

2.5.2: Variable Fees (WT1)			
#	Comment	Contributor	WG Response
2.5.2.c.1: Though Work Track 1 discussed a number of different possible alternative approaches, there was no agreement on any alternatives to the 2012 round; namely that all applications should incur the same base application fee amount regardless of the type of application or the number of applications that the same applicant submits. This would not preclude the possibility of additional fees in certain circumstances, as was the case in the 2012 round of the program (e.g., objections, Registry Service Evaluation Process, etc.).			
1	Support for base fee with additional fees for more detailed evaluation: To enhance brand participation including from the Global South and SMEs, MARQUES proposes that there is a base application fee which all applicants should pay for standard evaluation with supplementary / top up fees paid for more detailed evaluation. Thus the fee for a Single Applicant/Closed Brand Registry, where the evaluators do not need to review a business plan should be lower than for an Open Registry. (https://mm.icann.org/pipermail/comments-gtld-subsequent-procedures-initial-03jul18/2018q3/000025.html)	MARQUES	
2	Support for discounted fees for community applications with non-profit intentions: The ALAC suggests the WG consider discounted application fees for community applications with non-profit intentions. (https://mm.icann.org/pipermail/comments-gtld-subsequent-procedures-initial-03jul18/2018q3/000065.html)	ALAC	
3	Support metrics to assess whether significant cost differentials occur: Metrics will be required to assess whether significant (e.g. >20%) cost differentials occur across the types of applicants. If identified, fees should be adjusted accordingly in future and can be refunded proportionately in the event of excess fees being returned to applicants. (https://mm.icann.org/pipermail/comments-gtld-subsequent-procedures-initial-03jul18/2018q3/000038.html)	Brand Registry Group	
4	Support for uniform fee: The fee should be the same for all applications (https://mm.icann.org/pipermail/comments-gtld-subsequent-procedures-initial-03jul18/2018q3/000041.html)	Business Constituency	
5	Request to clarify if the suggestion that “all applications should incur the same base application fee amount” extends to scenarios beyond “type of application or number of applications.”: This preliminary recommendation suggests that “all applications should incur the same base application fee amount regardless of the type of application or the number of applications that the same applicant submits. This would not preclude the possibility of additional fees in certain circumstances, as was the case in the 2012 round of the program (e.g., objections, Registry Service Evaluation Process, etc.).” It would be helpful if the PDP Working Group could clarify if the suggestion that “all applications should incur the same base application fee amount” extends to scenarios beyond “type of application or number of applications.” For example, would an applicant proposing to use a pre-approved RSP pay the same application fee as one who proposes to operate its own back-end registry functions and thus requiring technical evaluation? (https://mm.icann.org/pipermail/comments-gtld-subsequent-procedures-initial-03jul18/2018q3/000037.html)	ICANN Org	
6	Support for uniform base fee; correction to text of recommendation regarding RSEP and RSTEP: The RySG believes that all applications should continue to incur the same base application fee amount regardless of the type of application or the number of applications that the same applicant submits. Additionally, there was no additional fee to Registry Service Evaluation Process, since it was part of the application fee; there was a possible fee of Registry Services Technical Evaluation Panel (RSTEP); therefore this reference should be corrected. (https://mm.icann.org/pipermail/comments-gtld-subsequent-procedures-initial-03jul18/2018q3/000052.html)	RySG	
7	Support for single fee, at least per category of TLD: We worry about fees that would advantage incumbents and penalize newcomers. We recommend that a single free structure be adopted, at least in a given category of New gTLDs. (https://mm.icann.org/pipermail/comments-gtld-subsequent-procedures-initial-03jul18/2018q3/000062.html)	Public Interest Community	
8	Support for different TLD categories with different processes, requirements, and fees: Developing explicit TLD categories should be seriously considered as it can help simplify the process for applicants by creating diverse categories that provide structure, hence allowing for a smoother application process. Additionally, different application processes or requirements can be developed for different categories, and instead of the current single fee model, a cost-based fee structure suitable to each TLD category can be developed so as to allow for better representation for local communities and developing countries. (https://mm.icann.org/pipermail/comments-gtld-subsequent-procedures-initial-03jul18/2018q4/000069.html)	Government of India - submitted by IN Registry	

2.5.2.d.1: Different application fees for different types of applications is only warranted if the cost incurred for processing those different types is significant (for discussion purposes, 20% was used).

	The BRG supports this recommendation.		
1	(https://mm.icann.org/pipermail/comments-gtld-subsequent-procedures-initial-03jul18/2018q3/000038.html)	Brand Registry Group	
2	No exception (https://mm.icann.org/pipermail/comments-gtld-subsequent-procedures-initial-03jul18/2018q3/000041.html)	Business Constituency	
3	Supports making clear the cost differences for different applications: The ALAC thinks it makes sense to make clear what the cost differences are for the variety of applications. However that should not be the leading argument to use different application fees. See our earlier suggestion to offer discounts to e.g. community applications. The ALAC notes though that on page 84 of the Initial Report it says: 'While the Work Track sought actual costs from the ICANN organization, the Work Track understands that costs were not tracked at an application by application level, making it difficult to determine if there is substantial variance in costs incurred for different application types and/or evaluation paths.'	ALAC	
4	Support for this option: INTA agrees with this option. INTA believes because branded TLDs will be closed and therefor require less scrutiny for ICANN the cost to review these TLD applications will be significantly less expensive and thus branded TLD applications should be subject to lower fees. (https://mm.icann.org/pipermail/comments-gtld-subsequent-procedures-initial-03jul18/2018q3/000048.html)	INTA	
5	Support for a single base fee; ICANN should properly estimate the cost of evaluating different types of applications when setting the fee and not charge additional fees retroactively: The RySG believes that all applications should incur the same base application fee amount regardless of the type of application or the cost incurred for processing the application. Once the application is properly submitted, the cost of processing it is determined by ICANN, not by the applicant, therefore the applicant should not be required to pay for costs under ICANN's control. If ICANN properly estimates the costs of evaluating different types of applications when setting the fee, there will be no need to retroactively charge more for certain applications. (https://mm.icann.org/pipermail/comments-gtld-subsequent-procedures-initial-03jul18/2018q3/000052.html)	RySG	
6	Notes concern about fees changing in the midst of evaluation, does not think this should happen: Regarding the question 2.5.2.d.1 around what an acceptable fee and percentage would be when the number of applications exceed capacity limits and project processing costs, the NCSG considers that there should not be any increase to capacity limits and processing costs as the idea of raising the application cost midway and in the midst of an application evaluation would eventually result in a non-commercial or non-profit organizations having to give up of the application. This point posits that the smallest new gTLD applicants will subsidize the largest ones. (https://mm.icann.org/pipermail/comments-gtld-subsequent-procedures-initial-03jul18/2018q3/000066.html)	NCSG	

2.5.2.d.2: Fees imposed for changing the type of application should be higher than applying for the desired TLD type originally (for discussion purposes, the applicant must pay 125% of the difference between the different application types in terms of fees plus any other related processing fees.)

1	Support for this option: INTA agrees with this option, changing the type of application should require an administrative fee to be paid that discourages attempts to game the system by applying for a type with a lower fee and later swapping. (https://mm.icann.org/pipermail/comments-gtld-subsequent-procedures-initial-03jul18/2018q3/000048.html)	INTA	
2	Does not support this option -- application fee for a new gTLD should be the same regardless of the TLD type; all applications should be responsible for costs; different fees could add unnecessary administration: Neustar believes that the application fee for a new gTLD should be the same regardless of the type of TLD an applicant intends to operate. All applicants should be responsible for the development costs of the application systems and evaluation process and other required resources. We also believe that different application fees could potentially add an unnecessary layer of administration to the process that may become a source of disagreement and impact the predictability of the process. We also recognize that by owning a TLD, a Registry Operator has a unique and valuable piece of Internet real estate that is difficult to quantify. (https://mm.icann.org/pipermail/comments-gtld-subsequent-procedures-initial-03jul18/2018q3/000049.html)	Neustar	

3	<p>Suggestion that applicants should not be charged a higher fee for making permitted changes: The RySG believes that applicants should not be charged a higher fee for making any changes to their applications that are permitted changes under the Applicant Guidebook.</p> <p>(https://mm.icann.org/pipermail/comments-gtld-subsequent-procedures-initial-03jul18/2018q3/000052.html)</p>	RySG	
4	<p>Supports lowering of fees for applicants using pre-approved RSPs: On the note of the fees imposed for changing the type of application (point 2.5.2.d.2), we note one exception to the fixed-fee rule that is warranted. If pre-approved (and re-approved) back-end RSPs are used it is likely that would actually be a clear cost savings to ICANN for all applications using pre-approved back-end RSPs, and that savings should be passed on upfront and in a standardized way to all applicants using pre-approved RSPs. There should be a fixed new gTLD application fee for applicants falling into this category - and such clarity and savings will help non-commercial organizations to apply for new gTLDs. Further, this application fee discount, applied to all new gTLD applicants using pre-approved RSPs, seems both fair and equitable.</p> <p>(https://mm.icann.org/pipermail/comments-gtld-subsequent-procedures-initial-03jul18/2018q3/000066.html)</p>	NCSG	
<p>2.5.2.e.1: If the number of applications exceed capacity limits and projected processing costs (assuming these are limiting factors) should there be an option to increase capacity and costs to meet service expectations? If so, how should capacity vs. increased costs and/or limits be set? What is an acceptable increase and how would the actual percentage be determined?</p>			
1	<p>As ICANN gains efficiency in processing applications, costs should stabilize or decrease: INTA is does not have a definitive answer but notes that as ICANN becomes more efficient in processing new TLDs application, costs should become relatively stable or decrease.</p> <p>(https://mm.icann.org/pipermail/comments-gtld-subsequent-procedures-initial-03jul18/2018q3/000048.html)</p>	INTA	
2	<p>The RySG believes that there is no acceptable increase amount or percentage to be determined. Any requirements for increased capacity and any resulting increased costs should be accounted for by the increased revenue from the higher than expected volume of applications. There is no clear reason that the per-application processing cost should be higher as the number of applications increases.</p> <p>(https://mm.icann.org/pipermail/comments-gtld-subsequent-procedures-initial-03jul18/2018q3/000052.html)</p>	RySG	
<p>2.5.2.e.2: Should there be any exception to the rule that all applicants pay the same application fee regardless of the type of application? What exceptions might apply? Why or why not?</p>			
1	<p>Support for lower fees for IDNs and process changes to make it easier for local brand owners to apply for TLDs: Second, we strongly recommend differentiating the application fees between ASCII and IDN TLDs, and lower the cost of IDN application. We also believe that ICANN should adjust the application procedures to make the local brand owners more easily to apply for the IDN TLDs of their brands.</p> <p>(https://mm.icann.org/pipermail/comments-gtld-subsequent-procedures-initial-03jul18/2018q3/000015.html)</p>	ming.Ltd Group	
2	<p>Support for reduced fees for participants in the Applicant Support Program, noting that this should be the only exception: The ALAC supports the fee reduction model currently applied in the Applicant Support Program (ASP) and believes that this should be the only exception to the fixed application fees regime, since one of the ASP criteria is that of "Financial Need".</p> <p>(https://mm.icann.org/pipermail/comments-gtld-subsequent-procedures-initial-03jul18/2018q3/000065.html)</p>	ALAC	

3	<p>Part of a larger comment Fairness, suggestion that community-based applicants be eligible for lower fees: (vi) variable fees reflecting ICANN's recognized GPI should be strongly supported. Community Applicants should be entitled to benefit from much lowered fees, justified by their contribution to the realisation of GPI goals. Qualification as "Community Applicant" should be based on the evaluation of the contribution to achieving GPI rather than on strict definition criteria, considering ever-evolving and sometimes rapidly changing characteristics of "community" concept.</p> <p>The adequacy of such qualification might be checked within a quick look procedure. Enabling such an introductory step would allow applicant who cannot qualify as "Community Applicant" to modify the application and apply for a gTLD string under the general rules. Furthermore, the scope of contribution to a fulfilment of GPI should be a part of the selection process within the string contention CPE procedure.</p> <p>Overall fees and costs set at a level appropriate for commercial market players may prevent some communities to fill in an application for gTLD, with a detriment to promotion of human rights, access to information, knowledge sharing and attaining sustainable development goals. Not only should the application fees and costs be lowered, but also all subsequent fees and costs such as those including the cost of filing or responding to a community objection. These fees and costs should be established at the level accessible for the GPI-oriented communities;</p>	Council of Europe	
4	<p>Support for metrics to assess whether significant cost differentials occur across types of applicants: Metrics will be required to assess whether significant (e.g. >20%) cost differentials occur across the types of applicants. If identified, fees should be adjusted accordingly in future and can be refunded proportionately in the event of excess fees being returned to applicants.</p>	Brand Registry Group	
5	<p>Support for discounts for brand applications: As branded TLDs will be closed, there should be a significant discount to brand owners who wish to apply for a gTLD that wholly incorporates their trademark.</p>	INTA	
6	<p>Support for a single base application fee for all: The RySG believes that all applications should continue to incur the same base application fee amount regardless of the type of application that the same applicant submits. After extensive discussion by Work Track 1, there is no agreement on possible exceptions.</p>	RySG	
7	<p>Support for different fees for different applications: There should be different prices for different types of applications. If the application is from the Brand category (Specification 13), the application fee should be reduced because evaluation of Q45-50 is not applicable. But there should be clear rules that the purpose of the TLD can not be changed (e.g. to be for open registration) to avoid „gaming“. (See 2.7.2.e.2)</p>	LEMARIT	
<p>2.5.2.e.3: If different types of applications result in different costs, what value (e.g., amount, percentage, other) would justify having different fees? How could we seek to prevent gaming of the different costs?</p>			
1	<p>Support for lower fees for brands, administrative fee for changing the type of application: Per the previous answer, branded TLDs will be closed and therefor require less scrutiny for ICANN. Therefore, the cost to review these TLD applications should be significantly less expensive and subject to lower fees. INTA supports the implementation of an administrative fee attached to changing the type of application. This should prevent the gaming of the system.</p>	INTA	

