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## **AT-LARGE ADVISORY COMMITTEE**

### **ALAC Statement on the Proposed Revised Process for Handling Requests for Removal of Cross-Ownership Restrictions on Operators of Existing gTLDs**

#### **Introduction**

By the Staff of ICANN

Alan Greenberg, ALAC Liaison to the GNSO, composed an initial draft of this Statement after discussion of the topic within At-Large and on the related mailing list.

On 3 June 2012, this Statement was circulated to the ALAC on the mailing list and later posted on the [At-Large Proposed Revised Process for Handling Requests for Removal of Cross-Ownership Restrictions on Operators of Existing gTLDs Workspace](#).

On that same day, Olivier Crépin-Leblond, Chair of the ALAC, requested a call for comments on the draft Statement to all At-Large members.

On 6 June 2012, a second version of the Statement incorporating the comments expressed both by email and on the aforementioned workspace was drafted and posted on the aforementioned workspace.

On that same day, the Chair of the ALAC requested that Staff open a five-day ALAC ratification vote on the Statement. The Chair also requested that the Statement be transmitted to the public comment process, copying the ICANN Staff member responsible for this public comment topic, along with a note saying that the document was currently undergoing ALAC ratification with a vote to start shortly.

[End of Introduction]

The original version of this document is the English text available at <http://www.atlarge.icann.org/correspondence>. Where a difference of interpretation exists or is perceived to exist between a non-English edition of this document and the original text, the original shall prevail.

# **ALAC Statement on the Proposed Revised Process for Handling Requests for Removal of Cross-Ownership Restrictions on Operators of Existing gTLDs**

The ALAC and At-Large have multiple opinions on whether the removal of Cross-Ownership Restrictions for gTLD Operators will be to the benefit or detriment of users, or in fact, the domain ecosystem. There is, however, a unified position that whatever the environment is, with certain constraints, there should be a level playing field for all gTLD operators.

As such, the ALAC supports the removal of cross-ownership constraints for existing gTLD operators.

However, the ALAC does have one major concern with the proposal. The option for existing gTLD operators to transition to the new gTLD agreement would remove cross-ownership constraints, but it would also have a very significant other effect that has not been the subject of virtually any public discussion. Specifically, it would remove the price caps in the existing agreements, and that is not something that should quietly be slipped in without careful analysis.

That transition would be subject to limits related to competition issues raised by the removal of the cross-ownership restrictions. The document is silent on other results of such a transition, and particularly the removal of price caps on existing operators.

The ALAC does not believe that there is sufficient proof at this time to indicate that the new gTLD environment will so significantly change the gTLD market so that price caps are no longer required for the dominant gTLDs. As such, no change driven by the removal of cross-ownership restrictions should at the same time remove the price caps in the current agreements for dominant gTLDs without substantive community involvement.