

## Excerpt from Draft Final Report - New gTLD Applicant Support (JAS WG)

The WG decided that the initial focus should be on finding a relatively limited and identifiable set of potential applicants that would be not controversial to support. Unless otherwise indicated, the WG reached consensus on the following recommendations.

### 1. Recommendations on cost reductions

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

- 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.

Further, the WG recommends that all applicants who are determined as meeting the need criteria established for financial support receive the following consideration:

- Qualified applicants receive a 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.

### 2. Recommendations regarding Sponsorship/ Fundraising

The group discussed the possibility of financial assistance for applicants. This was seen as coming from two 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.

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.

- The WG recommends that ICANN 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;

- The WG recommend working with well know development funding agencies to set up funding programs for gTLD for less developed region applicants who meet the needs-based criteria.

### **3. Recommendations regarding non-cost considerations**

The members of the working group recommended that a program be initiated to enable the following types of aid to be provided to all applicants, especially those meeting the need conditions:

- Logistical support in the application process;
- Technical support for applicants in operating or qualifying to operate a gTLD.

### **4. Which applicants would be entitled to special support**

The primary criterion for eligibility is financial need. 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. Among the types of applicant that are to be included in support, once financial or other need has been established are:

- 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, are the following types of application:

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

### **5. Defined Constraints on aid**

- On financial aid, no more than 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.

### **6. Relationship to the Application Guide**

These recommendations should not affect the content of the Application Guide. Rather it is a separate program that needs to be established in parallel with the completion of the Application Guide Book.

## **7. Support for bundling**

*Note: There is an ongoing discussion within the Working Group as to whether this is in scope with the charter of the group. As that discussion has not yet been finalized, the issue is included here for information purposes.*

There has been consensus to apply the following program to applicants that meet the criteria in 4. There is support, but no consensus to apply this program to all applicants. Based on recommendations within the group and from the comments there was no consensus but two proposals for bundling to support minority language applicants. The two proposals for bundling are discussed below.

### **Option A**

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.

### **Option B**

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.