

3 May 2024

Tripti Sinha
Chair, ICANN Board of Directors

RE: ALAC-GAC Joint Letter regarding the Applicant Support Program

Dear Tripti,

We are writing to update you and the ICANN Board of Directors on our input to the Applicant Support Program (ASP), which emanated from our [ALAC-GAC bilateral meeting](#) at the ICANN79 Community Forum in San Juan, Puerto Rico. The Applicant Support Program continues to be an area of importance and focus for our respective Advisory Committees.

Based on the GAC's recent communiques, and the ALAC's most recent interventions with the [ICANN Board at ICANN79](#), we collectively determine that the Board should prioritize the ASP.

We welcome the Board's commitment to publishing an ASP Funding Plan in April 2024 and a Communications Plan specifically on the ASP in May 2024. We will not only read these plans with interest but are hopeful that we can add valuable perspectives to them. In respect of the strategy for the Communications Plan, we can certainly call upon our respective expansive network of GAC Members and At-Large Structures around the world to assist in creating further awareness to the ASP and particularly in underserved regions as a way to complement and supplement the intended impact of the ASP Communications Plan.

To support a successful program, we would like to see the ASP, and these corresponding plans, include:

- **A commitment to alleviate the financial burden on applicants through the ASP to the maximum extent possible** – to include scoping the potential to extend the funding pot for the ASP in the scenario that more applicants qualify through the program than there are funds available.
- **A commitment to prioritizing outreach to applicants from global underserved regions** - to include conducting in-person awareness and capacity development sessions across these regions which promote the economic and social benefits of operating a new gTLD.
- **A commitment to apply a holistic approach in facilitating adequate and needed support for ASP applicants** - to include, beyond a reduction in application fee for a gTLD string, access to a wide array of resources for the different phases of the lifecycle of an application for a gTLD string. This means the need to make available useful

resources for the capacity building, planning, application development and submission, and evaluation of a gTLD string application for ASP-qualified applicants, as well as for the pre-delegation of the gTLD for those applicants which succeed in their applications for a gTLD string.

- **A commitment to supporting the longer-term success of ASP-qualified applicants** – to include ongoing support after ASP-qualified applicants are successful in their applications for a gTLD string, to support the timely launch of their new gTLDs and ongoing post-delegation viability.

The ALAC and GAC are further grateful to the SubPro IRT ASP sub-track working group members for the considerable time and effort they have contributed to developing and reviewing the [Draft ASP Handbook](#).

It is the ALAC's view that the handbook could be improved in ways elaborated in the ALAC's [submission \(AL-ALAC-ST-0224-02-01-EN .pdf \(161.11 KB\)\)](#) to the [Review of the Draft Applicant Support Program \(ASP\) Handbook – New gTLD Program](#).

The GAC has also suggested various improvements to the handbook in its [public comment submission](#) on the draft ASP Handbook. It is the GAC's view that the handbook could be further strengthened by including more prominent references to the ASP as a global program intended to focus on underserved regions in a global context. The GAC also appreciates working group members' thoughtful proposals on financing the program through fee reductions, and recommends that ICANN org strongly consider eliminating application fees for all ASP applicants.

We look forward to continuing dialogue on the ASP – supporting and collaborating with ICANN to make it a successful program that delivers ICANN's objective of fostering diversity, encouraging competition, and enhancing the utility of the DNS through the launch of new gTLDs.

Best Regards,

Jonathan Zuck, ALAC Chair
Nicolas Caballero, GAC Chair

Annex 1: ICANN79 GAC Communique – Advice on the Applicant Support Program

- i. Ensures the Applicant Support Program (ASP) focuses on facilitating global diversification of the new gTLD application program, bearing in mind historical community calls for a ‘remedial round’, recalling ICANN77 GAC advice.
 - ii. Publishes a comprehensive ASP communications and outreach strategy and associated implementation plan for review and comment by the community with itemized costs, detailed scope and clear metrics of success identified, to complement the overview of the broader communications plan for the next round of new gTLDs included in the Implementation Plan. This ASP communications and outreach strategy must include details on building awareness of Universal Acceptance (UA) and Internationalized Domain Names (IDNs) and should leverage community connections to ensure underserved regions are reached.
 - iii. Specifies how the reported fund for the ASP will specifically be used to support applicants – whether through offsetting reduced application fees for applicants, funding additional means of support, or a mix of both – and undertake an assessment of the appropriate budget to support the program and the associated communications and outreach strategy in the context of inflation trends since the launch of the last ASP, which was funded with 2 million USD during the 2012 new gTLDs application round.
 - iv. Develops a holistic approach to the ASP by strongly considering implementation of the ALAC’s ASP incubator proposal, recalling the GAC’s ICANN78 text.
 - v. Considers substantially reducing or eliminating ongoing ICANN registry fees for successful applicants for at least five years, and consider further flexibility thereafter according to applicant needs, recalling ICANN77 GAC advice.
 - vi. Explores the potential of leveraging (including contracting and financing the services of), a platform to which new gTLDs, supported through the ASP, could move to eventually operate their own back-end services, recalling ICANN77 GAC advice.
-

Annex 2: ALAC Proposal on implementation of Subsequent Procedures (Supplemental) Recommendation 17.2 on Applicant Support

The ALAC is pleased to submit to the GNSO Council SubPro Pending Recommendations Small Team its proposal on resolving the two concerns indicated by the ICANN Board SubPro Caucus members regarding Subsequent Procedures Recommendation 17.2 on Applicant Support as it is currently worded.

SubPro Rec. 17.2 The Working Group recommends expanding the scope of financial support provided to Applicant Support Program beneficiaries beyond the application fee to also cover costs such as application writing fees and attorney fees related to the application process

Where the two concerns raised were:

1. Scope of financial support to be offered being non-exhaustive given “such as”; and
2. Fiduciary duty concerns in requiring ICANN to pay third party applicant support service providers whose work ICANN is also essentially evaluating, either directly or indirectly.

The ALAC reinforces its position that the Applicant Support Program (ASP) is an essential component of the New gTLD Program, and notes that there is community-wide support for the ASP. The ALAC’s proposal to resolve the aforementioned concerns is premised on:

Completeness. To address the Board’s concern around “non-exhaustiveness” in the scope of financial support to be offered, the ALAC proposes that the list of applicant support services and type of third party services providers be fully enumerated. Further to this, the ALAC believes the approach to providing applicant support services must be **holistic** in order to be able to support deserving applicants throughout the application and evaluation processes up to approval, and preferably including support for the post-approval stage as well.

Arm’s Length Transaction. To address the Board’s “fiduciary duty concerns”, the ALAC believes that all that is required is that there be no payment made directly to third party services providers involved.

The ALAC believes that the optimal way to implement a holistic ASP is by way of an **ASP Incubator**, as described below.

The ASP must be holistic in its approach: it is not just to support qualified applicants “through the door” but also to provide assistance and a buffer for them to survive and succeed. Thus, the ASP Incubator should:

- Be run by multiple third party operators with regional presence/operations.

- Provide a full slate of applicant support service through pro-bono service providers, where
 - The incubator operator(s) would attract, vet, and manage globally dispersed pro-bono service providers
 - The incubator operator(s) would effectively match service providers with applicants
 - The incubator operator(s) would guarantee that applicants enjoy confidentiality over their respective arrangements with selected service providers.
- Require no monetary payment from applicants to access the applicant support services, nor to service providers who would be providing services on a pro-bono basis.
- Make a full slate of applicant support service available throughout the New gTLD Program, limited only by the availability of service providers. The full slate of applicant support services being:

| <u>Pre-Application Submission & Application Submission Phases</u> | <u>Evaluation Phase</u> | <u>Post Delegation Testing, Approval & Contracting</u> |
|---|--|--|
| <ul style="list-style-type: none"> ○ Consultant: DNS/TLD business model advice ○ Consultant: operations, marketing, branding, sustainability planning ○ Legal: US & Local ○ Consultant: Program Expertise in ASP, Community-based TLDs & CPE, Application Writing ○ Consultant: Selection of Registry Back-end Service Provider ○ Consultant: DNSSEC, IPv6 Compatibility ○ Consultant: IDN Implementation, IDN Variant Management ○ Consultant: Translation | <ul style="list-style-type: none"> ○ Consultant: Program expertise, legal support for filing / defending <ul style="list-style-type: none"> ▪ Challenges ▪ Appeals ○ Consultant: Program expertise, legal – developing enforceable PICs/RVCs ○ Consultant: Community Priority Evaluation (CPE) | <ul style="list-style-type: none"> ○ Legal: contracting with ICANN, Registry Back-end Service Provider, etc |

In addition, applicants should be supplemented with and/or enjoy tie-ins:

- Support for evaluation fees or filing fees to the applicant for Extended Evaluations (if any), Objections, CPE (where the application is for a Community TLD that is placed in a contention set)
- Bid credits for participation in an ICANN Auction of Last Resort
- Contractual entitlement to apply for reduction, waiver or deferral of annual registration fees (if triggered) and based on case-by-case circumstances
- ICANN Grant Program (where feasible)

