABALLERO: Thank you so much, Jonathan. For the sake of time, I have the UK and then Alan, and then we'll take questions from the floor. Nigel, go ahead, please.

NIGEL HICKSON: Thanks very much. Thank you to the ALAC for this very profitable discussion. We asked for closed generics to be on the agenda. I think really to reflect on just two or three things, which mostly Jonathan has covered anyway. First of all, as a member of the Closed Generics group, it was a real pleasure working alongside our ALAC colleagues on this important issue. The GAC were insistent that ALAC took part in this discussion. Originally, it was just scoped to be GNSO and GAC. ALAC representative certainly brought an important consideration to the discussion.

Secondly, the agreement between the three chairs was not ambivalent at all. It was absolute. It was the chair of the cricket team, it was the chair of the soccer team, it was the chair of whatever political party giving their agreement as chair of their organizations to three factors. One, that this issue should not hold up the work of SubPro. Two, that there would not be closed generics in the next round. And thirdly, that the work of the Closed Generics group would wind up in a timely manner with lessons learned, documented and reported on.

Given those three agreements, the group stopped work. If the Closed Generics group has been told, "Well, actually, one of the chairs is unable to deliver this agreement," then perhaps the decision to wind up the work might have been different. But anyway, we have the agreement. We have the letter that's gone to the ICANN Board from

the ALAC and the GAC, and we have a letter that's gone to the ICANN Board from the GNSO as well.

I think that's where we are. We tried our best to come up with a framework that might have enabled closed generics to be introduced consistent with the public interest, but we are unable to deliver at this point. Whether that in the future, that could be policy development that would enable closed generics to be delivered pursuant to the public interest, of course, is another matter. Thank you very much, indeed, for the cooperation on this issue.

NICOLAS CABALLERO: Thank you so much, UK. That's exactly where we are. Alan, go ahead, please.

ALAN GREENBERG: Thank you. I want to make it clear, I'm speaking on my own personal behalf as a participant in the SubPro discussions when this was first discussed as a participant in the Facilitated Dialogue, and not as an ALAC member, so I don't have a vote. But at this point, my recommendation to the ALAC, for whatever that's worth, is going to be that we issue advice to back up our chair's letter, number one. I also believe, and I'm not the only one, but it's nice to say yes, we will consider this in some future policy work. I believe the differences are probably irreconcilable. And given how much effort it takes to do policy work at ICANN to embark on another effort again a year from now, which I think has very little possibility of success, it's not something I'd want to spend my personal time on. I think that

message somehow has to be conveyed. But on the short term, I hope our position is going to be that we backup our chair's letter and recommend that in this coming window that closed generics now be considered. Thank you.

NICOLAS CABALLERO: Thank you very much, Alan. I have the UK, Rose. And then I'll give the floor back to Jonathan for some final words. UK, go ahead, please.

ROSALIND KENNYBIRCH: Thank you, Nico. Rose Kennybirch, UK. Just as we're coming to the close of the agenda, I appreciate this topic wasn't formally captured on it, but given the interest and discussion this week on the Applicant Support Program, I was wondering if the ALAC representatives would just want to give a quick word on the ALAC proposal for addressing Subsequent Procedures Recommendation 17.2 on Applicant Support. Reading through, I think the ALAC's belief that the approach to providing Applicant Support services must be holistic really resonates with the GAC view. So I'd appreciate if we have time for just a one-minute, two-minute quick response reflection on that. Thanks very much.

JONATHAN ZUCK: Thanks, UK. I don't have a lot to add to the statement that we made, frankly. But I think this is another area in which the ALAC and the GAC are in complete alignment with respect to the Applicant Support Program. And actually, I think the NCUC is in pretty close alignment with us on this topic as well. I think there's an opportunity to build a

fairly strong coalition of constituencies within the ICANN community to make sure that the Applicant Support Program is more holistic, deals with more than just a discount on application fees. How that will be executed is still an open question. There's fiduciary issues and others that need to be addressed. But I think that there's consensus. Frankly, I actually think there's quite a bit of agreement from the GNSO as well on this issue. I think there's community consensus and the ones that are most nervous about it are the Board. So as we get together and we determine what the answer is, we'll find the solutions, whether it's working through third parties or maybe getting what we need through the pro bono program, I don't know. That's what the IRT is hard at work doing. But I think there's really a broad consensus in the ICANN community of trying to create a truly holistic, useful, and results-oriented Applicant Support Program. Let's continue to work together on that.

NICOLAS CABALLERO: Thank you so much, Jonathan. We ran out of time, as usual. We'll pause now for a lunch break. Please be back at 1:30 for the joint meeting with the Board. Thank you, Alan. Thank you, Joanna. Sorry, my apologies, Joanna, but we absolutely ran out of time. Thank you, Monte, Jorge, Nigel, Jonathan. It's been a pleasure. Thank you so much. The meeting is adjourned.

[END OF TRANSCRIPTION]