

Suggestion for defining costs.

Definitions

[x] the number of "free" variants when a new gTLD label is applied for

[BA-fee] base application fee for one application and up to [x] variants

[VS-fee] variant surplus fee; for every [x] variants above the initial [x] variants, this fee is charged; the [x] is always calculated per round, not the total per TLD

[VAB-fee] variant addition base fee; this is always charged, whenever an existing TLD wants to add variants to their TLD in a round other than the initial TLD application round; just like the [BA-fee] this also includes [x] variants for free

Reasoning

We want to have prices that are on a cost-recovery basis. For this reason each application round must be considered independently. In particular, I'd say the cost to add one variant to an existing TLD is the same, independent of the fact whether the TLD currently has no variants, 1 variants or X variants.

I suggest to have a different base fee for new applications and TLDs that exist and want to add variants. For the latter case presumably far less work is required as the applicant has already been validated before.

Examples

I'll now provide some examples for the suggested fee structure. Let's say $[x]=4$, just to make the examples easier to read, this is not a suggestion for the actual $[x]$ value.

Example 1:

Application A1 applies for a TLD. No variants.

Price to pay: [BA-fee].

In a future round, A1 applies for 3 variants.

Price to pay: [VAB-fee]

In another future round, A1 applies for additional 5 variants:

Price to pay: [VAB-fee] + [VS-fee]

Example 2:

Application A2 applies for a TLD with 6 variants.

Price to pay: [BA-fee] + [VS-fee]

In a future round, A2 applies for 2 variants.

Price to pay: [VAB-fee]

Example 3:

Application A3 applies for a TLD with 9 variants.

Price to pay: [BA-fee] + [VS-fee] + [VS-fee]

In a future round, A3 applies for 5 variants.

Price to pay: [VAB-fee] + [VS-fee]

From my perspective this fee structure is clear and fair. A new application always incurs the [BA-fee] and a recurring application (wanting to add variants) always incurs [VAB-fee]. Then, whenever more than $[x]$ variants are included in an application (independent of any existing variants), an additional fee [VS-fee] is required.