



# Track 1

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# Agenda 1 Slide

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Welcome & Agenda  
Overview

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SOIs

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Variable and Fixed Costs  
Discussion & Clarity of  
Application Process

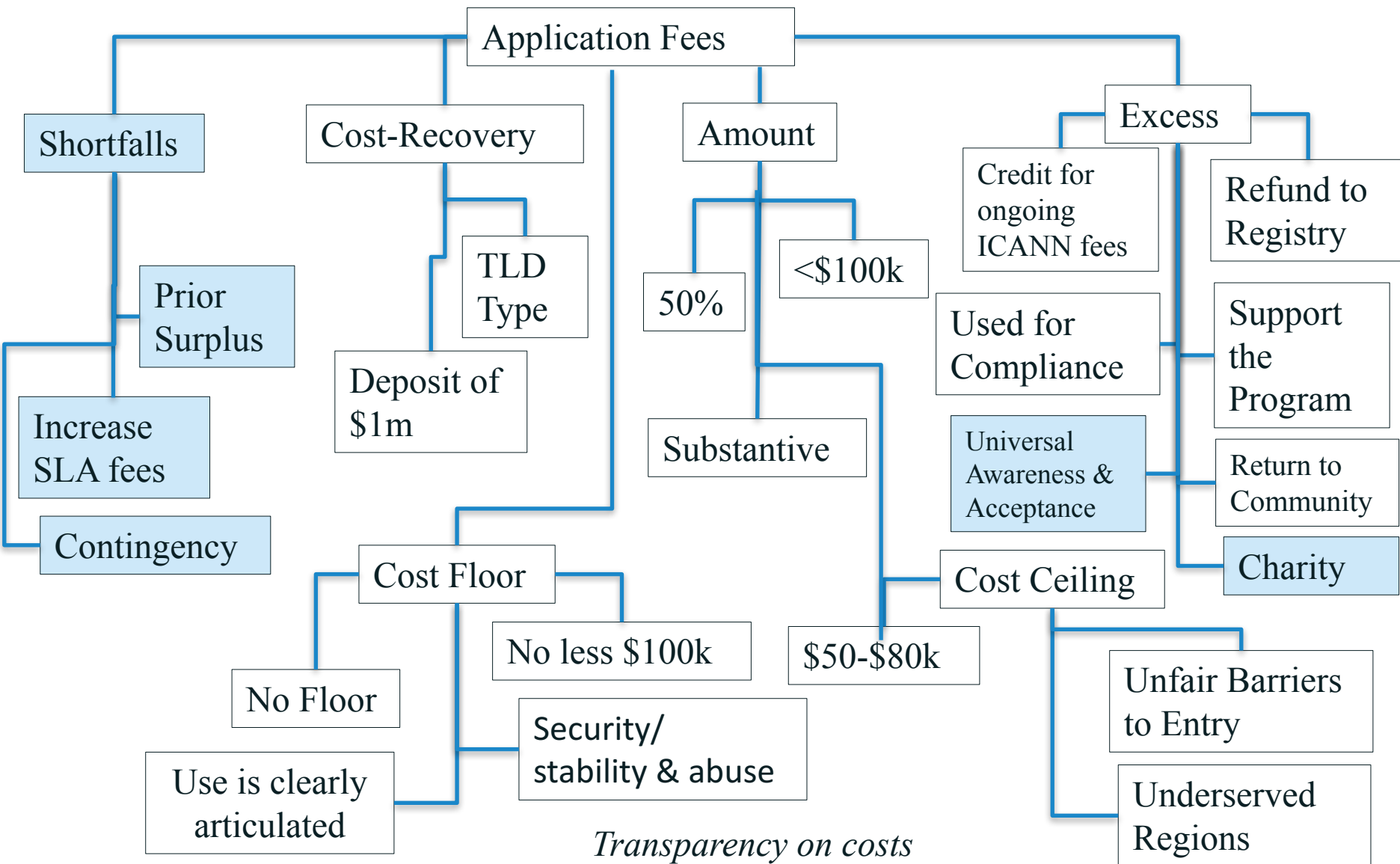
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AOB

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Next Meeting

# Application Fees – Reference Purposes



# Variable Fees Rationale for Policy Development

*As per the Final Issue Report on New gTLD Subsequent Procedures of 4 December 2015:*

The application fee is likely to be driven by any changes to the program and should remain dependent upon the principle of cost recovery (as opposed to generating excess revenues), as recommended in Implementation Guideline B. In addition, the existing language in Implementation Guideline B supports the concept of differing application fee amounts for different applicants. The creation of application types could result in the requirement to perform a new costing analysis exercise based on changes that have been recommended for implementation.

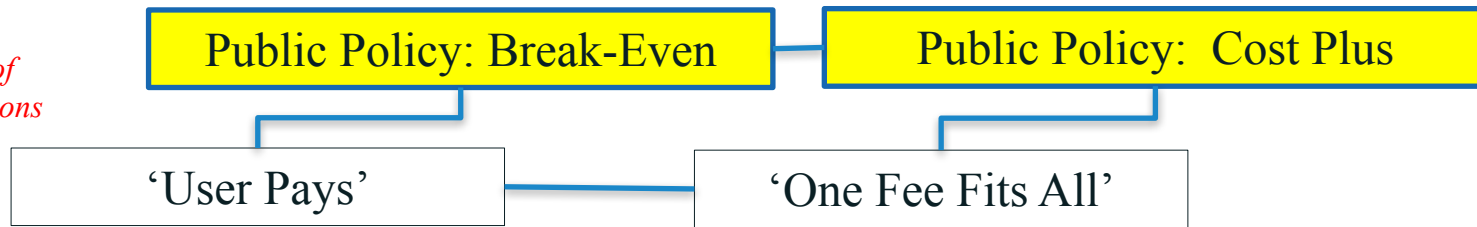
The derivation of the fee amounts may be driven by changes to the program, and as such, policy development was not anticipated by the DG, though a possible PDP-WG may reach a different conclusion. Notably, subjects such as the Applicant Support Program do not currently operate under the principle of cost recovery like the rest of the program and may require policy development.

**2012 Round: Total \$73k/\$185k**

- |                          |        |                       |         |
|--------------------------|--------|-----------------------|---------|
| • Initial Evaluation     | \$ 42k | • Extended Evaluation | \$ 5.5k |
| • Application Submission | 10k    | • Dispute Resolution  | .3k     |
| • Approval & Delegation  | 15k    | • Community Priority  | .2k     |
|                          |        | •                     |         |

# Variable Fees

*Types of Applications*



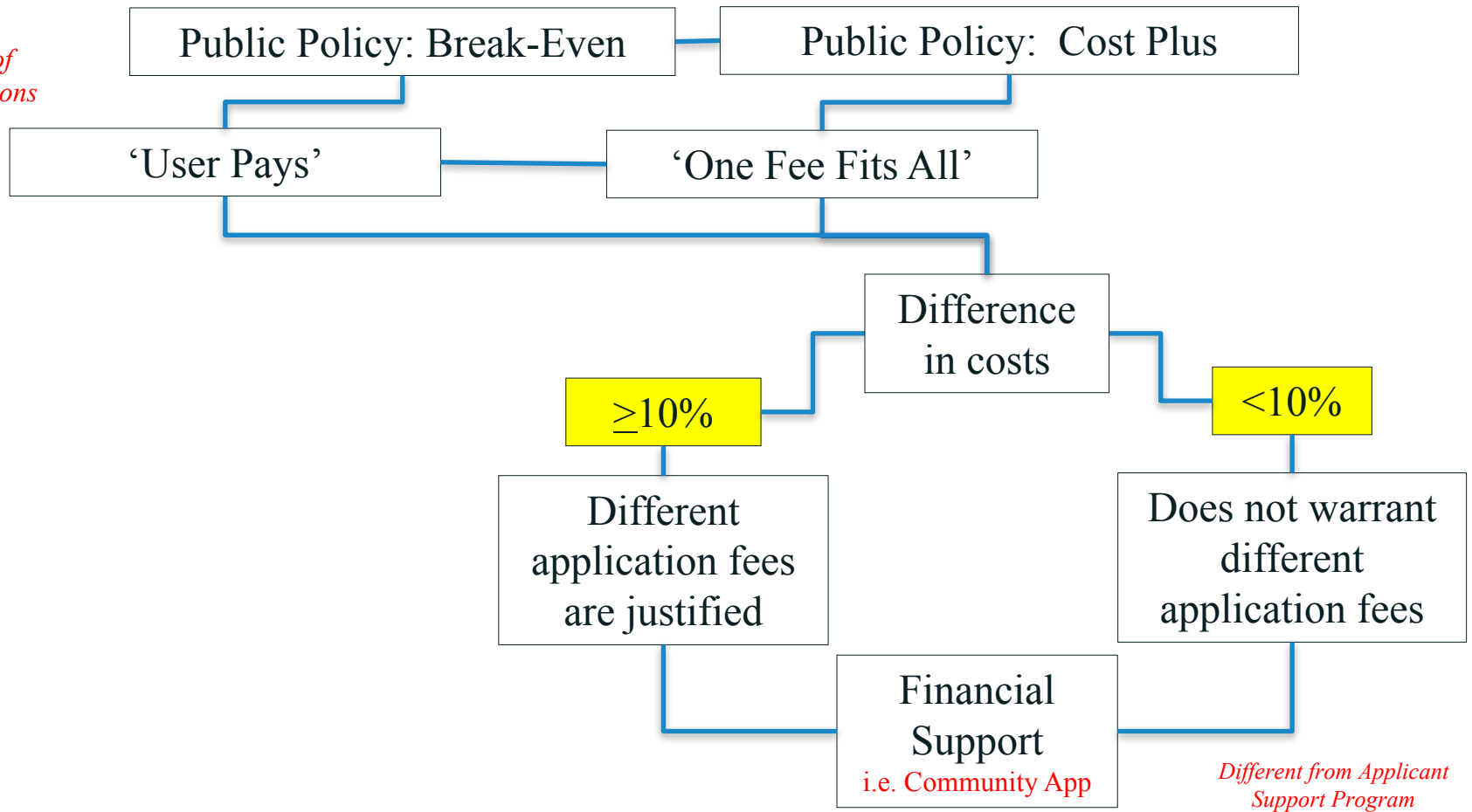
# Variable Fees – Public Policy

*How does a public policy change from break-even to say, cost-plus impact our decisions on variable fees?*

- ✓ Impact on ‘User Pays’ and ‘One Fee Fits All’ approaches, if any
- ✓ If Cost Plus - Do we want to suggest a percentage of what the WG thinks is acceptable?
- ✓ If Cost Plus – Same percentage or different percentages based on the type of application?
- ✓ Impacts on risk analysis

# Variable Fees

*Types of Applications*



# Variable Fees – One Fee Fits All

*'One Fee Fits All' system and there is a difference in costs by type of application >10%*

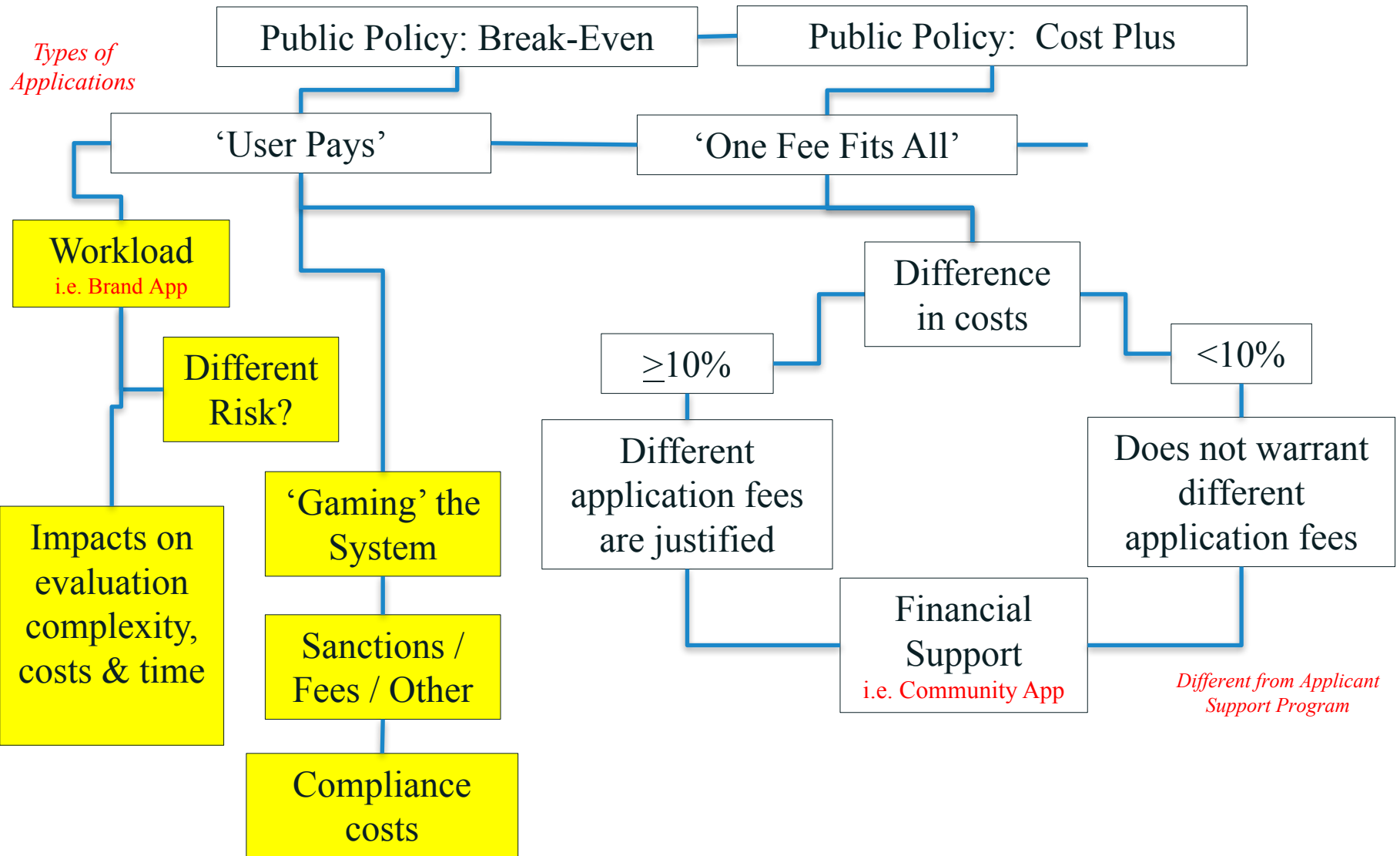
- ✓ Is 10% a reasonable number?
- ✓ If so, then do we think different application fees are justified?
- ✓ Impacts on applicants who may need financial support (outside of the Applicant Support Program) i.e. community applications?

*'One Fee Fits All' system is justified if the difference in costs by type of application are <10%*

- ✓ Agree?
- ✓ Impacts on applicants who may need financial support (outside of the Applicant Support Program) i.e. community applications?



# Variable Fees



# Variable Fees – User Pays

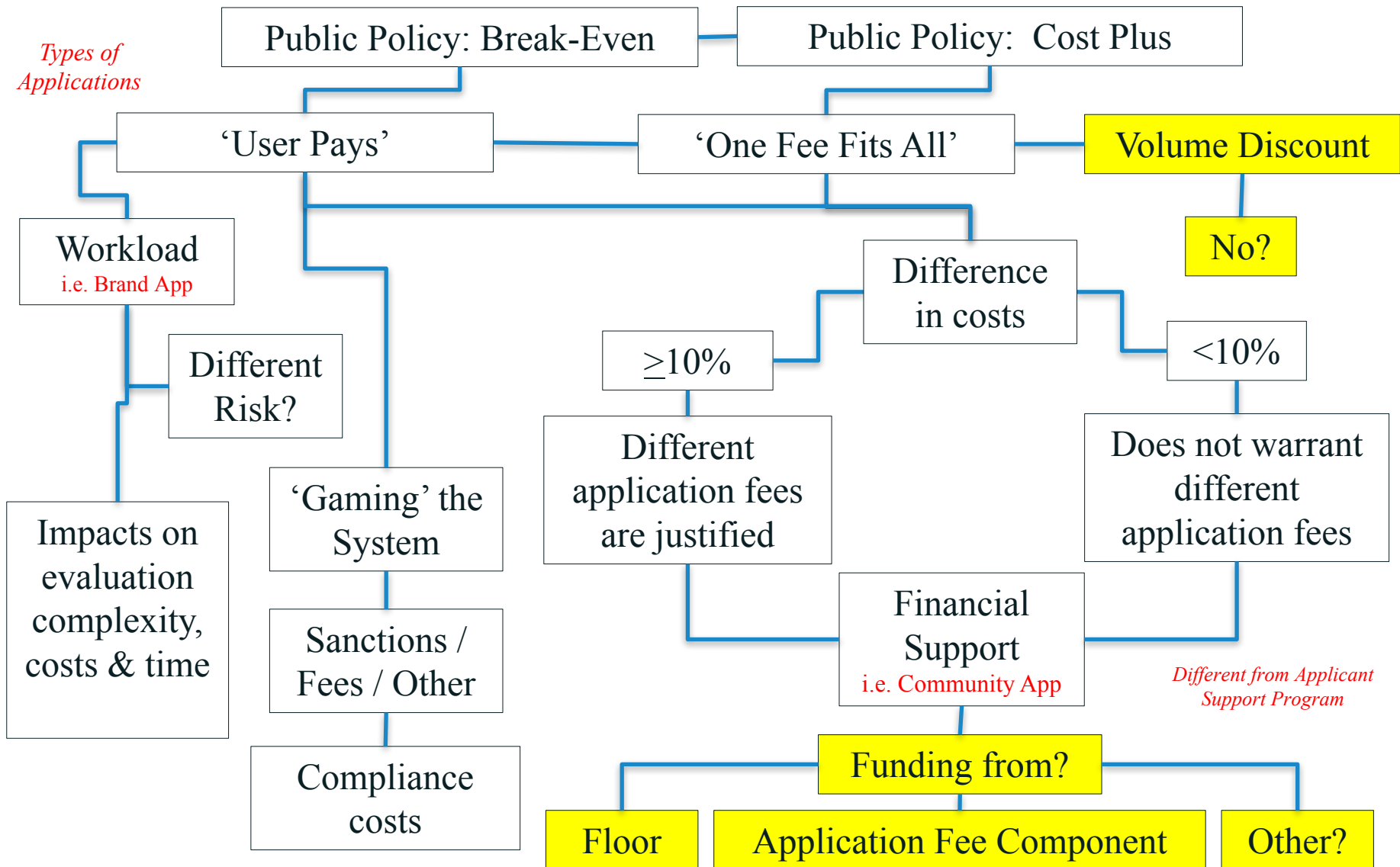
## *'User Pays' system, how does this impact variable fees on:*

- ✓ Evaluation, complexity, costs & time?
- ✓ Types of risks associated with each type of application?
  - ✓ Offsets – both an increase & decrease in fees for 'privileges'
    - ✓ i.e. Brand who may opt-out of a financial evaluation pays extra?
    - ✓ i.e.

## *'User Pays' system concern is applicants who 'game' the system, does the WG want to address this concern?*

- ✓ Sanctions for applying for a cheaper/faster application type (what about the reverse)
- ✓ Compliance costs associated with ensuring the activities match the type of application?

# Variable Fees



# Variable Fees – Financial Support & Volume

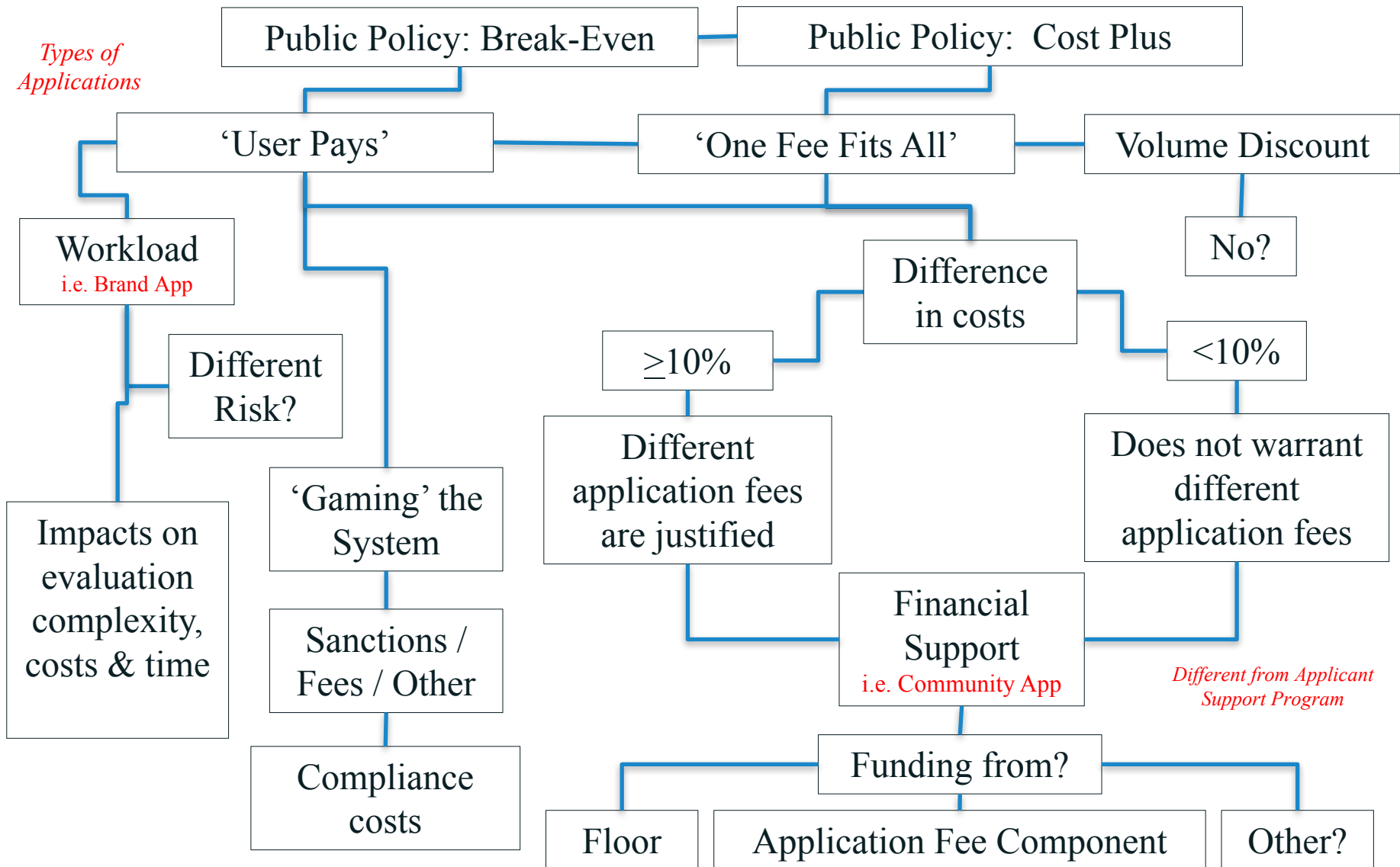
*Financial Support funding (outside of the Applicant Support Program) should be seeded from:*

- ✓ Application Fee Component ?
- ✓ Difference between a 'floor' amount and actual amount in the application fees?
- ✓ Other?

*Volume Discounts for Multiple Applications:*

- ✓ No discount seems to be the overwhelming response – agree?
- ✓ A discount should apply but only on specific sections i.e. background check

# Variable Fees



# Next Meeting

Thank-you for your Time and Thoughts!

Next Meeting:

**ICANN60 Meeting**