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**Draft Final Report**  
**JAS WG - Joint SO/AC New gTLD Applicant Support Working Group**

**PUBLICATION DATE: \_\_\_ October, 2010**

**STATUS OF THIS DOCUMENT**

This is the Final Report from the Joint SO/AC New gTLD Applicant Support Working Group, submitted for consideration by the ICANN Board of Directors and the wider community.

20

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## 57 **1 Background**

58 During the International ICANN Meeting in Nairobi, ICANN's Board recognized the  
 59 importance of an inclusive New gTLD Program and issued a Resolution (#20)  
 60 requesting stakeholders "*to develop a sustainable approach to providing support to*  
 61 *applicants requiring assistance in applying for and operating new gTLDs.*" See  
 62 resolution here: <http://www.icann.org/en/minutes/resolutions-12mar10-en.htm#20>.

63

64 In direct response to this Board Resolution, the GNSO Council proposed a Joint  
 65 SO/AC Working Group, composed by members of ICANN's Supporting  
 66 Organizations (SOs) and Advisory Committees (ACs), to look into applicant support  
 67 for new gTLDs. The Working Group, also known as the **JAS WG or WG**, was  
 68 formed in late April 2010.

69 After a snapshot of the initial recommendations was released for community review,  
 70 the proposals were reworked in the light on comments received. A second snapshot  
 71 was released to the ICANN board of directors and the chartering organizations  
 72 before the report was finalized.

73 This Final Report incorporates the feedback received from the public ad other  
 74 consultations. In summary, the recommendations encompass the following:

- 75 • Cost reduction (evaluation and registry fee modifications);

- 76           • Sponsorship and fundraising (ICANN-sourced and external financial  
77           assistance);
- 78           • Non-cost considerations (technical or logistical support).

79 The specific recommendations are detailed in section 3 of this document. Section 4  
80 contains a set of recommendations for follow activities, and section 5 contains a set  
81 of frequently asked questions with answers about the recommendations.

82 This final report will be sent out for a 30 day public multilingual comment  
83 simultaneous with being sent to the chartering organizations for review and  
84 approval.

## 85 **1.1 Objectives and Process**

### 86 **1.1.1 Objectives**

87 The objectives for this work were derived from the Nairobi ICANN Board Resolution  
88 #20, as further detailed by the GNSO Council resolution to launch a joint SO/AC  
89 Working Group (referred hereafter as **WG**), and by the WG itself in a proposed  
90 Charter, subsequently addressed in Resolutions by the GNSO Council and the  
91 ALAC.

92 The basic objective was to develop a sustainable approach to providing support to  
93 applicants requiring assistance in applying for and operating new gTLDs.

### 94 **1.1.2 Process Background**

95 Initially worked in two parallel Working Teams:

- 96           ○ Working Team 1 (**WT1**) focusing on application fee aspects;
- 97           ○ Working Team 2 (**WT2**) addressing issues regarding which applicants would  
98           be entitled to special support and of what nature the support could be.

99 The WG consulted the Community and general public as follows:

- 100 • On June 14, posted a blog entitled “*Call for Input: Support for New gTLD*  
101 *Applicants*” ([http://blog.icann.org/2010/06/call-for-input-support-for-new-gtld-](http://blog.icann.org/2010/06/call-for-input-support-for-new-gtld-applicants/)  
102 [applicants/](http://blog.icann.org/2010/06/call-for-input-support-for-new-gtld-applicants/))
- 103 • On June 16, posted its preliminary findings for Public Comment – “*Joint*  
104 *SO/AC Working Group on New gTLD Applicant Support Snapshot*”  
105 (<http://www.icann.org/en/public-comment/#wg-snapshot>). The document was  
106 available in 6 languages. The public forum closed on 23 August, 2010.
- 107 • On June 23, during the ICANN Brussels meeting held a public workshop  
108 “*Reducing Barriers to New gTLD Creation in Developing Regions*”  
109 (<http://brussels38.icann.org/node/12503>).
- 110 • Submitted a second snapshot of the recommendations to the ICANN board of  
111 Directors and the two chartering organizations, ALAC and GNSO on 18  
112 September, 2010.

113

114 In addition to recommendation that should be taken by ICANN to enable applicants  
115 from emerging markets/nations to apply for new gTLD in the first round, the report  
116 contains recommendations on criteria and limitations on aid as well  
117 recommendations for follow on activities. There is also a section on frequently asked  
118 questions regarding the recommendations.

119

120 More background information regarding this WG, including Charter, relevant  
121 resolutions and public comment summary/analysis, can be found in Annexes A to C.

## 122 **1.2 Standards of agreement in the Working Group**

123 The WG worked under the [guidelines](#) defined in:

124 [http://gns0.icann.org/en/improvements/proposed-working-group-guidelines-05feb09-](http://gns0.icann.org/en/improvements/proposed-working-group-guidelines-05feb09-en.pdf)  
125 [en.pdf](http://gns0.icann.org/en/improvements/proposed-working-group-guidelines-05feb09-en.pdf).

126 Under these guidelines, the following levels of support are identified.

127

- 128 i. **Unanimous or full consensus**, when no one in the group speaks against  
129 the recommendation in its last readings
- 130 ii. **Rough or near consensus** - a position where only a small minority  
131 disagrees but most agree. This is sometimes just referred to as  
132 **consensus**.
- 133 iii. **Strong support but significant opposition** - a position where while most  
134 of the group supports a recommendation, there are a significant number of  
135 those who do not support it.
- 136 iv. **No consensus**, also referred to as **divergence** - a position where there  
137 isn't strong support for any particular position, but many different points of  
138 view. Sometimes this is due to irreconcilable differences of opinion and  
139 sometimes it is due to the fact that no one has a particularly strong or  
140 convincing viewpoint, but the members of the group agree that it is worth  
141 listing the issue in the report nonetheless.
- 142 v. **Minority** refers to a proposal where a small number of people support the  
143 recommendation. This can happen in response to a **Consensus**, **Strong**  
144 **support but significant opposition**, and **No Consensus**, or can happen  
145 in cases where there is neither support nor opposition to suggestion made  
146 by a small number of individuals.

147 In cases of **Consensus**, **Strong support but significant opposition**, and **No**  
148 **Consensus**, an effort is made to document that variance in viewpoint and to  
149 present any **Minority** recommendations that may have been made.

150 Documentation of **Minority** recommendation normally depends on text offered  
151 by the proponent.

### 152 1.3 Records and Archives

153 The email archives can be found at <http://forum.icann.org/lists/gnso-irtp-b-jun09/>

154 The Wiki can be found at <https://st.icann.org/so-ac-new-gtld-wg/index.cgi>

155

156

## 156 2 The Recommendations

157 There is **[Full Consensus, Consensus]** in the WG to release the following  
158 recommendations for approval by the chartering organizations.

### 159 2.1 Kinds of support that should be offered

160 The WG recommends a number of different kinds of support [should, to] be made  
161 available for potential applicants, which falls into the following five categories:

162

- 163 a. Cost Reduction Support
- 164 b. Sponsorship and other funding support
- 165 c. Logistical support
- 166 d. Technical support for applicants in operating or qualifying to operate a gTLD
- 167 e. Other types of aid

### 168 2.2 Cost Reductions

169 The WG recommends that the following fee reductions be made available to all  
170 applicants who are determined as meeting the criteria established for support:

171 1. **Full consensus:** Waive the cost of Program Development (US\$26,000) for  
172 applicants meeting the criteria for assistance. The current proposed program  
173 budget indicates an expected Net profit of US\$184,600 for the new gTLD  
174 program. This profit could fully or partially offset the loss of waiving the  
175 US\$26,000 program development costs for several applicants. We expect  
176 relatively few applicants (relative to the total number of new gTLD applicants)  
177 to meet the criteria for assistance, so the financial burden of waiving these  
178 fees should be reasonable.

179 2. **Full consensus:** **Staggered Fees.** Instead of paying the entire fee upon  
180 acceptance of the applications, applicants meeting the criteria established for  
181 support could pay the fees incrementally (perhaps following the refund  
182 schedule in reverse). Allowing an applicant to have a staggered fee payment

183 schedule gives the applicant more time to raise money, and investors will be  
184 more likely to back an application that passes the initial evaluation. Staggered  
185 fees enable an applicant to compete for strings that might otherwise have  
186 gone to the first and/or only group with enough money to apply. If the  
187 applicant does not proceed through the entire process, they are not "costing"  
188 ICANN the full projected amount, therefore cost recovery remains intact.

189 3. **Full consensus:** Auction Proceeds. Qualified applicants receive a partial  
190 refund from any auction proceeds—for which they can repay any loans or  
191 invest into their registry, and/or the auction proceeds could be used to refill  
192 the disadvantaged applicant's foundation fund for subsequent rounds.

193 4. **Full consensus:** Lower the Registry fixed fees due to ICANN. In lieu of  
194 the Registry-Level fixed fee of US\$25,000 per calendar year, only charge the  
195 Registry-Level Transaction Fee per initial or renewal domain name  
196 registration to a fee comparable to a minimum used for other gTLDs. An  
197 annual fee of US\$25,000 to ICANN is a barrier to sustainability for an  
198 applicant representing a small community. If a minimum is absolutely  
199 required, then lower this fee to 30% for qualified applicants.

200 5. **Full consensus:** Reconsider the Risk/Contingency cost per applicant  
201 (US\$60,000). The WT1 questions if ICANN really expects a total of  
202 US\$30,000,000 (US\$60,000 x 500 applications) in unknown costs to surface.  
203 This fee should be eliminated for applicants that meet the criteria established  
204 by the WG. If elimination is not possible, then it should be drastically reduced.

205 6. The Fixed/Variable cost of US\$100,000 is based on a total cost of a  
206 previous round of applications and might not be relevant to the new gTLD  
207 applicants and there was **strong support but significant opposition** that  
208 these costs should be reduced for applicants that meet the criteria  
209 established by the WG .



- 210 • There was a **Minority** view that in light of complexity of the  
211 calculation that established the basis for the USD\$100,000 base  
212 cost, it was difficult to determine what, if any of the fee should be  
213 eliminated for applicants meeting the requirements for support. It  
214 was therefore suggested that this should be subject to further  
215 investigation before any recommendations were made on this  
216 issue.

217 **2.2.1 Support for build-out in underserved languages and scripts**

218 [  
219 *Subject to the requirements for receiving support from the program, the Working*  
220 *Group had [**Full consensus, Consensus**] that price reductions should be*  
221 *implemented to encourage the build out of IDNs in small or underserved languages,*  
222 *with the exact amount and timing of the support to be determined. One way this*  
223 *might be accomplished is through bundling of applications:*

224  
225 a) There was [**Full Consensus, Consensus, Strong Support**] for requiring  
226 *that each application requesting such support have explicit endorsement from*  
227 *within the language community to be served. This support must come from*  
228 *organizations, NGOs and local companies from within the language/script*  
229 *community. The lead applicant would not, necessarily, need to be from the*  
230 *community to be served assuming other conditions for support were met.*

231  
232 b) There was a [**Minority View**] that applicants who may not meet the need  
233 *requirement for support but who have explicit endorsement from within the*  
234 *language community to be served should also be able to receive some form*  
235 *of support, for example bundling discounts, in order to offer these services to*  
236 *the underserved language/script community. This community endorsement*  
237 *must come from organizations, NGOs and local companies from within the*  
238 *language/script community*

239

240 *there was **[Full consensus]** that this form of support should encourage the*  
241 *advancement of the language community while also encouraging competition to the*  
242 *greatest extent possible.*

243 ]

## 244 **2.3 Sponsorship/ Fundraising**

245 The WG discussed extensively the possibility of financial assistance for applicants.

246 This was seen as coming from two types of sources:

- 247 • Funds distributed by an ICANN originated fund
- 248 • Funds distributed by external funding agencies

### 249 **2.3.1 Distributed by an ICANN originated fund**

250 It was uncertain what sort of funding might be arranged through ICANN,  
251 especially for this first round, though there was **consensus** in the group  
252 recommending that a fundraising effort be established. For any funding provided  
253 through ICANN by a benefactor that does not wish to administer that funding  
254 itself, these funds would be allocated by a specially dedicated committee, only to  
255 those who meet the conditions established for the support. Additionally, if there  
256 was not enough funding to distribute to all applicants for financial support, that  
257 funding would be distributed with a priority given to linguistic community  
258 applicants applying for IDN strings. There was **Full Consensus** for creating a  
259 development fund directed at new gTLD applicants who are determined as  
260 meeting the criteria established for support.

- 261 a) There was **Consensus** that ICANN establish a *Program Development*  
262 *function* with an initial goal of securing a targeted commitment originally  
263 set at US\$10,000,000 for an ICANN based development fund. There  
264 was **No Consensus** on the form such a function should take. Some  
265 members of the group felt that this should be a permanent position  
266 within ICANN while others felt that hiring a consultant to help with the

267 follow on work on these recommendations might be a better solution.  
268 Still others felt that the fund raising and grant administration work should  
269 be done outside of ICANN itself in an affiliated philanthropic  
270 organization.

271 b) There was **Full Consensus** on the fact that any monies raised for a  
272 development fund would need to be maintained in accounts that should  
273 be separated from any ICANN general funds, and should be treated in a  
274 similar way to any monies that are to be collected in auctions; i.e. that  
275 they should be administered by a foundation or other entity separated  
276 from ICANN designated for philanthropic distribution.

277 c) There was **Consensus** for a proposal recommending that registrars put  
278 in place the means for existing registrants to make voluntary  
279 contributions to the development program through registrar-to-registry  
280 contribution pass-through, and to find ways of enabling non-registrant  
281 small donors to contribute to the development program. Concurrent with  
282 the execution of the development message to the donor communities,  
283 that the development message should also be delivered to the  
284 registrant, and non-registrant user communities through internal and  
285 external media.

286 i. There was a **Minority** concern about the degree to which Registrars  
287 would be open to this suggestion and the manner of its  
288 implementation.

289

### 290 **2.3.2 Distributed by external funding agencies**

291 External funding agencies would make grants according to their own  
292 requirements and goals. ICANN would only provide those agencies with  
293 applicant information for those who met the criteria established for support. **Full**  
294 **consensus**

## 295 2.4 Logistical Support

296 The process set in the Applicant Guidebook (AG) may be difficult for applicants from  
297 emerging market/nations to meet. The following kinds of logistical support are  
298 identified by the WG for those applicants that meet the criteria established for  
299 support:

- 300 a) **Full Consensus**: Translation of relevant documents. This was a major  
301 concern noted by non-English speaking group members, who noted the  
302 extra time and effort needed to work in English;
- 303 b) **Full Consensus**: Logistical and technical help with the application  
304 process. This includes legal and filing support, which is expensive and in  
305 short supply in most emerging markets/nations;
- 306 c) **Full Consensus**: Awareness/outreach efforts. This includes efforts to  
307 make sure more people in underserved markets are aware of the gTLD  
308 process and what they can do to participate in the gTLD process.

## 309 2.5 Technical support for applicants in operating or qualifying to operate a 310 gTLD

311 Certain of the requirements set in the AG may be difficult for applicants from  
312 emerging market/nations to meet. The following kinds of technical support are  
313 identified by the WG for those applicants that meet the criteria established for  
314 support:

- 315 a) Infrastructure – **Full Consensus** for providing support for IPv6 compatible  
316 solutions, e.g. hardware and networks as needed;
- 317 b) Education/consulting –e.g. to help with DNSSEC implementation; **Full**  
318 **Consensus**
- 319 c) Technical waivers or “step ups” – allowing applicants to build their capabilities  
320 rather than needing to demonstrate full capacity before applying (as  
321 appropriate); **Full Consensus**

- 322 d) There were several recommendation that involve lower cost and/or shared  
323 back end registry services:
- 324 i. *[There has been discussion within the group that in the case of shared risk*  
325 *pools<sup>1</sup> of new gTLDs working with the same back-end registry service*  
326 *providers, it would be possible to lower the costs facing the new registry. It*  
327 *is a [**Consensus, Strong Support with significant opposition,***  
328 ***Minority** recommendation that there be an effort to encourage and*  
329 *enable those applicants that meet the criteria established for support to*  
330 *participate in such shared risk pools.*
- 331 ii. *It is a [**Consensus, Strong Support with significant opposition,***  
332 ***Minority** recommendation that in the case of such shared risk pools,*  
333 *certain required costs such as the Continued Operations Instrument be*  
334 *lowered or eliminated entirely based on the ability of such a shared pool to*  
335 *absorb the risk with minimal incremental cost]*
- 336 ]

## 337 **2.6 Other Types of Aid**

338 In support of the goal to set technical and other requirements, including cost  
339 considerations, at a reasonable and proportionate level in order to not exclude  
340 stakeholders from developing countries from participating in the new gTLD process,  
341 the following additional types of aid were identified by the WG.

### 343 **2.6.1 Financial continued Operation Instrument Obligation**

344 While registrant protection is critical and critical registry functions must be sustained  
345 for an extended period of time in the event of registry failure, the WG considered the  
346 financial Continued Operation Instrument obligation as document in AGv4 to be a  
347 great barrier for applicants that meet the criteria established by the WG. There was

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<sup>1</sup> *[A shared risk pool refers to a group of applicants who meet the criteria established for assistance who work cooperatively with each other in establishing their registries. the idea includes that notion that both costs and risks would be lower in such an arrangement.]*

348 **Full Consensus** for a recommendation that the continuity period for the financial  
349 instrument be reduced.

- 350 a) There was **Consensus** that the period for the financial Continued  
351 Operation Instrument be reduced from 3 years to 6 months, this duration  
352 still being twice the duration that is currently defined in the ICANN gTLD  
353 Registry Failover Plan of 15 June 2008.
- 354 b) There was a **Minority view** that financial Continued Operation Instrument  
355 period for the financial instrument be shortened from 3 years to 1 year.
- 356 c) There was is a [**Consensus, Strong Support with significant**  
357 **opposition, Minority**] recommendation that in the case of shared risk  
358 pools, the financial Continued Operations Instrument could eliminated  
359 entirely based on the ability of such a shared pool to absorb the risk and  
360 provide Continued Operation with minimal incremental cost.

## 361 2.6.2 Vertical Integration

362 There was **Consensus** on the recommendation, that if the final Application Guide  
363 allowed for any exceptions from the Vertical Integration requirements, that such  
364 exceptions would be applicable to those applicants that meet the criteria established  
365 for support.

366

## 367 2.7 Applicants Entitled To Receive Support

368

369 Note: The definition of financial need and the method for determining the  
370 financial need of an application has not been established by the WG and  
371 is proposed as a work item in the next steps section (section 3) of this  
372 document. Progress on this work item depends upon support from the  
373 chartering organizations for the recommendations made in this report and  
374 the addition of experts on establishing financial need to the group.

375

376 Key to making a support program work is the choice of initial support recipients. With  
377 this in mind it is agreed that the initial focus should be on finding a relatively limited  
378 identifiable set of potential applicants that would be not controversial to support.

379 The main criterion for eligibility should be need. An applicant would not be selected  
380 for support unless the need criterion is met. **Full Consensus**

381 From the support applicants who meet the need criterion, WG recommends the  
382 following categories of applicant receive support;

- 383 a) Community based applications such as cultural, linguistic and ethnic.  
384 These potential applicants have the benefits of being relatively well  
385 defined as groups. Facilitating community on the web is one of ICANN's  
386 core values; **Full Consensus**
- 387 b) Non-governmental Organizations (NGOs), civil society and not-for-profit  
388 organizations; **Full Consensus**
- 389 c) Applicants located in emerging markets/developing countries; **Full**  
390 **Consensus**
- 391 d) Applications in languages whose presence on the web is limited; **Full**  
392 **Consensus**
- 393 e) Entrepreneurs, who otherwise meet other criteria in this section, in those  
394 markets where market constraints make normal business operations  
395 more difficult. **Consensus**
- 396 • There was a **Minority view** in the group that for profit enterprises  
397 should not be included in the categories receiving aid.

## 399 **2.8 Applicants NOT Entitled To Receive Support**

400 Not recommended for support, even if they can demonstrate financial need, are the  
401 following types of application:

- 402 a) **Consensus for** the exclusion of applicants applying for Brand gTLDs as  
403 they should be self-supporting companies and thus should not be eligible



404 for need based support. An exception could be made for those from  
405 countries where market constraints make normal business operations  
406 more difficult and who are proposing a name in an IDN script not currently  
407 supported;

408 • There was a **Minority view** in the group that Brands and other  
409 marketing oriented gTLDs should not be included among those  
410 entitled to receive support.

411 b) **Full Consensus** for the excluding applicants for Geographic names;

412 c) **Full Consensus** for excluding purely Governmental or para-statal  
413 applicants (though applicants with some Government support might be  
414 eligible);

415 d) **Full Consensus for excluding** applicants whose business model does  
416 not demonstrate sustainability.

417 There was **Full Consensus** that guidelines and safeguards must be established to  
418 prevent any abuse of the support program (often called gaming).

## 419 **2.9 Proposed Constraints on Aid**

420 The WG also agreed on a series of “principles” that are recommend to guide the  
421 community as the support process is finalized, namely:

422 a) Self-Financing responsibility: The WG reached **Consensus** on the need  
423 for self-financing responsibly on the part of any successful applicant for  
424 financial assistance. No more that 50% of the reduced fee may be  
425 provided by an ICANN organized development program. This is not  
426 meant to limit the manner in which fund raising for the other 50% is done  
427 by the applicant. consensus

428 • There was a **Minority** view that the level should not be fixed at  
429 any specific percentage.

430 b) Sunset period – **Full Consensus:** Support should have an agreed cut-  
431 off/sunset point, perhaps 5 years, after which no further support would be  
432 offered. This was recommended as another measure to promote



- 433 sustainability and as a way to help limited resources reach more  
434 applicants.
- 435 c) Transparency – **Consensus**: Support requests and levels of grant should  
436 be made public to encourage transparency.
- 437 • There was a **Minority** view that in certain cases the protection of  
438 business plans might be harmed by too much transparency.
- 439 d) [*Limited Government support – **Consensus, strong support but**  
440 **significant opposition, divergence**]: *The receipt of some support from*  
441 *government(s) should not disqualify applicants from receiving gTLD*  
442 *support. However, the process is not designed to subsidize government-*  
443 *led initiatives.**
- 444 • *There was **Consensus, strong support but significant**  
445 **opposition, divergence** on whether the exception allowing  
446 some support for an application, where the applicant has some  
447 government support, be limited to Community applicants]*
- 448 e) Repayment in success cases – **Full consensus**: In those cases where  
449 supported gTLDs make revenue significantly above and beyond the level  
450 of support received through this process, recipients would agree to re-  
451 pay/rebate application subsidies into a revolving fund to support future  
452 applications.
- 453

## 454 **2.10 Relationship to New gTLD Applicant Guidebook**

455 **Full Consensus**: The WG believes that these recommendations should not affect  
456 the content of the New gTLD Applicant Guidebook, currently in its 4<sup>th</sup> version.  
457 Rather it is a separate program that needs to be established in parallel with the  
458 completion of the Application Guide Book.

### 459 3 Next Steps

460 Several work items are proposed as part of the set of recommendations made. Due  
461 to the time constraints, and the interest in getting GNSO Council, ALAC and Board's  
462 feedback, the following work items are proposed for further discussion by the current  
463 Join SO/AC new gTLD Applicant Support WG or another group. Most of these items  
464 require both policy and implementation input and it is recommended that a joint team  
465 of Staff and SOAC members be created. There appeared to be **Full Consensus** on  
466 the following list of recommendations, but, as the issue is really one for the  
467 chartering organizations, the issues were not discussed in any great depth.

- 468 a) Definition of mechanisms, e.g. a review committee be established  
469 operating under a set of guidelines, for determining whether an application  
470 for special consideration is to be granted and what sort of help should be  
471 offered;
- 472 b) Establishing relationships with any donor(s) who may be able to help in  
473 first round with funding;
- 474 c) Establishing a framework for managing any auction proceeds for future  
475 rounds and ongoing assistance;
- 476 d) Methods for coordinating the assistance, and discussion on the extent of  
477 such coordination, to be given by Backend Registry Service Providers;  
478 e.g. brokering the relationships, reviewing the operational quality of the  
479 relationship.
- 480 e) Establish the criteria for financial need and a method of demonstrating that  
481 need.
- 482 f) Discuss and establish methods for coordinating any assistance  
483 volunteered by providers (consultants, translators, technicians, etc. );  
484 match services to qualified applicants; broker these relationships and  
485 review the operational quality of the relationship.

- 486 g) Establish methods for coordinating cooperation among qualified  
487 applicants, and assistance volunteered by third parties.  
488 h) Begin the work of fund raising and establishing links to possible donor  
489 agencies  
490 i) Review the basis of the US\$100,000 application base fee to determine its  
491 full origin and to determine what percentage of that fee could be waved for  
492 applicants.  
493

## 494 **4 Frequently asked questions**

495 During the process of developing these recommendations, various questions have  
496 been asked by the ICANN volunteer community, the ICANN staff and the ICANN  
497 Board of directors. This section explores some of these frequently asked questions:  
498

### 499 **4.1 Question: Why can't these applicants just wait until the next round**

#### 500 **4.1.1 Answer:**

501 There are several reasons the group believes that it is critical that support be given  
502 to applicants with a financial need for assistance in the first round:  
503

- 504 - Board resolution 2010.03.12.46-47 was quite clear on the need to ensure that  
505 the current New gTLD Program should be inclusive. Much of the ICANN  
506 community took hope from this decision and not to deliver on this first round  
507 would disappoint the global community greatly.  
508
- 509 - With every round, the competitive disadvantage for the new gTLDs increases.  
510 For ICANN to cause further disadvantage to those who already are at a  
511 disadvantage due to its pricing considerations could be seen as an abrogation  
512 of its responsibly to serve the global public interest and foster competition for  
513 all.  
514
- 515 - The pent up demand for new gTLDs, especially IDN gTLD, is so great that  
516 there is an expectation for many applications. There is a concern that without  
517 some sort of assistance program, all of the most obvious names, including  
518 IDNs, will be grabbed by wealthy investors, leaving little opportunity, especially  
519 in developing regions, for local community institutions and developing country

520 entrepreneurs.

521

522 - While there is every plan for a second round, and most of us believe that such  
523 a round will occur, its timetable is at best uncertain. The round of 2001 was  
524 supposed to be followed by new rounds, and though it now appears that it will  
525 be, it took a decade for that to happen. Since it is impossible to give  
526 guarantees of when there might be a future round, making those who cannot  
527 afford the current elevated ICANN prices wait for an uncertain future is not seen  
528 as equitable treatment.

529

530 **4.2 Question: Running a registry is an expensive proposition, if an applicant**  
531 **needs financial assistance for the application process how are we to**  
532 **believe they can fund a registry?**

533 **4.2.1 Answer:**

534

535 The actual expense of running a registry is dependent on the actual costs for  
536 operating expenses in a particular time and place. As the operating expense of a  
537 location decreases, the relative burden of ICANN cost increases, sometime to the  
538 point of becoming an undue burden for those potential registries from developing  
539 economies.

540

541 There are also various possible ways in which prospective registries can share costs  
542 and cost burden. In these cases the relative cost burden of ICANN fees would also  
543 become an undue burden preventing someone from getting the permission to do  
544 something, which in their environment and with their arrangements would be  
545 affordable.

546 **4.3 Question: The first round gTLD program is supposed to be self funding.**  
547 **If these price reductions are granted to applicants with financial need,**  
548 **what happens to the goal of a self funded program?**

549 **4.3.1 Answer:**

550

551 The GNSO Implementation guideline was that the overall program be self-funding.

552 The guideline specifically reads:

553

Application fees will be designed to ensure that adequate resources exist to cover the total cost to administer the new gTLD process.

Application fees may differ for applicants.

554

555 As discussed in the recommendations, certain of the fees are inappropriate for  
556 applicants who meet the requirements of the program. the guideline allows for  
557 differentiated fee structure as long as the total resources cover the entire cost of the  
558 program.

559 **4.4 Question: The solution is supposed to be sustainable, in what respect is**  
560 **this solution sustainable?**

561 **4.4.1 Answer:**

562

563 The recommendations in this program are meant to support the sustainability of  
564 costs for those who meet the requirements of the program. Reduced fees enable a  
565 prospective registry to enter the market and reduce the initial debt that would need  
566 to met. In those cases of community gTLDs where a community is either  
567 contributing to the expenses or is intended to reap benefit after the TLD has been  
568 established, lower costs contribute not only to sustaining the operation of the gTLD  
569 but also lower risk for the community.

570 **4.5 Question: What reasons are there for decreasing the 3 years Continued**  
571 **Operations Instrument as defined in Specification 8 of the Draft Registry**  
572 **Agreement?**

573 **4.5.1 Answer:**

574

575 tbd

576

577 **4.6 Question: tbd**

578 **4.6.1 Answer:**

579

580 tbd

581

582

583

Draft

## 583 **5 Annex A – JAS WG Charter**

584 **Chartered objectives for the Working Group** (as adopted by the GNSO Council  
585 and ALAC)

586

587 **Preamble:** The Joint SO/AC Working Group on New gTLD Applicant Support shall  
588 evaluate and propose recommendations regarding specific support to new gTLD  
589 applicants in justified cases. The working group expects to identify suitable criteria  
590 for provision of such support, to identify suitable support forms and to identify  
591 potential providers of such support. However, there is no presumption that the  
592 outcome will imply any particular governing structure. Accordingly, if the  
593 recommendations indicate that the preferred solutions are of a voluntary nature, the  
594 criteria and other provisions arrived at in line with the objectives below will solely  
595 serve as advice to the parties concerned. The objectives are not listed in any priority  
596 order. An overall consideration is that the outcomes of the WG should not lead to  
597 delays of the New gTLD process.

598 **Objective 1:** To identify suitable criteria that new gTLD applicants must fulfill to  
599 qualify for dedicated support. The criteria may be different for different types of  
600 support identified in line with Objective 2 and 3 below.

601 **Objective 2:** To identify how the application fee can be reduced and/or subsidized  
602 to accommodate applicants that fulfill appropriate criteria to qualify for this benefit, in  
603 keeping with the principle of full cost recovery of the application process costs.

604 **Objective 3:** To identify what kinds of support (e.g. technical assistance,  
605 organizational assistance, financial assistance, fee reduction) and support timelines  
606 (e.g. support for the application period only, continuous support) are appropriate for  
607 new gTLD applicants fulfilling identified criteria.

608 **Objective 4:** To identify potential providers of the identified kinds of support as well  
609 as appropriate mechanisms to enable support provisioning.

610 **Objective 5:** To identify conditions and mechanisms required to minimize the risk  
 611 of inappropriate access to support. Agreed within WG, pending GNSO Council and  
 612 ALAC adoption.

613

#### 614 **Operating procedures for the Working Group**

615 The Working Group will operate according to the interim working group guidelines  
 616 set out in the [Draft Working guidelines of 5 Feb 2010](#).

617

#### 618 **Milestones**

Dates	Tasks/Goals
<b>29 April</b>	First conference call. Preparations for Chairs election, Charter drafting, work planning
<b>10 May</b>	Adoption of WG Charter by participating SOs and ACs
<b>5 May - 9 June</b>	Weekly conference calls. Drafting of Recommendation by WT1 and WT2.
<b>16 June – 21 June</b>	Posting of "snapshot" on WG's plans & progress for public comment in English
<b>23 June – 23 August</b>	Posting of "snapshot" on WG's plans & progress for public comment in Spanish, French, Chinese, Arabic and Russian
<b>21-25 June</b>	Community discussions during ICANN Brussels Meeting – Session “Reducing Barriers to New gTLD Creation in Developing Regions” <a href="http://brussels38.icann.org/node/12503">http://brussels38.icann.org/node/12503</a>
<b>10 July - ___ September</b>	Weekly conference calls resumed, development of final recommendation based on public comments received
<b>___ September</b>	Final recommendation posted for Board and Community consideration

619



## 6 Annex B – Relevant Resolutions

### 1. ICANN Board Resolution #20 – Nairobi ICANN Meeting

See: <http://www.icann.org/en/minutes/resolutions-12mar10-en.htm#20>

#### 20. Support for Applicants Requesting New gTLD Applicants

Whereas, the launch of the New gTLD Program will bring fundamental change to the marketplace, including competition and innovation;

Whereas, the evolution of relationships and restrictions on relationships between registries and registrars have been a center of discussion and analysis;

Whereas, the introduction of new gTLDs will bring change and opportunity for innovation, new services and benefits for users and registrants;

Whereas, ICANN aims to ensure that the New gTLD Program is inclusive, along the lines of the organization's strategic objectives;

Whereas, ICANN has a requirement to recover the costs of new gTLD applications and on-going services to new gTLDs; and

Whereas numerous stakeholders have, on various occasions, expressed concern about the cost of applying for new gTLDs, and suggested that these costs might hinder applicants requiring assistance, especially those from developing countries.

Resolved (2010.03.12.46), the Board recognizes the importance of an inclusive New gTLD Program.

Resolved (2010.03.12.47), the Board requests stakeholders to work through their SOs and ACs, and form a Working Group to develop a sustainable approach to providing support to applicants requiring assistance in applying for and operating new gTLDs.

### 2. GNSO Resolution to launch a Joint SO/AC WG

See: <http://gns0.icann.org/resolutions/#201004>

#### 20100401-1 Motion to create a Joint SO/AC Working Group on New gTLD Applicant Support

Whereas, ICANN aims to ensure that the New gTLD Program is inclusive, along the lines of the organization's strategic objectives;

Whereas, numerous stakeholders have, on various occasions, expressed concern about the cost of applying and about the material requirements for new gTLDs, and suggested that these costs and material conditions might hinder applicants requiring assistance, especially those from developing regions, from cultural/linguistic groups and from non-profit groups such as philanthropies,

Whereas, on 13 March 2010, the ICANN Board adopted Resolution 20 (<http://www.icann.org/en/minutes/resolutions-12mar10-en.htm#20>) requesting that stakeholders work with their respective ACs and SOs to form a working group to provide a sustainable approach to providing support to applicants requiring

assistance in applying for and operating new gTLDs;

Whereas, the GNSO Council desires to form a joint working group with other interested Supporting Organizations (SO's) and Advisory Committee (AC's) to fulfill this Board request, and to develop a sustainable approach to providing support to such new GTLD applicants, keeping in mind the GNSO Implementation guideline to recover the cost of new gTLD applications and on-going services to new gTLDs.

NOW THEREFORE, BE IT:

Resolved, that the GNSO Council supports the formation of a joint SO/AC working group to respond to the Board's request by developing a sustainable approach to providing support to new gTLD applicants requiring assistance in applying for and operating new gTLDs, keeping in mind the GNSO Implementation guideline to recover the cost of new gTLD applications and on-going services to new gTLDs, and the goal of not creating further delays to the new gTLD process;

Resolved further, that Rafik Dammak shall serve as the GNSO Council Liaison for this joint SO/AC working group;

Resolved further, that the GNSO Council Chair shall within 48 hours of this motion inform the Chairs of other SO's and the AC's of this action and encourage their participation;

Resolved further, that ICANN Staff shall within seven calendar days of this motion identify and assign applicable Staff support for this working group and arrange for support tools such as a mailing list, website and other tools as needed;

Resolved further, that the staff support assigned to this working group shall within 48 hours after the support tools are arranged distribute an invitation for working group participants as widely as possible within the SO/AC community;

Resolved further, that the New gTLD Applicant Support WG shall initiate its activities within 28 days after the approval of this motion. Until such time as the WG can select a chair and that chair can be confirmed by the participating SO's and AC's, the GNSO Council Liaison shall act as interim co-chair with the liaison(s) from other SO's and AC's;

Resolved further, that the New gTLD Applicant Support WG shall as its first action items: i) elect a chair or co-chairs; ii) establish meeting times as needed; and iii) develop and propose a charter describing its tasks and schedule of deliverables for approval by the participating SO's and AC's.

Resolved further, that the New gTLD Applicant Support WG shall deliver its initial recommendation for community comment in time for discussion at the Brussels ICANN meeting.

## **7 Annex C - List of Addenda in Companion Document**

1. Working Group Members, Affiliations, Statements of Interest (SOI) and Attendance
2. Text of first snapshot released on 16 June 2010
3. Transcript - Brussels Meeting Workshop Session
4. Public Comment *Summary and Analysis*
5. Cover letter and text of second snapshot taken on 18 September 2010
6. Record on discussion on bundling - removed from final report.
7. Response to any comments received on second snapshot

**8**