

4.3.6 TLD Rollout

- 4.3.6.1 Explanation of Subject

The 2007 Final Report included language intended to prevent TLD “squatting”, which is captured in Implementation Guideline I:

An applicant granted a TLD string must use it within a fixed timeframe which will be specified in the application process.

In the AGB, the spirit of this guidance was captured in both contracting and delegation. Applicants that have completed the evaluation process are expected to execute their Registry Agreement within nine months, as stated in section 5.1 of the AGB:

Eligible applicants are expected to have executed the registry agreement within nine (9) months of the notification date. Failure to do so may result in loss of eligibility, at ICANN’s discretion. An applicant may request an extension of this time period for up to an additional nine (9) months if it can demonstrate, to ICANN’s reasonable satisfaction, that it is working diligently and in good faith toward successfully completing the steps necessary for entry into the registry agreement.

Per the base agreement, after execution of the Registry Agreement, applicants are expected to have had their TLD delegated into the root zone within 12 months of the Effective Date, as stated in Article 4.3.b of the base agreement:

ICANN may, upon notice to Registry Operator, terminate this Agreement if Registry Operator fails to complete all testing and procedures (identified by ICANN in writing to Registry Operator prior to the date hereof) for delegation of the TLD into the root zone within twelve (12) months of the Effective Date. Registry Operator may request an extension for up to additional twelve (12) months for delegation if it can demonstrate, to ICANN’s reasonable satisfaction, that Registry Operator is working diligently and in good faith toward successfully completing the steps necessary for delegation of the TLD. Any fees paid by Registry Operator to ICANN prior to such termination date shall be retained by ICANN in full.

The implementation sought to capture the intent of the guidance from the 2007 Final Report, but also allow some level of flexibility where applicants might have difficulty in meeting the specified deadlines, but are working in good faith to complete necessary steps.

- 4.3.6.2 Questions and Concerns Related to Subject

The DG questioned whether adequate time was allowed for the rollout of TLDs, noting that upon delegation of the TLD to the Registry Operator, recurring registry-level fees are due to be paid to

ICANN. The requirements in the AGB and base agreement seek to follow the guidance provided in the 2007 Final Report, while accounting for circumstances that may cause an applicant (or registry) to have difficulty in meeting the timeline requirements.

It is unclear if the concerns related to delegation timeline requirements are widely held, so a potential PDP-WG on New gTLD Subsequent Procedures may want to collect data, possibly through applicant surveys or other mechanisms, to determine the scope of the issue, and to the extent that there is a significant issue, seek information on what the community thinks is a more appropriate timeline.

- *4.3.6.3 Relevant Guidance*
 - Implementation Guideline I
- *4.3.6.4 Rationale for Policy Development*

A potential PDP-WG on New gTLD Subsequent Procedures may want to determine the extent of the concerns related to delegation timeline requirements and then consider developing solutions accordingly. If mitigation is needed, it may warrant expanding upon the language in Implementation Guideline I, or other development of policy language.