SSAD ODP Project Update #5

SSAD ODP Project Team

18 January 2022

ICANN

Agenda

- Timeline

- Cost & Fee Structures

- Summary & Consideration

- Q&A

Timeline

Timeline Background

- The duration required to draft the Consensus Policy language is unknown. Based on experience, ICANN org estimates this will take two years.

- Thus, based on the complexity of developing and implementing the SSAD, along with the amount of resources available to oversee the development, ICANN org envisioned two scenarios to develop and implement the SSAD.

  a. The first scenario will take approximately three years to develop and implement the SSAD.
  b. The second scenario will take approximately four years to develop and implement the SSAD.

- The implementation timeline is divided into three functional buckets representing the different phases of work needed to launch the SSAD:

  a. Implementation Review Team
  b. System Development and Implementation
  c. Ongoing Operations

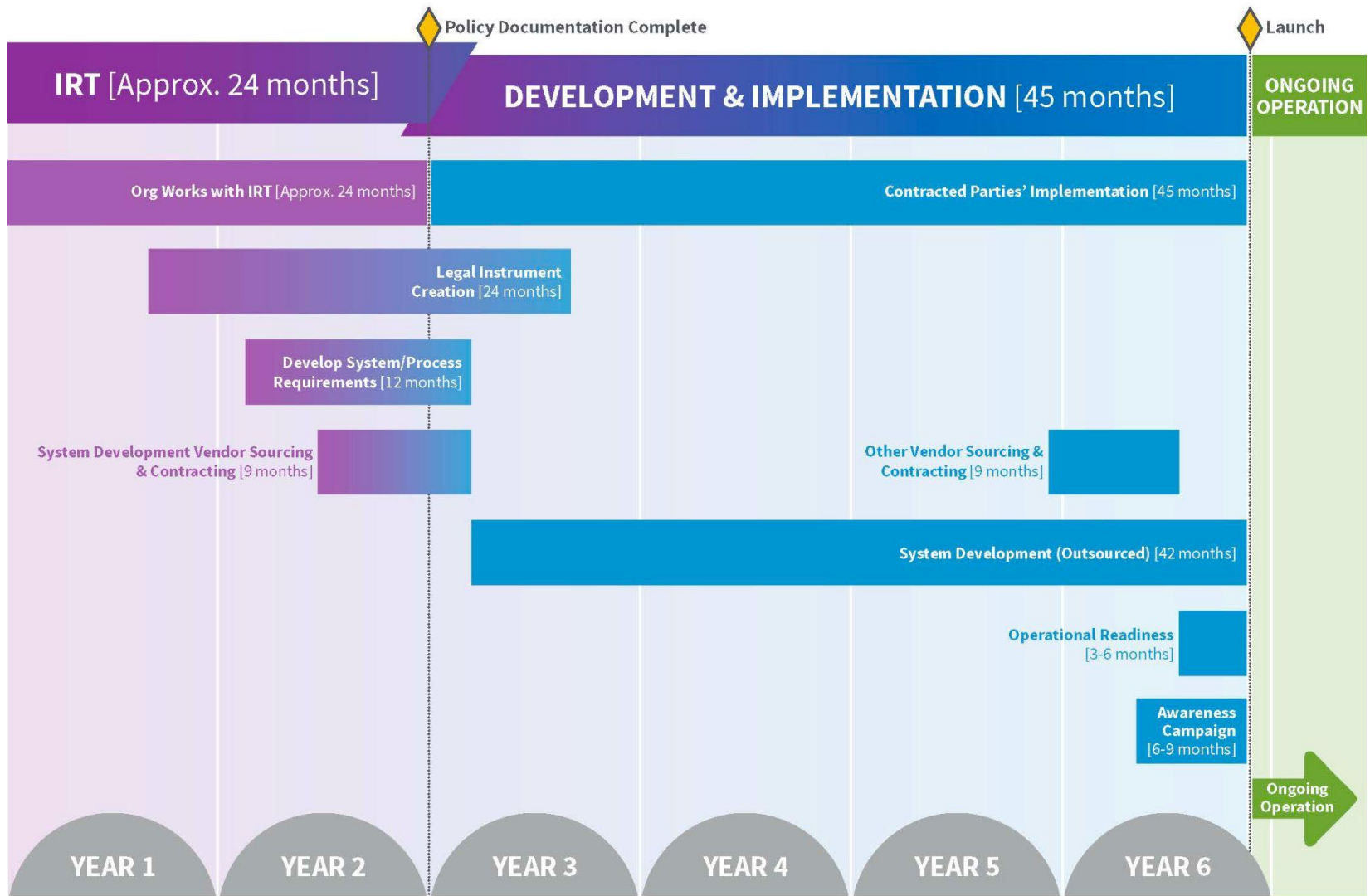- ICANN org will work to complete implementation activities simultaneously as much as possible.

Timeline

Scenario 1: Approximately 5 years to launch the SSAD
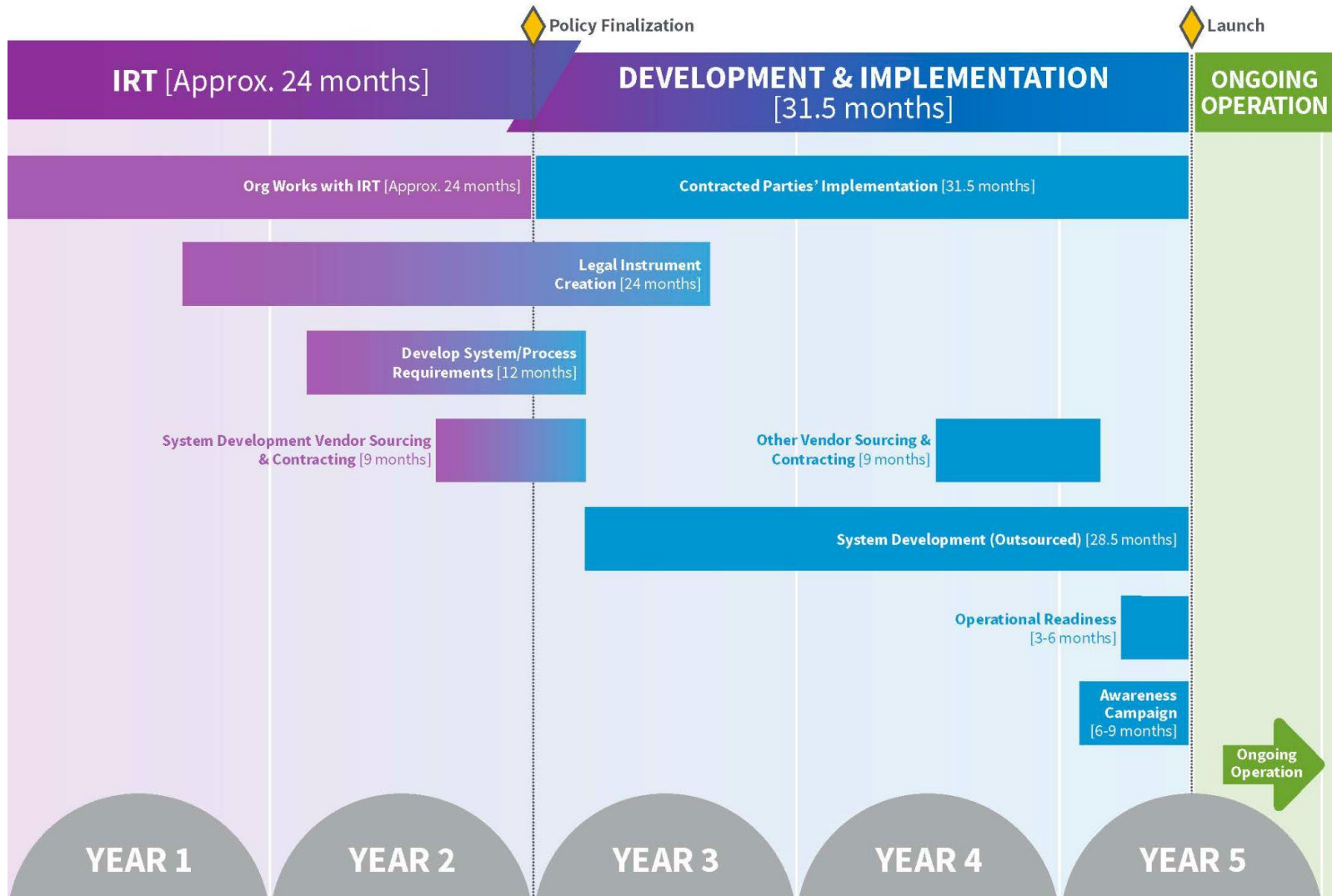
Timeline

Scenario 2: Approximately 6 years to launch the SSAD

Bucket 1: Implementation Review Team (IRT)

- ICANN org works with the GNSO Council and IRT to draft and publish consensus policy language prior to substantial implementation work.

- It is difficult to predict how much time will be required to complete the drafting of the Consensus Policy language. ICANN org estimates that it will take 24 months to complete, based on the policy implementation work of EPDP Phase 1. This work consists of development and confirmation of requirements as well as policy document development.

- These work phases will take place in parallel with the consensus policy drafting.

   a. Legal instruments creation: estimated 24 months.

   b. Development of systems processes and requirements: estimated 12 months.

   c. The vendor identification and contracting: estimated to take nine months.
      i. Likely to take place in two separate phases depending on the role of the vendor.

Buckets 2 and 3: Development and Implementation; Ongoing Operations

- Development and implementation of the SSAD will take place once the consensus policy language is final and a policy effective date is announced.

- Depending on the complexity of the SSAD with various systems needing to be built, along with the number of resources available to oversee the development and implementation of the SSAD, ICANN org estimates that it will take between three and four years to complete.

- The following work phases will take place in parallel with the consensus policy drafting:

  - Legal instruments creation

  - Contracted parties' integration and implementation of the SSAD will take place during this phase and is required to be completed prior to the launch of the SSAD.

  - Operational readiness, which includes vendor onboarding and training, is estimated to take three to six months to complete.

  - An awareness campaign to promote the SSAD is estimated to take six to nine months to complete.

- Ongoing operations will take place once the SSAD is fully developed and operational.

Cost & Fee Structures

Cost & Fee Structures - Background

- The financials in this presentation align to the policy requirements in the Final Report of the Temporary Specification for gTLD Registration Data Phase 2 EPDP.
- These financials were derived in collaboration with multiple key stakeholders in ICANN Org.
- Key items to be covered:
  - Projected volume of: Users, Requestor Declarations Verifications, Accreditations Identity Verifications, and Disclosure Requests
  - Estimated costs to design and implement
  - Estimated costs to operate the system annually
  - Estimated fees that ICANN will charge
- Financials are presented in ranges rather than precise figures due to the uncertainty that exists when projecting costs that include multiple assumptions.

Volume Background and Assumptions

- The costs to operate the system are heavily impacted by the volume of accreditation identification requests and requestor declaration verifications.
- ICANN org has performed analyses internally to project volume, collaborated with the community, and is currently working with an outside vendor to gain better understanding.
- The system that we designed can handle a large range of volume; development costs will not be materially impacted as we learn more about projected volumes.
- However, annual costs to operate the system are significantly impacted by volume.

Annual Volume Projections- *Low, Midpoint (avg), High*

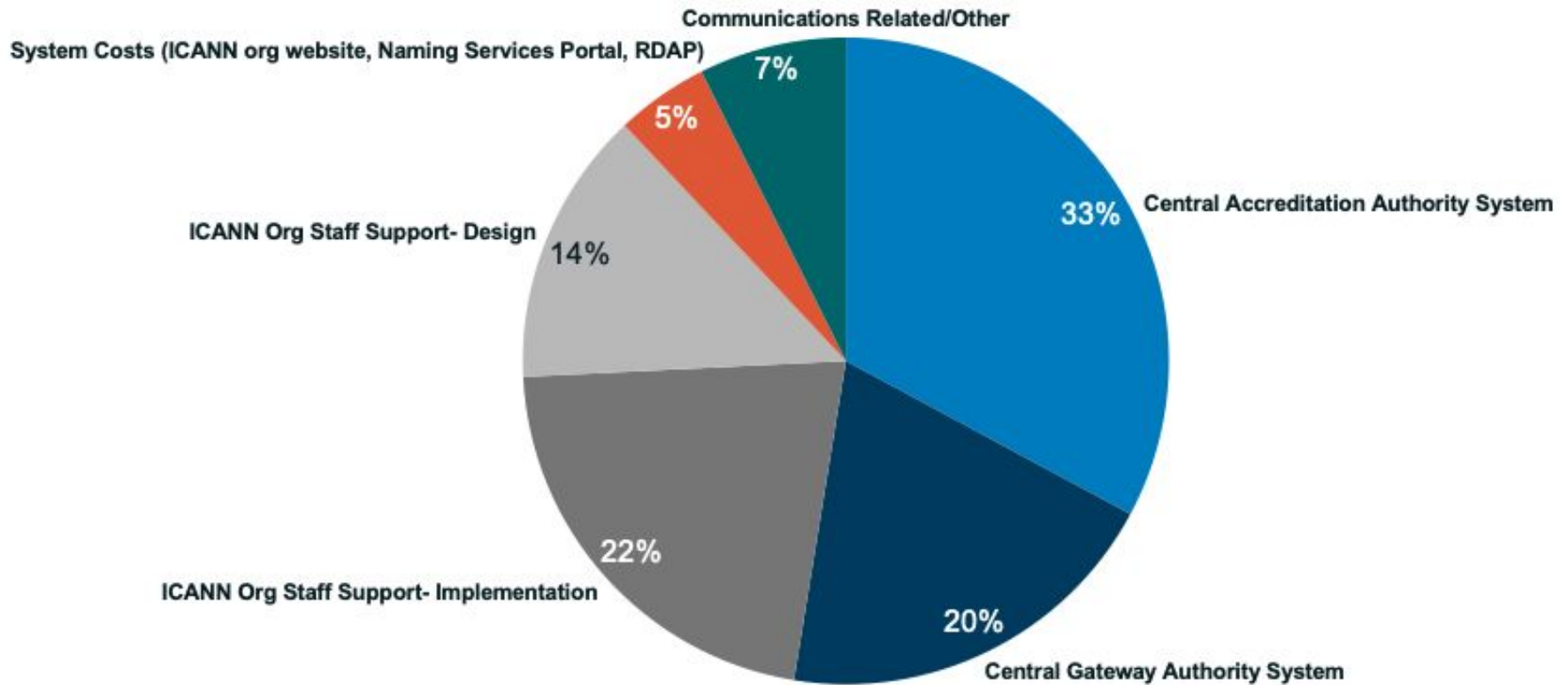| Low Volume	Midpoint (average volume)	High Volume
Users		
25,000	1,512,500	3,000,000
Requestor Declaration Verifications		
25,000	62,500	100,000
Accreditations Identity Verifications		
60,000	2,030,000	4,000,000
Disclosure Requests		
100,000	6,050,000	12,000,000

Costs - Design and Implementation Phase

- ICANN org projects the design and implementation phase to be ~five years.

- ICANN org is planning to rely heavily on outside vendors to develop and manage the system.

- The projected timeline includes time needed to conduct RFPs, select vendors, and build the system.

- ICANN org will be collaborating with and managing these vendors.

Costs - Design and Implementation Phase

- The costs to design and build the SSAD range from $20M-$27M.
- This projection is based on the information known at the time of estimation.
- These costs are the output of the design, process, and structure that ICANN org has shared in previous SSAD webinars.
- The range speaks to the potential for increased complexity in developing the system.
- The Base Complexity cost model was developed using the information known at the time of estimation; whereas the High Complexity model accounts for additional efforts and costs that are not yet known and will become more clear as we progress in building the system.

Estimated Costs - Design and Implementation

Base Complexity- $20M

Pie chart segments:
- Central Accreditation Authority System — 33%
- Central Gateway Authority System — 20%
- ICANN Org Staff Support- Implementation — 22%
- ICANN Org Staff Support- Design — 14%
- System Costs (ICANN org website, Naming Services Portal, RDAP) — 5%
- Communications Related/Other — 7%

Any arithmetic inconsistencies are due to rounding

Higher complexity not displayed ($27M), reflects same types of costs but higher costs for Central Accreditation Authority and Central Gateway Authority development due to increased complexity not yet known

Costs - Ongoing Operations

- The costs to operate the system are heavily impacted by the volume of accreditation identification requests and requestor declaration verifications.
- The costs to operate the system are presented under three scenarios; these align to the volume ranges presented.
- ICANN org will outsource this process and will incur costs for each accreditation identification and requestor declaration verification that is processed.
- Based on the projected volumes, the estimated cost range is $14M-$106M per year to operate the SSAD.
- These costs include: accreditation identification expenses, requestor declaration verification expenses, system support and maintenance fees, user support, audit, SSAD System Abuse Investigator and ICANN org staff support.

Estimated Annual Costs - Ongoing Operations

- Ongoing costs include the costs to operate the system on an annual basis, along with recovery of the design and implementation costs.

- ICANN org has modeled to recover those costs over a 5-year period.

Estimated Costs	Low Volume	Midpoint (average of high and low volume scenario)	High Volume
Accreditations/Identity Verifications	1,200,000	40,600,000	80,000,000
Requestor Declaration Verifications	3,750,000	9,375,000	15,000,000
Total Direct Expenses	$ 4,950,000	$ 49,975,000	$ 95,000,000
System Support External	1,088,000	1,360,000	1,564,000
User Support	1,400,000	1,750,000	2,500,000
Third Party Complaint and Audit	200,000	250,000	287,500
System Abuse Investigator	400,000	500,000	575,000
ICANN Org Staff Support	656,000	820,000	943,000
Overheard Support Costs	863,055	1,078,819	1,240,642
Annual Operating Expenses	$ 4,767,055	$ 5,958,819	$ 7,340,142
Development and Implementation Costs to Recover*	$ 4,066,600	$ 4,066,600	$ 4,066,600
Total Expenses	$ 13,783,655	$ 60,000,419	$106,406,742

*Recovery of Development and Implemenation costs, projecting to recovery $20.3M over 5 years, see Costing (Design and Implementation Phase) for more details on these costs

Pricing Background - ICANN Org Fees

- The fees ICANN org is proposing assume full cost recovery as outlined in the policy requirements in the Final Report of the Temporary Specification for gTLD Registration Data Phase 2 EPDP.

- Full cost recovery includes design, implementation, and annual operating costs *(all of the costs presented so far)*.

- The proposed fees do not include costs for contracted parties' systems development and operation, or any other indirect costs, as this was not outlined in the policy requirements.

Pricing Background - Fee Types

- **Accreditation Identity Verification Fee**
  - A fee that ICANN will charge users for each accreditation that needs to be validated.
  - The Central AA will verify natural and legal persons who seek to use the SSAD in a non-governmental capacity.
  - Governmental users requesting data in the capacity of a public policy role will need to be verified by country/territory designated accreditation authorities that will be fully separate and distinct from the Central AA.
- **Requestor Declaration Verification Fee**
  - A fee that ICANN will charge users to verify characteristics of natural or legal persons that may be applicable to requests for nonpublic registration data.
  - An example is trademark ownership/control.
- **Disclosure Request Processing Fee**
  - A fee that ICANN will charge users when requesting nonpublic registration data.

Per Unit Pricing Based on *Volume Scenarios*

Low Volume	Midpoint (average volume)	High Volume
Requestor Declaration Verification		
$190.00	$166.00	$160.00
Accreditations Identity Verifications		
$85.28	$22.22	$21.30
Disclosure Requests		
$39.17	$0.75	$0.43

Font color indicates volume scenario: **Low, Midpoint (avg), High**

SSAD - Financial Overview

		Low Volume	Midpoint (average of high and low volume scenario)	High Volume
Volume	**Users**	25,000	1,512,500	3,000,000
	Requestor Declaration Verifications	25,000	62,500	100,000
	Accreditations/Identity Verifications	60,000	2,030,000	4,000,000
	Disclosure Requests	100,000	6,050,000	12,000,000
Funding	Accreditations/Identity Verifications	5,116,828	45,112,710	85,203,371
	Disclosure Requests	3,916,828	4,512,710	5,203,371
	Requestor Declaration Verifications	4,750,000	10,375,000	16,000,000
	Total	$ 13,783,655	$ 60,000,419	$ 106,406,742
Expenses				
	Accreditations/Identity Verifications	1,200,000	40,600,000	80,000,000
	Requestor Declaration Verifications	3,750,000	9,375,000	15,000,000
	Total Direct Expenses	$ 4,950,000	$ 49,975,000	$ 95,000,000
	Annual Operating Expenses	$ 4,767,055	$ 5,958,819	$ 7,340,142
	Development and Implementation Costs to Recover	$ 4,066,600	$ 4,066,600	$ 4,066,600
	Total Annual Costs (direct expenses +annual operating expenses + annual recovery of development implementation costs)	$ 13,783,655	$ 60,000,419	$ 106,406,742

Excess (an excess of zero confirms costs have been recovered)

	Low Volume	Midpoint	High Volume
Total	$ -	$ -	$ -

ICANN

Summary & Consideration

Summary of Org's Assessment

3-4 Years to Develop SSAD

3-4 years of development
- Selection of vendors
- Vendor ramp-up
- System development
- Legal instrument development
- Communications plan and support

Unknown duration of IRT
- Potentially 2 yrs based on experience
- Development and confirmation of requirements
- Policy document development

System development and IRT work is conducted in parallel to the extent possible.

Complexity

- 8 types of Actors
- 8 Subsystems
- 60 Processes

Approx. $20M - $27M to Develop

- System development outsourced

Approx. $14M - $107M for Annual Ongoing Operations

- Ongoing operations outsourced
- User accreditation volume drives cost
- ICANN org oversees ongoing operations, vendors, etc.
- 7 functions to fill through RFPs

SSAD Fee Structure
Based on full cost recovery model

Accreditations/Identity Verifications:
$86 - $21 (low - high usage)

Requestor Declaration Verification:
$190- $160 (low - high usage)

Disclosure Requests:
$40 - $0.45 (low - high usage)

Fee structure based on the assumptions* of:
- 25,000 and 3 million users**
- 100,000 and 12 million requests

*Based on a variety of inputs incl. the CP and community surveys, RDDS requests, abuse rates, etc.

**Requestors may still directly go to the CP, bypassing SSAD entirely. This may impact request volumes, if potential Requestors see the SSAD as too onerous.

What will SSAD achieve?

SSAD will:

- Provide a "one stop shop" to Requestors for account setup and verification.
- Provide a repeatable request process for Requestors.
- Reduce or potentially eliminate the need for CPs to identify Requestors.
- Provide some predictability for response times (SLAs) to requests.
- Provide automated disclosures in limited circumstances (see next slide).

SSAD will NOT:

- Process requests for free.
- Guarantee data disclosure or provide predictability of disclosure
- Provide a "one stop shop" to CPs as Requestors can go directly to them outside the SSAD.
- Have comprehensive data for all registration data requests as the Requestors can still go directly to CPs.
- Guarantee participation from countries/territories to accredit governmental Requestors.
- Necessarily reduce costs for contracted parties.

Automated Disclosure in SSAD

EPDP Recommendation: Disclosure for these use cases MUST* be automated

9.4.1. Requests from Law Enforcement in local or otherwise applicable jurisdictions with either 1) a confirmed GDPR 6(1)e lawful basis or 2) processing is to be carried out under a GDPR, Article 2 exemption;

9.4.2. The investigation of an infringement of the data protection legislation allegedly committed by ICANN/Contracted Parties affecting the registrant;

9.4.3. Request for city field only, to evaluate whether to pursue a claim or for statistical purposes;

9.4.4. No personal data on registration record that has been previously disclosed by the Contracted Party.

*If a contracted party determines disclosure is not legally permissible or carries significant risk not identified by EPDP, it **may seek exemption.***

Other considerations

- Complexity of envisioned SSAD:
  - Higher-than-expected development costs and longer duration of implementation.
  - Risk of new legislation impacting recommendations during and after implementation work.
  - Potential negative impact on stability and security of the system (ex. more room for system bugs and errors with a more complex system and multiple subsystems).

- Financial Sustainability:
  - SSAD fees changing often due to uncertain user and request volume.
  - Declining users due to potentially high costs or dissatisfaction with disclosure request outcomes.
    - Domains with Privacy/Proxy services not considered in SSAD Recommendations.

Will SSAD Impact Data Availability?

- SSAD will not circumvent the GDPR or any other applicable legal restrictions on registration data access and disclosure.

  - SSAD will not change the responsibility of the contracted parties to determine whether or not disclosure is permissible under applicable law.
  - SSAD will not eliminate burden on Requestors to demonstrate a legitimate and lawful interest in data access, including a legal basis for this processing, where applicable.
  - The SSAD is a recommended system to streamline the processing of requests for data access. It cannot, itself, increase access to data, as this is determined by applicable law.

- Thus, the SSAD is expected to have little-to-no impact on the contracted parties' ultimate disclosure (or non-disclosure) in response to a request.

What's Next?

What's Next?

ODP is nearing its end

◉ Board / GNSO Council consultation

◉ ODA submission to the Board by February 2022

◉ ODA publication in February 2022

Once ODP concludes:

◉ Board will consider the 18 SSAD-related recommendations

Questions?

Engage with ICANN

Thank You

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