

New gTLD Applicant Support Draft Recommendations Summary

This Summary has been prepared for a briefing to the GNSO, September 2010. This is a summary of the recommendations in draft format. The JAS WG Final Report not yet published.

The Working Group

The Joint SO/AC Working Group (JAS WG) was formed in response to an ICANN Board Resolution in Nairobi, inviting the community "to develop a sustainable approach to providing support to applicants requiring assistance in applying for and operating new gTLDs." The GNSO Council proposed a Joint SO/AC Working Group. The WG has 22 members from ICANN's SOs/ACs and individuals.

Summary of the Recommendations

- The initial focus should be on a relatively limited and identifiable set of potential applicants that would be not controversial to support.
- The main criterion for eligibility should be need. An applicant would not be selected for support unless the need criterion is met. The definition of financial need and the method for determining the needs of an application has not been established by the WG at this time.

Who should get support (once need criteria is met)?

- Community-based applications such as cultural, linguistic and ethnic;
- Non-governmental Organizations (NGOs), civil society and not-for-profit organizations;
- Applicants geographically located in emerging markets/developing countries;
- Applications in languages whose presence on the web is limited;
- Entrepreneurs wanting to serve a developing market that might not be sustainable under the current cost structure.

NOT recommended for support (even if they can demonstrate financial need)

- Geographic names;
- Purely Government/para-state applicants (though applicants with some Gov support might be eligible);
- Applicants whose business model does not demonstrate sustainability.

Proposed fee reductions:

- Waive the cost of Program Development (US\$26,000);
- Payment of the fees incrementally (perhaps following the refund schedule in reverse);
- Eliminate contingency fee of US\$60,000;
- Decrement the US\$100,000 fee so as not to make new gTLD applicants who meet the need criteria pay fee based on the expenses of the previous round. Without a full analysis of what went into calculating this cost it is difficult to estimate what percentage of these fees should be eliminated for qualifying applicants.

Also:

- Qualified applicants should get partial refund from any auction proceeds, should any become available;
- Lower the Registry fixed fees due to ICANN. In lieu of the Registry-Level fixed fee of US\$25,000 per calendar year, only charge the Registry-Level Transaction Fee per initial or renewal domain name registration.

Possible financial assistance types of sources:

- Distributed by an ICANN originated fund - It was uncertain what sort of funding might be arranged through ICANN, especially for this first round, though the group recommends that a fundraising effort be established. For any funding provided through ICANN by a benefactor that does not wish to administer that funding itself, these funds would be allocated by a specially dedicated committee, only to those who meet the need conditions established for the program;
- From external funding agencies - External funding agencies would make grants according to their own requirements and goals. ICANN would only provide applicant information to external funding agencies that met need conditions established by the program.

Other:

- TLD applicants would be free to approach external funding agencies on their own initiative without affecting their applications for financial or other assistance under this program.
- ICANN should begin a search for a development director with an initial goal of securing commitments for US\$10,000,000 for an ICANN based development fund.
- There was some support in the WG for recommending that ICANN put in place the means for existing registrants to voluntarily contribute to the development program through registrar-to-registry contribution pass-through, and enable non-registrant small donors to contribute to the development program, and concurrent with the execution of the development message to the donor communities, that the development message also be delivered to the registrant, and non-registrant user communities through earned and paid media;
- Work with well know development funding agencies to set up funding programs for gTLD for less developed region applicants who meet the needs-based criteria.
- On financial aid, no more that 50% of the financial aid for the reduced fee can be provided by an ICANN organized development fund. This is not meant to limit the manner in which fund raising for the other 50% is done and can include grant and aid from non ICANN related sources;
- Support should have an agreed cut-off/sunset point, e.g. 5 years, after which no further support would be offered;
- Support requests and levels should be made public to encourage transparency.
- The receipt of some support from government(s) should not disqualify an applicant from receiving gTLD support. However, the process is not designed to subsidize government-led initiatives;
- In cases where supported gTLDs make revenue significantly above and beyond costs, recipients would agree to re-pay/rebate application subsidies into a revolving fund to support future applications.

Issue of Bundling

There is an ongoing discussion within the WG as to whether this issue is in scope with the charter of the group. There is support, but no full consensus to apply this program to all applicants. Two potential proposals for bundling to support minority language applicants:

Option A	Option B
<p>In the case of applicants who are applying for one IDN gTLD, [a second IDN gTLD, further IDN gTLDs] would receive a discount application fee (from the full price for those who don't qualify for the need based criteria or the reduced price from those who do qualify for need based reduction) on sliding discount scale based on the number of native users of the script.</p>	<p>For the purposes of application fee calculation, the two or more strings shall be considered as a single application. The WG advises applicants that there is, at present, no mechanism to completely and transparently deliver single administrative costs over two or more namespaces through CNAME, DNAME, or other means, and that service delivery to multiple namespaces is likely to have higher administrative costs than service delivery to a single namespace. The WG advises that the intent of the WG is not to replace or create an alternative to any policy generally available for "variant characters" within a single script.</p>

What's next?

- Board discussion of draft proposal during September New gTLD Board Retreat.
- Finalize JAS WG consensus discussion, for example, issue of bundling.
- Publication of Final Report.
- Publication of Public Comment Summary and Analysis.
- After the Final Report is completed, the work items below should be undertaken, most of these items require both policy and implementation input and it is recommended that a join team of Staff and SO/AC members be created.
 - Establish the criteria for financial need and a method of demonstrating that need;
 - Discuss and establish methods for coordinating any assistance volunteered by providers (consultants, translators, technicians, etc.); match services to qualified applicants; broker these relationships and review the operational quality of the relationship;
 - Establish methods for coordinating cooperation among qualified applicants, and assistance volunteered by third parties;
 - Begin the work of fund raising and establishing links to possible donor agencies;
 - Review the basis of the US\$100,000 application base fee to determine its full origin and to determine what percentage of that fee should be waived for applicant.