



# Final Report of the Joint SO/AC New gTLD Applicant Support Working Group

13 September 2011

## **THIS DOCUMENT**

This is the Final Report of the Joint SO/AC New gTLD Applicant Support Working Group (JAS WG or WG). The main objective of this working group is to develop a sustainable approach to providing support to entities requiring assistance in applying for and operating new gTLD Registries.

This Final Report is submitted for consideration to the GNSO, ALAC, ICANN Board and ICANN community.

## Table of Contents

<b>Executive Summary .....</b>	<b>iv</b>
<b>Introduction.....</b>	<b>1</b>
<b>Support Should Be Offered from the First Round Onward .....</b>	<b>3</b>
<b>Types of Support Available .....</b>	<b>5</b>
Financial Support.....	6
<i>Cost Reductions.....</i>	<i>6</i>
<i>Staggered Fees.....</i>	<i>6</i>
<i>Funds and Foundations.....</i>	<i>6</i>
<i>Fee Reduction and Self-Funding Requirement.....</i>	<i>12</i>
<i>Financial Support Distributed by External Funding Agencies.....</i>	<i>14</i>
Non-Financial Support .....	14
<i>Necessary Non-Financial Support.....</i>	<i>14</i>
<i>Other Non-Financial Assistance.....</i>	<i>15</i>
<i>Support From Third Parties Facilitated by ICANN .....</i>	<i>16</i>
<i>How Should Non-Financial Support be Made Available?.....</i>	<i>18</i>
<i>Capacity Building: Enabling Support-Approved Candidates to Provide Innovative Approaches to the Provision of Registry Services.....</i>	<i>20</i>
<b>Support Candidate Eligibility Requirements .....</b>	<b>22</b>
Service in the Public Interest.....	22
Demonstrated Financial Capabilities and Need .....	24
Ineligibility Criteria.....	25
Information and Documentation Required From Candidates .....	26
<b>Support Evaluation Process.....</b>	<b>27</b>
What is the SEP Process?.....	27
<i>Initial Framework.....</i>	<i>28</i>
<i>Maintaining or Losing Eligibility.....</i>	<i>29</i>
Support Application Review Panel (SARP).....	30

**Support Recovery .....32**

**Appendix 1: Members of the Joint SO/AC New gTLD Applicant Support Working Group (JAS WG) .....34**

**Appendix 2: Levels of Agreement Referred to Within This Final Report .....37**

**Appendix 3: JAS WG Background .....38**

JAS WG Overview..... 38

JAS WG Objectives and Operations..... 39

Key Records and Interim Reports by the WG *Overview of Records* ..... 40

*Interim Reports of the JAS WG*..... 40

Key Milestones of the JAS WG..... 42

**Appendix 4: Glossary .....45**

## **Executive Summary**

The Joint SO/AC New gTLD Applicant Support Working Group (JAS WG or WG) has reached a Full or Near Consensus on the following recommendations regarding the Developing Economies Support Program that it is proposing ICANN develop in conjunction with ICANN's New gTLD Program.

### **Timing of Support**

The full array of financial and non-financial support to be offered to Support-Approved Candidates should be available in the first and all subsequent rounds of new gTLD applications.

### **Financial Support**

- a) Types of financial support should include:
  - Primarily, a reduction of the application fee to USD47,000 from USD185,000 (as also suggested by GAC and ALAC);
  - The staggering of application fees (installment payments);
  - The relaxing or deferring of the upfront costs of the required "continuity instrument"; and
  - The possible creation of a development fund.
- b) The financial support should be funded via various sources, including the USD2 million allocated by the ICANN Board, solicited third parties and auction revenues.
- c) The creation of a foundation to collect and distribute the financial support to Support Recipients should be investigated by a Board-appointed planning committee.
- d) Support Recipients should be required to pay back financial support (not including any fee reductions) received, thereby helping to make the Support Program sustainable.

### **Non-Financial Support**

- a) Types of non-financial support should include but not be limited to:
  - Assistance with the preparation of gTLD applications;

- Facilitation of IPv6 compliance;
- Consulting and education regarding DNSSEC implementation;
- Outreach and education efforts regarding the New gTLD Program;
- Logistical, translation and technical support; and
- Establishment of Registry Service Providers in regions where none or few exist.

b) ICANN should serve as a facilitator for this non-financial support by matching Support-Approved Candidates with third-party donors.

### **Support Candidate Eligibility Requirements**

a) The specific support eligibility criteria should include:

- Service to the public interest; and
- Both a level of financial need and of financial capability.

b) Various criteria should disqualify a Support Candidate, such as the application for a gTLD string that is not a generic word and is intended to reference a specific commercial entity (commonly referred to within ICANN as a “dot-brand”). However, applications for community names that may be subject to legal trademark protection are not necessarily disqualified from receiving support.

### **Support Evaluation Process (SEP)**

a) The SEP should take place before the standard gTLD application review.

b) Each support application should be evaluated by a Support Application Review Panel (SARP). The SARP should be composed of volunteers from the ICANN community and outside experts, all with knowledge of the existing new gTLD processes, potential gaming patterns and the general needs and capabilities of Support Candidates from developing economies.

c) When the SARP rejects a Support Candidate, the SARP should explain its reasons. The Support Candidate may then work to improve its application and reapply for support or may apply for a gTLD without support.

d) Support Candidates are still responsible for paying the USD5,000 gTLD application deposit.

e) The ICANN Staff should produce a Support Candidate Guide.

## **Introduction**

1. This Final Report of the Joint SO/AC New gTLD Applicant Support Working Group (JAS WG or WG) outlines the WG's final recommendations regarding a Developing Economies Support Program (Support Program or DESP) to be created by ICANN in conjunction with its New gTLD Program. The goal of this Support Program will be to provide financial and non-financial assistance to new gTLD applicants that are approved for support.
2. This Support Program is being proposed as a response to Resolution 2010.03.12.47 passed by the ICANN Board in March 2010 in Nairobi: "Resolved (2010.03.12.47), the Board requests stakeholders to work through their SOs and ACs, and form a Working Group to develop a sustainable approach to providing support to applicants requiring assistance in applying for and operating new gTLDs."
3. This Final Report contains the complete final recommendations and conclusions of the JAS WG. This Final Report stands alone as the complete work product of the WG and, as such, can be read on its own.
4. For those readers who happen to be familiar with the WG's earlier Milestone Report or Second Milestone Report, it will be obvious how this Final Report builds on those earlier works. Specifically, this Final Report clarifies and details areas in the Second Milestone Report that needed further explanation. It does this by including detailed descriptions of the support application process, eligibility requirements, and

evaluation process. However, readers of this Final Report do not require any knowledge of the WG's earlier interim reports.

5. In short, this Final Report answers the following primary questions:
  - a) When should support be provided?
  - b) Who should be approved to receive support (Support-Approved Candidate or SAC)?
  - c) How should a candidate for support (Support Candidate or SC) be evaluated?
  - d) What support specifically should be offered?
  - e) How should the overall support process work?
  - f) How should the support process relate to the gTLD Applicant Guidebook (AG) process?
6. The recommendations made in this Final Report represent the Full Consensus of the JAS WG, except where otherwise indicated, in certain cases, within the text. For an explanation of the specific terms used to describe the levels of agreement within the WG in the cases in which a Full Consensus did not exist, kindly see Appendix 3: Levels of Agreement within this Final Report.
7. Further background regarding the JAS WG can be found in the Appendices at the end of this Final Report.
8. In addition, as a supplement to this Final Report, a wiki page addressing Frequently Asked Questions (FAQs) has been established here:  
<https://community.icann.org/display/jaswg/Frequently+Asked+Questions+%28FAQs%29>. The questions addressed on this wiki page were asked by the ICANN community, Board and staff during the preparation of this Final Report. The wiki



page will be maintained by ICANN staff and WG members through the ICANN Dakar Public Meeting as a resource to facilitate further discussion about the WG's recommendations.

### **Support Should Be Offered from the First Round Onward**

9. The WG has determined that the recommendations presented in this Final Report should be put into immediate effect to enable Support-Approved Candidates registered or residing in developing economies to participate in the first round, as well as all subsequent rounds, of New gTLD Program applications. The first round is currently scheduled to start in January 2012. There are five clear reasons for this determination.
10. First, [Board Resolutions 2010.03.12.46 and 2010.03.12.47](#) clearly express the need to ensure that the New gTLD Program is inclusive – a decision welcomed by members of ICANN's global community, particularly from developing economies. Indeed, this decision has raised the hopes and expectations of ICANN's global community. Of course, it has also increased the scrutiny with which this community – and beyond – will be observing ICANN's implementation of its New gTLD Program.
11. Plans for support, along with the expectations that accompany such plans, have been part of the New gTLD Program from the start. Preceding the Board decision, the prospect of support was introduced in the GNSO's Policy Implementation Guideline

N, stating that “ICANN may put in place a fee reduction scheme for gTLD Candidates from economies classified by the UN as least developed.”<sup>1</sup>

12. Second, with every new gTLD application round in which support is *not* offered, the competitive disadvantage in the market of under-served communities would increase.
13. ICANN should not allow the New gTLD Program to expand the gap in gTLD Registry representation across regions. Since the Internet is a global resource that belongs to all, the diversity, competition and innovation made possible by the New gTLD Program should be an opportunity open to all around the world. ICANN has the obligation to fulfill its responsibility to serve the global public interest by ensuring worldwide accessibility to, and competition within, the New gTLD Program.
14. Third, there is no indication that, in subsequent rounds, application fees will be reduced (or, if they are reduced, by how much). Therefore, there is no benefit necessarily gained by waiting to provide support until after the first application round.
15. Fourth, informal market research by some WG members indicates that there is built-up demand for new gTLDs, including IDN gTLDs. As a result, the expectation exists that a considerable number of applications will be submitted in the first round. Consequently, there is a serious concern that, if support is not available to eligible

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<sup>1</sup> The referenced Guideline is part of the New gTLD Program Policy developed by the GNSO that served as the basis of the New gTLD Program. The Policy text can be found here: <http://gns0.icann.org/issues/new-gtlds/pdp-dec05-fr-part-a-08aug07.htm>. This policy was finalized in September 2007 and approved by the ICANN Board in June 2008.

applicants in the first round, the most obvious and valuable names (ASCII and IDNs) would be taken solely by wealthy investors.

16. Of course, this would limit the opportunities in developing economies, for local community institutions and for developing-country entrepreneurs. Of the existing 21 gTLD Registries, 18 are located in the US and 3 in Western Europe (with only 1 of these having a sales and marketing presence in Asia). None are located elsewhere.
17. Fifth and finally, although ICANN plans a second round of new gTLD applications, this is, at best, uncertain at this point. Indeed, past experience adds to this uncertainty. For example, the 2002 round was also expected to be followed quickly by additional rounds, which have, to date (almost a decade later), still not materialized.
18. Given the uncertainty regarding further rounds of new gTLD applications following the round planned for January 2012, it is necessary to make support available in the initial January 2012 round. The alternative would create the impression that those who cannot afford to participate in the New gTLD Program during this initial round (due to the level of required fees) are subject to unfair and non-inclusive treatment.

### **Types of Support Available**

19. The WG recommends that several different kinds of support be made available for Support-Approved Candidates. This support can be either financial or non-financial. Following are the specific categories of support proposed.

## **Financial Support**

### **Cost Reductions**

20. The WG recommends that the new gTLD application fee be reduced to USD47,000 from USD185,000 for all Support-Approved Candidates. (This reduction would be consistent with the recommendation of the GAC and ALAC; see <https://community.icann.org/download/attachments/21135982/Joint+GAC-ALAC+Statement+on+Joint+applicant+Support+-+Final+-+August+2011+-+Rev+2.pdf>.)
21. Further adjustments to financial requirements might include, for example, a reduction in basic registry-service-related expenses through modifications to certain guidelines such as the continuity instrument or other adjustments.

### **Staggered Fees**

22. The WG recommends that gTLD fees for Support-Approved Candidates be staggered. Instead of paying the entire fee upon acceptance of the application, a Candidate meeting the criteria established for support could pay the fee incrementally.

### **Funds and Foundations**

23. The chartered objectives of the JAS WG, as adopted by the ALAC and GNSO Council, include the instruction to identify “appropriate mechanisms to enable support provisioning” (see JAS WG Charter, Objective 4).
24. Additionally, the Final Applicant Guidebook contains the following language:

“Possible uses include formation of a foundation with a clear mission and a transparent way to allocate funds to projects that are of interest to the greater Internet community, such as grants to support new gTLD applications or registry operators from communities in subsequent gTLD rounds, the creation of an ICANN-administered/community-based fund for specific projects for the benefit of the Internet community, the creation of a registry continuity fund for the protection of registrants (ensuring that funds would be in place to support the operation of a gTLD registry until a successor could be found), or establishment of a security fund to expand use of secure protocols, conduct research, and support standards development organizations in accordance with ICANN’s security and stability mission.”

25. Two elements are common to both these concepts – (1) obtaining funds<sup>2</sup> that can be used to offset the costs for Support-Approved Candidates and (2) establishing a framework for managing and distributing those funds.<sup>3</sup> These two important objectives are inextricably linked – it is hard to imagine one of them happening without the other. For example, without funds, there is no purpose in a framework that has been institutionally instantiated; yet, without a framework, it is impossible to collect and distribute funds.

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<sup>2</sup> Funds could be accumulated from auction income as identified in the WG Charter, but also by other means, such as donations from third parties or other mechanisms.

<sup>3</sup> In addition to managing the initially expected auction funds for the uses recommended by the WG in this Final Report, where appropriate, the WG recommends that the foundation structure also provide the flexibility for the creation of additional funding and support mechanisms.

### ***Foundation Frameworks***

26. The WG recommends that the Board immediately set up a planning committee to investigate the various possibilities for funds and/or a foundation and, after consultation with the community, make recommendations on the formation of such a fund. The specific work items of this planning committee (the Board Foundation Recommendation WG) should include but not be limited to:

- a) Work with ICANN staff to investigate and understand the legal structures that are available to and required of ICANN, a California 501(c) corporation, for creating a foundation;<sup>4</sup>
- b) Draft a document defining the core responsibilities and activities of the fund or foundation;
- c) Define methods of work for the fund or foundation, including, inter alia, investment guidelines, fundraising and grant making;
- d) Suggest membership for the first board of the foundation and clarify the relationship between ICANN's corporate structure and the new fund or foundation; and
- e) Start obtaining pledges of funding for the foundation, to augment the USD2 million already committed by the ICANN Board at its Singapore meeting in Resolution 2011.06.20.01 (see Resolution here: <http://www.icann.org/en/minutes/resolutions-20jun11-en.htm>).

27. To insure that the interests and concerns of all segments of the community are taken into account, the WG recommends that the members of this Board Foundation Recommendation WG be drawn from (but not be limited to) all of the ICANN Supporting Organizations (SOs) and Advisory Committees (ACs).

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<sup>4</sup> WG members believe that the domicile of any prospective foundation should not be limited to the United States. There may be useful and valid practical reasons for creating a foundation in other countries or regions.

28. To assist in obtaining pledges of funding for the foundation, the WG recommends that ICANN obtain the support of appropriate fundraising experts to work with the Board Foundation Recommendation WG.
29. The WG also recommends that feasibility studies be initiated to explore creation of a foundation or fund to handle any auction funds that are not used in the manner described in this Final Report. In the case that such a fund or foundation can be set up in time to provide further funding opportunities for Support-Approved Candidates in the later stages of the process, this should be documented at a later stage.

#### ***Funding Sources***

30. Funds for the foundation to manage and distribute can come from a variety of sources:
  - a) Budget allocation from ICANN, including the USD2 million already committed by the ICANN Board;
  - b) Solicitation of funds to at least match the initial allocation made by the ICANN Board;
  - c) Auction proceeds beyond the cost of running the auctions;
  - d) Voluntary allocation of funds from ccTLDs;
  - e) Voluntary allocations of funds from incumbent gTLD registries and registrars;
  - f) External funding sources (e.g., grants from government or other inter-governmental organizations); and
  - g) Other sources yet to be determined

### ***Potential Donors***

31. Various ICANN stakeholders (e.g., some contracted parties and independent consulting firms) have indicated that, if procedures were implemented that reduced or eliminated gaming, they would be interested in donating both financial and non-financial resources to help support eligible Support Candidates. A well-formed fund or foundation should provide an opportunity for such generosity from any interested parties – particularly those who practice or otherwise have in place corporate responsibility philosophies and mechanisms.
32. The domain name system has created and will likely continue to create significant revenues for some ICANN stakeholders. Therefore, it is possible that a suitable fundraising campaign targeting organizational stakeholders may find some interested in providing support to qualified Support Candidates.

### ***Auctions***

33. Since the GNSO first identified auctions as a possible method of resolving gTLD name contention, there has been the intent that these funds be applied to worthy causes – such as assisting Support-Approved Candidates. Granted, the quantity of these funds is unknown, and such funds would certainly not be available in the 2012–13 new gTLD application rounds. Still, auction-based funding might be available to fill the reserve and risk funds if those funds were deferred to cover the costs for application fee reductions for Support-Approved Candidates (as recommended by the WG in its Milestone Report and Second Milestone Report). In addition, auction funds could also be added to the resources available to the foundation.



### ***Availability of Funds***

34. The WG has identified:
- a) An immediate need to obtain funds sufficient to help a significant number of Support-Approved Candidates participate in the first application round in 2012;<sup>5</sup>
  - b) An intermediate goal of assisting the Support-Approved Candidates in setting up their Registries in 2013; and
  - c) A long-term goal of ensuring that the second and subsequent rounds will have a stable source of funding available for assisting Support-Approved Candidates.

### ***Use of Funds***

35. Funds collected can be used for various purposes in assisting Support-Approved Candidates. These uses in the first application round should include:
- a) Application assistance (beyond the JAS WG's recommended reduction in fees);
  - b) The relaxing or deferring of the upfront costs of the required continuity instrument;
  - c) The possible creation of a development fund for Support-Approved Candidates;
  - d) The possible creation of a regional non-profit Registry Service Provider (RSP) service to support multiple applicants for new gTLDs in developing economies; and
  - e) Overcoming technical requirement gaps, such as the IPv6 and other technical requirements, that may require technical upgrades not obtainable through the non-financial support offered to Support-Approved Candidates.
36. The WG recommends that mechanisms for receiving and evaluating these types of proposals also be created.

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<sup>5</sup> The WG is recommending that this financial support be in addition to the fee reductions (to USD47,000) recommended above.

37. Eligibility for support could be variable but should focus on qualified Support-Approved Candidates. For example, if an individual applicant were to apply to the foundation for funding based solely on its application for a new gTLD, it would need to show that it was approved for support by the Support Application Review Panel (SARP; defined below). SARP approval should not be necessary, however, in cases in which a candidate sought support for a service or institution (like a Registry Service Provider or a Registrar) that could be shown to support or benefit a larger number of those applicants.<sup>6</sup>

### **Fee Reduction and Self-Funding Requirement**

38. There are two fundamental factors to be considered in terms of funding the New gTLD Program:
- a) There must be sufficient cash flow for ICANN to support application processing as the program goes forward; and
  - b) In the final project accounting, the overall New gTLD Program expenses must conform to the budgeted revenue targets and expectations established by the ICANN Board.
39. Cash Flow: In terms of the cash flow for processing applications, the [ICANN Budget](#) refers to the [New gTLD Budget](#), which explains that USD100,000 of each string application fee paid is budgeted for processing the application, including any refunds that might be made for applications that are withdrawn. If each Support-Approved Candidate is only required to provide a reduced USD47,000 fee amount (as recommended by this WG, the GAC and the ALAC), then the remaining balance

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<sup>6</sup> These parameters should not preclude the foundation from establishing capabilities and mechanisms to support other programs or initiatives that may be of broader community benefit.

needed to cover the immediate application costs would be USD53,000. One way to bridge this gap would be by applying the risk cost contingency fees (USD60,000) paid by a single non-Support-Approved Candidate (i.e., each Candidate paying the full USD185,000 fee). This means that as many as half of the Candidates could, theoretically, be processed as Support-Approved Candidates (via a partial fee waiver) without affecting the overall cash flow of the application process.<sup>7</sup>

40. Final Accounting: Some basic arithmetical assumptions give the WG confidence that the final accounting will match the established budget. First, since ICANN is receiving all of the fees at the start, there is no cash flow issue until the very end of the process. Second, the WG presumes that no more than 18% of the new gTLD applications will be determined to be eligible for support.<sup>8</sup> At that threshold, for every 100 applications, those applicants paying the full fee (82%) will contribute a total amount of USD2.050 million toward sunk cost repayment – almost exactly matching the fee support figures.<sup>9</sup>

41. Thus, it appears that, with this approach, there should be enough money coming into ICANN in the short term to cover ICANN expenses in the 2012–13 budgets. And, with use of expected auction proceeds to make up the difference, the ICANN coffers would

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<sup>7</sup> No one, however, expects that half of the Candidates would be eligible for a partial fee waiver; an upper-limit estimate would be that 10–20% of the applications might be able to meet the JAS WG support eligibility requirements, since those requirements are rather narrow.

<sup>8</sup> The only challenge would be to limit the funded applicants to 18%. But if this were really a problem, ICANN would have more problems with its New gTLD Program than this one.

<sup>9</sup> The maximum fee reduction is  $18 \times \text{USD}138 = \text{USD}2.484$  million, of which only USD2.034 million would go to offset actual costs ( $18 \times (138-25)$ ). Assuming there are, indeed, auction proceeds as expected, they will be used to repay the initial funded amount (up to USD2.034 million). If there are insufficient auction proceeds, ICANN can defer the repayment of sunk costs.

be balanced. As a result, when the final project accounting is done (as required by the GNSO Policy recommendations), the New gTLD Program would pay for itself.<sup>10</sup>

### **Financial Support Distributed by External Funding Agencies**

42. The WG recognizes that third-party organizations and groups may independently choose to provide assistance to Support Candidates that qualify for it under the eligibility requirements established by those third parties themselves. This external third-party activity should be promoted and encouraged. Upon request, ICANN should release information on Support-Approved Candidates to those external entities, but ICANN should not actively participate in these third parties' independent evaluation processes.

### **Non-Financial Support**

43. Two of the fundamental objectives of the WG are:
- a) To identify the kinds of support (e.g., technical assistance, organizational assistance, financial assistance and fee reduction) and the time period of the support (e.g., support for the application period only, continuous support, etc.) that are appropriate for Support-Approved Candidates; and
  - b) To identify potential providers of the identified kinds of support, as well as appropriate mechanisms to enable support provisioning.

### **Necessary Non-Financial Support**

44. The WG has identified the following types of non-financial support as necessary for Support-Approved Candidates:

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<sup>10</sup> This rationale assumes the appropriateness of including recovery of development costs and risk contingency costs as part of the application cost, which the GNSO required be program neutral. There are many who would not accept this assumption, but that argument did not prevail in any WG discussions.

- a) Assistance in application writing and throughout the application process;
  - b) Registry services – outsourced or assistance with local operations;
  - c) DNS services;
  - d) For Registries located in areas where IPv6 connectivity is limited or unavailable, the promotion of support from IPv6 providers to provide IPv6 gateways into the Registry IPv4 services;
  - e) Infrastructure IPV6 compatible hardware/networks;
  - f) Consulting and education regarding DNSSEC implementation;
  - g) Support to cover legal costs and/or document processing;
  - h) Translation support, as necessary (e.g., the translation of the Applicant Guidebook into all the languages and scripts allowed for by the application of IDNs, as needed);
  - i) Training in areas such as building sustainability plans, marketing and operations;
  - j) Facilitating contact with granting agencies and foundations; and
45. The above list is not comprehensive. Support Candidates may certainly require other types of non-financial assistance.

#### **Other Non-Financial Assistance**

46. The following are additional types of non-financial assistance that ICANN should also strongly consider providing to Support-Approved Candidates:
- a) Logistical assistance;
  - b) Technical assistance;
  - c) Legal and application-filing support;
  - d) Awareness and outreach efforts, including those to ensure more people in under-served markets are aware of the New gTLD Program and what they can do to participate in it; and
  - e) Deferred requirement of DNSSEC.

## **Support From Third Parties Facilitated by ICANN**

47. The WG believes that ICANN can play an important role in helping connect Support Recipients with willing third-party donors of goods and services, such as those identified above. The WG recommends that ICANN establish a collaborative central directory or clearinghouse-type infrastructure that is capable of “matching” Support Recipients and potential third-party donors. Collecting (or pooling) in one place both those needing these services and those interested in donating these services would increase the likelihood that Support Recipients will have access to the tools they need to be successful.

### ***Pool of Collected Resources and Assistance***

48. A number of types of potential donor resources and assistance are fungible enough that they can be pooled in one place. The types of services that lend themselves to pooling include:

- a) Translation support;
- b) Logistical assistance;
- c) Technical support;
- d) Awareness and outreach;
- e) Infrastructure for providing IPv6 compatibility;
- f) DNSSEC consulting;
- g) IDN implementation support; and
- h) Possible technical setups.

***Directory and Referral Service only for Support-Approved Candidates***

49. Directory and referral services should also be made available to Support-Approved Candidates. For example, these services should include listing and facilitating contacts with granting agencies and foundations. While ICANN would facilitate relationship building between donors of services and Support-Approved Candidates requiring such services, ICANN would *not* be expected to provide nor warranty any of the services offered through such a referral system.

***IPv6 Support***

50. For Registries located in areas where IPv6 connectivity is limited or unavailable, ICANN will need to facilitate support from IPv6 providers to provide IPv6 gateways into the Registry IPv4 services.
51. The current Applicant Guidebook requirement for IPv6 is tremendously burdensome on gTLD applicants in developing economies. Most applicants face one or more of the following substantial hurdles:
- a) A lack of local technical expertise and know-how regarding IPv6;
  - b) A lack of access to the appropriate IPv6 infrastructure; and
  - c) A lack of funds to address either of the first two hurdles.
52. Faced with these obstacles, all new Registries in developing economies would either need to rely on incumbent Registries in developed regions or would need to find some way to establish a tunnel to IPv6 access on their own.
53. The GAC has recommended that the IPv6 requirement be eliminated for Support-Approved Candidates. Short of adopting this recommendation, other approaches

exist. One would be for the ASO to arrange for a region's RIR, along with local ISPs, to guarantee Support-Approved Candidates in the region have IPv6 access, through an IPv4 tunnel or other means.<sup>11</sup> Such guarantees, plus an ICANN willingness to accept these guarantees on an application, could be a solution to this problem that might obviate the need to waive the IPv6 requirements for Support-Approved Candidates. At the very least, it should be acceptable for a Support-Approved Candidate to indicate on its application that it will obtain help with IPv6 access via a tunnel.

### **How Should Non-Financial Support be Made Available?**

54. The main proposal from the WG for managing non-financial support was accepted by the ICANN Board in Trondheim in September 2010. In Resolution 2.2, the Board allocated financial resources and directed staff to develop a list that would match Support Candidates with self-identifying providers:

“Support to Candidates will generally include outreach and education to encourage participation across all regions....”

“Staff will publish a list of organizations that request assistance and organizations that state an interest in assisting with additional program development, for example pro-bono consulting advice, pro-bono in-kind support, or financial assistance so that those needing assistance and those willing to provide assistance can identify each other and work together.”

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<sup>11</sup> The WG believes ASO assistance is critical here. While it is clear that the RIRs cannot provide access, they may have influence over local infrastructure providers.



55. The WG recommends that the list serve multiple functions beyond the identification of providers and Support Candidates. It could also, for example, be an information resource pointing Candidates to Web sites and other sources offering information on template application answers or best practices on how to build a successful Registry.
56. The WG further recommends that ICANN staff notifies service providers of the list directly and asks them to consider providing any of the support functions for Support Candidates for free, on a cost recovery basis or for reduced rates.
57. The WG concurs that ICANN would publish this list without recommendation or prejudice, on a dedicated Web page. It was also agreed that there would be no vetting or certification of providers; each Candidate should operate under the “buyer beware” principle and perform due diligence before accepting an offer from a provider.
58. To ensure transparency of the ICANN process, the WG recommends that non-financial contributors publicize the general parameters, terms and conditions that go with any offer of support. Those contributors should not be precluded from offering different levels and types of support to Candidates with differing levels of need<sup>12</sup> – for example, providing a description of licensing for services (Is the Registry software proprietary or open source? Can it be run locally, or must it be run in-house by the provider?) and the terms that the Candidate must accept (Will the Candidate be tied to the provider for 10 years? Is the service free the first year and then at a

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<sup>12</sup> Indeed, those contributors, not ICANN, are solely responsible for establishing the criteria and evaluating the eligibility of candidates for their support services.

cost the second year?). The general parameters, terms and conditions would be posted on the list, as well as the provider's contact information.

59. One concern raised was that Support Candidates from developing economies could become beholden to northern, developed-region providers, since these are best positioned to offer assistance. Such a situation would risk undermining the principal objectives of the Support Program. If the non-financial support aspect of the Support Program is embraced, it must be done with full knowledge of this risk. One suggested remedy is for the ccTLD operators in these under-served regions to be notified by ICANN of the opportunity to assist and, if interested, self-identify as providers willing to allocate resources to assist Support Candidates.
60. Finally, the WG recognizes that ICANN staff will facilitate connecting Support Candidates with providers but cannot commit to finding providers for every necessary requirement.

### **Capacity Building: Enabling Support-Approved Candidates to Provide Innovative Approaches to the Provision of Registry Services**

61. The WG has discussed the possibility of existing companies providing resources to Support-Approved Candidates to enable them to establish Registry Service Providers (RSPs) in those regions where no RSPs exist or where there are just a few. Currently, most existing RSPs are located in developed areas of Europe, North America, Australia and Asia. Rather than forcing any new Support-Approved Candidate to use an incumbent RSP, the JAS WG recommends that non-financial services be provided, where appropriate, to assist Support-Approved Candidates in creating their own

RSPs. This assistance could be combined with a developing economy application for funds to create a regional or local RSP.

62. One way of achieving this involves the use of a mechanism that matches Support-Approved Candidates with those who are qualified and willing to provide assistance (see above). But the WG thinks more can be done. What is needed is a program that encourages companies with practical technical and financial capabilities to assist Support-Approved Candidates in creating an RSP that could, where appropriate, serve the needs of several Support-Approved Candidate Registries. Among the resources that might be made available are:

- a) Accounting assistance;
- b) Legal assistance;
- c) Contract drafting and review assistance;
- d) Negotiation assistance;
- e) Drafting assistance for Registrar and Registrant agreements;
- f) Software licensing for the required Registry software functions;
- g) Creation of free and open source (FOSS) registry software;
- h) Providing grant of “Registry in a box” type of offering; and
- i) On-site consultations and assistance in setting up RSPs.

63. An important part of such assistance would be firm public assurances by providers of such capabilities, which could be referenced and affirmed by Support-Approved Candidates’ in their applications.

## **Support Candidate Eligibility Requirements**

64. The WG has determined a number of criteria to be used in the determination of whether a candidate for support (Support Candidate or SC) should, in fact, be approved for support and/or cost relief (a Support-Approved Candidate or SAC).
65. For a Support Candidate (or, as applicable, the proposed registry or character string) to be approved for support, it must demonstrate the following characteristics.

### **Service in the Public Interest**

66. The Support Candidate must demonstrate service to the public interest. This includes one or more of the following characteristics:
- a) Support by and/or for distinct cultural, linguistic or ethnic communities;
    - The “.cat” Catalanian TLD is seen by many linguistic, ethnic and cultural communities as a success story that has helped to preserve and indeed to grow the language and culture. Many such groups – especially those with geographically dispersed diasporas – see a TLD as a unifying icon that can facilitate Internet use while encouraging community growth. In this regard, we especially note linguistic minorities protected by treaties such as the European Charter for Regional or Minority Languages and the Council of Europe Framework Convention for the Protection of National Minorities. The WG agrees that applications by such communities, if they meet all other support requirements, should be eligible for support (putting diaspora cultures into the set of “developing economies” even though they are not part of those three main categories).
  - b) Service in an under-served language, the presence of which on the Internet has been limited;
    - A number of WG members have advocated support for the build-out of TLD strings in non-Latin scripts by communities that use these scripts and have, to date, been un-served or under-served on the Web.
    - As a part of this, the WG has identified two groups of Support Candidates that might receive support – smaller script communities

whose scripts are very limited on the Web and communities that regularly use more than one script but might otherwise be unable to afford the full-price build-out of two scripts.

- The WG did decide, with a Near Consensus, that, as long as a Support Candidate applying for a single string in a single script is providing build-out of a language whose Web presence is limited and meets the other criteria, it should receive support.
- There was rough consensus in the WG *against* recommending that bundling – that is, reducing the application fee for Support-Approved Candidates seeking multiple TLD strings in an under-served language script – be included as a way to address the needs of these two groups. At the same time, there was strong minority support in the WG to include bundling. The recently submitted GAC/ALAC Joint Statement describes bundling as a means of lowering fees “for a string in multiple IDN scripts, particularly where simultaneous IDNs are required in countries of great linguistic diversity” (see <https://community.icann.org/download/attachments/21135982/Join+GAC-ALAC+Statement+on+Joint+applicant+Support+-+Final+-+August+2011+-+Rev+2.pdf>).

c) Operation in a developing economy in a manner that provides genuine local social benefit;

- The WG achieved Full Consensus in agreeing that the criteria offered to judge applications give preference to those originating within the world’s developing economies.<sup>13</sup> Rather than having ICANN undertake the distracting task of determining where such economies are located, the WG recommends that it instead use the internationally agreed-upon UN Department of Economic and Social Affairs list:

Least Developed Countries: category 199;

Landlocked Developing Countries: category 432;

Small Island Developing States: category 722;

Indigenous Peoples, as described in Article 1 of Convention No. 169 of the International Labour Organization and the UN Declaration on the Rights of Indigenous Peoples.

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<sup>13</sup> By itself, originating from one of these developing areas is neither sufficient nor mandatory to qualify for support.

- d) Advocated by non-profit, civil society and non-governmental organizations in a manner consistent with the organizations' social service mission(s); and
- e) Operation by a local entrepreneur(s), providing demonstrable social benefit in those geographic areas where market constraints make normal business operations more difficult.
  - While for-profit companies, private-public partnerships and hybrid entities can be eligible for support, the WG agrees that the Developing Economies Support Program must not be used as a substitute for conventional business risk. The Support Program should be used to enable new gTLDs that would, without this Program, be impossible.
  - In the case of operating in a developing economy (see bullet "c," paragraph 66, immediately above) and local entrepreneurial operations, the WG agreed that other forms of social benefit – including but not limited to increasing skills, investment in the skill base of a target community, fostering gender balance and the presence of minorities, and/or a positive contribution to regional or national economies – must be considered.

**AND**

### **Demonstrated Financial Capabilities and Need**

67. The Full Consensus of the WG is that the financial need and capabilities of a Support Candidate should be the crucial criteria for determining whether or not support is approved. Both this need and capability of the Candidate should be demonstrated through the following criteria:

- a) Support Candidates must be capable of contributing at least USD47,000 toward the New gTLD Program's evaluation fee.
- b) In cases in which scheduled fees are anticipated (for example, in the case of an extended evaluation), the Support Candidate must be capable of contributing one-quarter of the scheduled fees.
- c) If the Support Candidate proposes to operate its own Registry platform, it must be capable of contributing USD45,000 toward Registry operational costs. If the Support Candidate proposes to share Registry operational costs with other qualified Support Candidates or new gTLD applicants, the Support Candidate must be capable of contributing the pro-rated proportional share of this cost.

- d) The acceptable lower threshold of a Support Candidate’s financial capability has been defined in “a,” “b” and “c” of this paragraph; this is to avoid offering support to Candidates so poor that they are not able to run a Registry. The acceptable upper threshold should also be defined to avoid giving support to rich applicants. This upper threshold is to be defined by the JAS WG together with ICANN staff and external advisors in the implementation phase of the Program, before starting the evaluation of applications.
- e) To demonstrate need, Candidates should be required to submit materials to the Program administrators, detailing the various constraints which negatively affect their ability to acquire and implement a gTLD without assistance. Candidates should provide background on economic, technical, administrative, legal and/or socio-cultural factors within their environment that cause their constraints. Also, Candidates will be requested to detail any applicable constraints on their management, human resources, IT infrastructure and technical capabilities.<sup>14</sup>

***BUT***

**Ineligibility Criteria**

68. The candidate must *not* be:

- a) An applicant for a gTLD string that is not a generic word intended to reference a specific commercial entity (commonly referred to within ICANN as a “dot-brand”);
  - However, applications for community names that may be subject to legal trademark protection are not necessarily disqualified from receiving support;
- b) A governmental or para-statal institution;
  - Initially, with a Near Consensus, the WG considered purely governmental or para-statal Support Candidates to not be entitled to receive support. However, at the ICANN San Francisco Meeting, the WG received a request from the GAC to consider including government applications from developing economies for support. The WG will work to obtain a mutually acceptable definition and criteria to fit government applications with the GAC WG but recognizes the difficulty in measuring a government’s need and the concern regarding the appropriateness of offering support to one government over another if resources are limited. The GAC WG has offered to

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<sup>14</sup> See the “Information and Documentation Required From Candidates” section below.

review the JAS criteria and provide its recommendations on a formulation of a solution for possible support to developing economy government applications.

- c) A gTLD string that is a geographic name or is based on one;
  - d) Affiliated with sponsors or partners that are bankrupt or under bankruptcy protection;
  - e) Affiliated with sponsors or partners that are the subject of litigation or criminal investigation;
  - f) Incapable of meeting any of the Applicant Guidebook's due diligence procedures.
69. All Candidates should be required to provide a self-declaration stating that they are eligible to receive support under the aforementioned criteria.

#### **Information and Documentation Required From Candidates**

70. In addition to the self-declaration noted above, all Candidates for financial support are required to provide the information and documentation described here, as well as abide by the Support Evaluation Process described below.
71. The WG recommends that the information and documentation produced by Support Candidates at least include the following:
- a) Annual reports or equivalent;
  - b) Evidence of any previous project fund, especially if successfully completed;
  - c) Financial reports showing need;
  - d) Recommendations regarding the ability to form a sustainable operation; and
  - e) Documentation showing evidence of all qualifying circumstances.



## **Support Evaluation Process**

72. Candidates seeking support must be subject to an additional level of review and assessment to evaluate the bona fides of their request. This Support Evaluation Process (SEP) should be separate and distinct from the standard gTLD applicant review defined in the new gTLD Applicant Guidebook (AG) to which all other applicants are subject.<sup>15</sup>
73. Because the standard AG application review requires an applicant to demonstrate a number of specific plans and fundamental capabilities that a Support Candidate may need to arrange with or secure from other parties (in either the form of funds, knowledge or other expertise, experience or support), the WG recommends that this SEP review take place BEFORE the standard application review takes place and perhaps even BEFORE the formal application is submitted to the TAS system.
74. The WG discussed and reviewed a wide variety of potential evaluation criteria and mechanisms that can be incorporated into the SEP.

### **What is the SEP Process?**

75. The following broad steps within the SEP did not achieve Full Consensus in the WG discussions but have been suggested as an initial framework for the SEP and can be further refined by ICANN staff as the process is implemented.

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<sup>15</sup> If the concept of candidate support had been originally included as part of the standard application review process, this separate process might not have been necessary.

## Initial Framework

- a) The ICANN Staff produces a Support Candidate Guide that explains the process and criteria for seeking Candidate support.
- b) Candidates seeking support prepare their support application and submit it to ICANN. This is done BEFORE the candidate files its formal gTLD application.<sup>16</sup>
- c) The support application is assigned to a Support Application Review Panel (SARP) for assessment.
- d) The support application is assessed by the SARP, using the eligibility criteria described in this Final Report. This support assessment takes place BEFORE the candidate files its formal application consistent with the AG process;
- e) The SARP renders a decision. If the support application is rejected, the SARP explains why. The Candidate can then either improve its support application and reapply for support OR can choose to proceed with a formal gTLD application without support.
- f) If the support application is accepted, then the approved support is made available to the candidate, and the candidate can proceed to file its formal gTLD application as a Support-Approved Candidate.
- g) A Support-Approved Candidate will be held to the representations it made in its support application and the Candidate must maintain its support eligibility throughout the formal application process.
- h) The Support-Approved Candidate's formal gTLD application is submitted according to the formal AG process with a clear indication that it has been granted support. The Support-Approved Candidate pays the USD5,000 application deposit and is registered in the TAS. The application undergoes the standard checks for completeness, is posted; is subject to the standard objection period; background screening; etc.
- i) In addition to the standard application checks, the application is tagged as a support-approved application and the original representations made in the support application are checked and verified as still in place. This review is necessary to ensure that the Support-Approved Candidate is still eligible for support. The WG recommends that this review occurs at four points: (1) upon initial evaluation of the application, (2) at an appropriate point during the AG

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<sup>16</sup> Alternatively, Candidates would present all of the necessary documentation to the SARP at the same time as applying for the partial fee waiver and other assistance. The SARP would be responsible for reviewing the applications before the end of the application period. In cases in which the application for fee reduction is rejected, the Candidate could receive a refund of the USD5,000 TAS fee.

process, (3) after the initial evaluation results are posted and (4) after there is no string contention.

- j) If there is a string contention, then the application will go through normal ICANN channels with the Support-Approved Candidate funding this additional step of the AG;
- k) Once there is no string contention, the application progresses to the contract execution, pre-delegation check and delegation stages.
- l) There is a Sunset Period for support with a cut-off of five years, after which no further support will be available.
- m) If the new gTLD is granted, the Support-Approved Candidate will fall under the safeguards provided by ICANN for all gTLD operators. The process should ensure that Support-Approved Candidates are aware of all these requirements and are able to fulfill them.

### **Maintaining or Losing Eligibility**

- 76. The Support-Approved Candidate must maintain its eligibility for support throughout this process. In certain circumstances, support may need to be stopped or could be withdrawn.
- 77. The WG has reviewed the following scenarios that might result in support being withdrawn or stopped during the application process.:
  - a) The Support-Approved Candidate does not provide, in a timely fashion, information about itself and/or its partners when requested by ICANN staff;
  - b) The Support-Approved Candidate's and/or its partners' financial and other circumstances change such that the Candidate is no longer eligible;
  - c) The Support-Approved Candidate withholds information about itself and/or its partners regarding its financial or other circumstances; or
  - d) It is discovered that the Support-Approved Candidate and/or its partners are no longer eligible for support for any other reason.

78. If during any one of the four verification reviews described above, one of the aforementioned scenarios is triggered, then support may be stopped. Other than withdrawal of the Support-Approved Candidate's application by the Candidate itself, stopping of support can be exercised in two ways – by discharge or by revocation/cancellation.
79. In the discharge scenario, the Support-Approved Candidate's circumstances may have changed, and aid would stop upon notification from ICANN to the Candidate. In that case, the Candidate and/or its partners may have to repay some or all of the funds already spent on the application. The Candidate may proceed with its gTLD application at this point without support.
80. The revocation/cancellation scenario may arise in cases in which the Support-Approved Candidate was wrongly granted support (for example, granted support as a result of giving false information about finances). In such cases, the Support-Approved Candidate and/or its partners will have to pay back all the funds already spent on the application, and the application will be revoked/discarded at that point.<sup>17</sup>

### **Support Application Review Panel (SARP)**

81. The WG recommends that a Support Application Review Panel (SARP) should be established to review applications for the partial fee waivers and financial grants.

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<sup>17</sup> Unlike the discharge scenario, where circumstances change, cases of revocation or cancellation suggest that new information is brought to light that was misinterpreted, hidden or not previously available. These cases could be identified during any one of the four regular reviews described above or could be initiated at any other time by credible reports coming from other sources.

The SARP should be composed of volunteers (from the ICANN community and outside experts) knowledgeable regarding the existing new gTLD processes, potential gaming patterns<sup>18</sup> and the general needs and capabilities of Support Candidates from developing economies.

82. The WG recommends that the core of the SARP consist of a combination of community volunteers. One-fourth of the voting members of the panel would come from At-Large community volunteers, one-fourth from GNSO community volunteers and one-fourth from volunteers within ICANN's other SOs and ACs.
83. The final one-fourth of the voting panelists would consist of outside experts identified by ICANN staff and selected for their general expertise, as outlined above.<sup>19</sup> These experts would serve for the entire term of the SARP and provide a sense of general experience, consistency and longevity on the panel.
84. The WG recommends that the voting panel members be supported by an additional group of non-voting specialized experts. These experts would be called upon as needed by the SARP to offer expert information on particular countries or regions, to provide advice and perspective regarding certain business models or practices, to offer specific insight on particular technical questions, etc.

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<sup>18</sup> The ICANN community is rightly concerned about the possibility that a fee waiver or grant support program would be prone to gaming by Candidates. Experience has shown that, if there is a loophole to be exploited for profit, someone in the ICANN community will find a way to do so. This is the case with any set of criteria, though some criteria may make this easier than others. Gaming experts would be able to evaluate the process and suggest how to recognize, avoid or otherwise close any potential gaming behaviors or loopholes.

<sup>19</sup> Some WG members support the idea of having contracted experts play a voting role on the SARP, but the WG did not reach consensus on this matter.

85. WG members have pointed out that it is critical that SARP volunteers be aware of and able to make firm time commitments regarding their availability for SARP work.<sup>20</sup>
86. The WG recommends that any expenses required by this panel for its operations (including face-to face meetings when necessary and compensation of outside experts and advisors) be covered by the contingency portion of the fees paid and repaid using auction fees.

### **Support Recovery**

87. The WG has Full Consensus behind its recommendation that Support Recipients have an obligation to pay back into the Program financial support received not in the form of fee reductions as soon as possible, and that such payback should go into a sustainable revolving fund used to assist future Support Candidates. The form and timing of this payback should be dependent on the new gTLD operator's financial success and could take the form of any of the following:
- a) A capital contribution (e.g., a specifically agreed-to lump sum); or
  - b) An income contribution (e.g., a fixed-term installment schedule administered until the lump sum is covered); or
  - c) Repayment of all or a percentage of the reduced base cost fee expended by the Developing Economies Support Program.

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<sup>20</sup> WG members discussed but reached no consensus on the ICANN staff's suggestion that the Registry Services Evaluation Process (RSEP) would provide a useful model for the work of the SARP, given that it has proven effective in ameliorating panelist workload and is effective for targeted shorter-term projects. Several members favored a committee as a whole approach, where the entire SARP would be involved in all decisions, rather than breaking the larger panel into specific application teams.

88. The SARP could determine the appropriate form or level of potential payback at the time that the original support is granted.

# # #

## Appendix 1: Members of the Joint SO/AC New gTLD Applicant Support Working Group (JAS WG)

The members of the JAS WG, as determined by the WG mailing list, follow.

In addition, the number of meetings each member attended – out of the total 88 meetings held by the WG from 29 April 2010 through 13 September 2011 – is listed.

A complete attendance log can be found on the JAS WG wiki at

<https://community.icann.org/display/jaswg/JAS+WG+Member+Attendance+Log>.

	Number of meetings attended through 13 Sep 2011
<b>At-Large:</b>	
Fouad Bajwa – APRALO	0
Eric Brunner-Williams <sup>21</sup> – NARALO	41
Edmon Chung – APRALO	1
Olivier Crépin-Leblond – ALAC Chair, EURALO	37
Alan Greenberg – ALAC, NARALO	77
Tijani Ben Jemaa – ALAC Executive Committee, AFRALO	75
Dave Kissoondoyal – AFRALO	29
Cheryl Landon-Orr – ALAC Vice-Chair, APRALO	58
Evan Leibovitch – ALAC Vice-Chair, NARALO	72
Carlton Samuels – <u>JAS WG Co-Chair</u> ; ALAC Rapporteur, NARALO	35
Baudouin Schombe – AFRALO	34
Cintra Sooknanan – LACRALO	32
Dev Anand Teelucksingh – LACRALO	17
Rudi Vansnick – EURALO	0

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<sup>21</sup> Address withdrawn from mailing list at member request 16 August 2011.



**GNSO:**

Carlos Aguirre – GNSO Council Nominating Committee Appointee; ALAC, LACRALO	63
Alain Berranger – Non-Commercial Stakeholder Group	5
Olga Cavalli – GNSO Council Nominating Committee Appointee	1
Rafik Dammak – <u>JAS WG Co-Chair</u> ; Non-Commercial Stakeholder Group	81
Avri Doria – Non-Commercial Stakeholder Group	69
William Drake – Non-Commercial Stakeholder Group	0
Alex Gakuru – Non-Commercial Stakeholder Group	37
Stéphane van Gelder – GNSO Council Chair	1
Chuck Gomes – former GNSO Council Chair	1
Anthony Harris – Internet Service and Connectivity Providers Constituency	16
Jordi Iparraguirre – Registry Stakeholder Group	0
Zahid Jamil – Commercial and Business Users Constituency	0
Andrew Mack – Commercial and Business Users Constituency	72
Jeff Neuman – GNSO Council Vice-Chair	0
Michele Neylon – Registrar Stakeholder Group	6
Michael Palage – Commercial and Business Users Constituency	1
Krista Papac – Registrar Stakeholder Group	9
Mary Wong – GNSO Council Vice-Chair	0

**Individuals:**

Fabien Betremieux – AFNIC	13
Matthieu Credou	0
Dr. Govind – GAC, India	0
Tracy Hachshaw – GAC, Trinidad and Tobago	1

John Rahman Khan	25
Alice Munya – GAC, Kenya	0
Elaine Pruis – Minds and Machines	49
Annalisa Roger – DotGreen	0
Vanda Scartezini	0
Richard Tindal	12
Alioune Traore	0
Chris Tshimanga	1

**ICANN Board Observers:**

Sébastien Bachollet	49
Mike Silber	1
Katim Touray	2

## **Appendix 2: Levels of Agreement Referred to Within This Final Report**

1. Throughout this Final Report, the JAS WG has used the following conventions to describe the levels of agreement within its own ranks behind each recommendation:
  - a) Unanimous or Full Consensus: All WG members were in favor of a recommendation in its last review.
  - b) Rough or Near Consensus: A large majority, but not all, WG members back a recommendation.
  - c) Strong Support but with Significant Opposition: A majority of WG members support a recommendation, but a significant number do not support it.
  - d) No Consensus or a Divergence: The existence of many different points of view on a topic with no preponderance of support for any one position. This may be due to irreconcilable differences of opinion or to the fact that no WG member has a particularly strong or convincing viewpoint. Nonetheless, the WG members have agreed that it is worthwhile to mention the topic in the Final Report.
  - e) Minority Opinion: A recommendation supported by only a small number of WG members. This can coincide with a Near Consensus, Strong Support but with Significant Opposition, or No Consensus. Similarly, it can occur in cases in which there is neither support nor opposition to a suggestion by a small number of WG members.
2. In cases of a Near Consensus, Strong Support but with Significant Opposition, and No Consensus, an effort has been made in this Final Report to document the variance in viewpoints and to present any Minority recommendation (including any text offered by the proponent of the Minority recommendation).

## Appendix 3: JAS WG Background

### JAS WG Overview

1. At the ICANN Board meeting on 12 March 2010 in Nairobi, the Board recognized the importance of an inclusive New Generic Top-Level Domain Program (New gTLD Program). To this end, it issued the following Resolution:

“Resolved (2010.03.12.47), the Board requests stakeholders to work through their SOs and ACs, and form a Working Group to develop a sustainable approach to providing support to applicants requiring assistance in applying for and operating new gTLDs.”

2. In response to this Resolution, the Generic Names Supporting Organization (GNSO) and At-Large Advisory Committee (ALAC) organized the Joint Working Group on Applicant Support (JAS WG or WG) in late April 2010. The goal of the WG is to recommend a comprehensive plan to implement the Board Resolution.
3. The GNSO and ALAC have each issued a separate Charter for the JAS WG. While similar in many respects, these Charters are not identical. A comparison of the two Charters can be found at <https://community.icann.org/download/attachments/9405724/ALAC-JAS-Charter-ProposedRevised-23Feb2011.doc?version=1&modificationDate=1298545040000>.
4. The WG includes members from both the GNSO and the ALAC; furthermore, these members are from a variety of backgrounds and geographic regions. Despite this diversity, all members avidly support the Board Resolution and are committed to

lowering the barriers to ICANN's New gTLD Program so that it becomes open to participation by a truly global and inclusive community – in particular, to applicants from developing economies.

5. The result of the WG's efforts is the Developing Economies Support Program and Support Evaluation Process proposed in this Final Report.

### **JAS WG Objectives and Operations**

6. The primary objective of this WG is to develop a set of recommendations for the ICANN staff that embody a sustainable approach to assisting needy Support Candidates – particularly from select developing economies – applying to operate new gTLD Registries.
7. Since April 2010, the WG has met twice each week to identify and discuss the needs of these Candidates requiring support, as well as the recommendations it could make to support them, in as much detail as possible. A complete schedule of the WG's meetings, along with transcripts and recordings, can be found at <http://gns0.icann.org/calendar>.
8. In order to assure that its work has been entirely transparent and representative of the majority opinions within the ICANN volunteer community, the WG has:
  - a) Published an interim Milestone Report and Second Milestone Report for public comment before submission to the GNSO, ALAC, ICANN Board and community; and
  - b) Arranged public presentations during various International ICANN Meetings.

## Key Records and Interim Reports by the WG

### Overview of Records

9. Numerous key records and publications relevant to the JAS WG can be found at the following url locations.
  - a) E-mail archives: <http://forum.icann.org/lists/soac-newgtldapsup-wg/>
  - b) WG main wiki: <https://community.icann.org/display/jaswg/SO-AC+New+gTLD+Candidate+Support+Working+Group+%28JAS-WG%29>
  - c) Frequently Asked Questions (FAQs) related to the JAS WG's Final Report (to be maintained through ICANN's Dakar Meeting in October 2011):  
<https://community.icann.org/display/jaswg/Frequently+Asked+Questions+%28FAQs%29>
  - d) Second Milestone Report (MR2): <http://www.icann.org/en/topics/new-gtlds/jas-second-milestone-report-09may11-en.pdf>
  - e) Second Milestone Report (MR2) public forum comments:  
<http://www.icann.org/en/public-comment/second-milestone-report-10jun11-en.htm>
  - f) Milestone Report: <http://www.icann.org/en/topics/new-gtlds/jas-milestone-report-11nov10-en.pdf>
  - g) Milestone Report public forum comments: <http://www.icann.org/en/public-comment/public-comment-201012-en.htm#jas-milestone-report>

### Interim Reports of the JAS WG

10. Before releasing this Final Report, the WG released two interim reports – its Milestone Report on 11 November 2010 (see <http://www.icann.org/en/topics/new-gtlds/jas-milestone-report-11nov10-en.pdf>) and its Second Milestone Report on 9 May 2011 (see <http://www.icann.org/en/topics/new-gtlds/jas-second-milestone-report-09may11-en.pdf>), both of which recommended directions for community discussion.

11. The Milestone Report suggested several support mechanisms, including:
  - a) Cost reduction support;
  - b) Sponsorship and funding support;
  - c) Modifications to the financial continuity instrument obligation;
  - d) Logistical support;
  - e) Technical support in operating or qualifying to operate a gTLD; and
  - f) Exemption from the rules requiring separation of the Registry and Registrar functions.
  
12. Following submission of the Milestone Report, the ICANN Board (at its Trondheim meeting in September 2010) chose not to approve the WG's interim recommendation of differential pricing for (what are now being referred to as) Support-Approved Candidates. Next, however, the Government Advisory Committee (GAC) requested (in its Scorecard; see <http://www.icann.org/en/announcements/announcement-23feb11-en.htm>) that the Board reconsider this recommendation. Furthermore, the Board and GAC discussed the recommendation, along with other aspects of the GAC Scorecard, in a joint meeting in Brussels in June 2010. The result was that, during this joint meeting, the Board stated that ICANN could implement a differential fee schedule for Candidates in need of assistance – with the stipulation that appropriate criteria and mechanisms must be proposed in order for the Board to approve this differential pricing.
  
13. In May 2011, the WG published its interim Second Milestone Report, which described the WG's nascent recommendations and thought processes regarding:

- a) Why support should be provided;
  - b) During which new gTLD application rounds this support should be offered;
  - c) What gTLD applicants should qualify for support and how their support applications should be evaluated;
  - d) What this support should consist of; and
  - e) How the support process should related to the gTLD application process described in the Applicant Guidebook.
14. While the Second Milestone Report introduced the JAS WG’s recommendations on these topics, this Final Report adds needed details regarding these recommendations.

**Key Milestones of the JAS WG**

15. Following is a list of key actions and accomplishments of the JAS WG.

<i>Dates</i>	<i>Milestones</i>
29 Apr 2010	First conference call. Preparations for Chairs election, Charter drafting, work planning.
10 May 2010	Adoption of WG Charter by participating SOs and ACs.
5 May to 9 Jun 2010	Weekly conference calls. Drafting of Recommendations by WT1 and WT2.
Jun 14 2010	Posted a blog entitled “Call for Input: Support for New gTLD Candidates” <a href="http://blog.icann.org/2010/06/call-for-input-support-for-new-gtld-Candidates/">http://blog.icann.org/2010/06/call-for-input-support-for-new-gtld-Candidates/</a>
16-21 Jun 2010	Posting of “snapshot” on WG’s plans and progress for public comment in English. <a href="http://www.icann.org/en/public-comment/#wg-snapshot">http://www.icann.org/en/public-comment/#wg-snapshot</a>
23 Jun to 23 Aug 2010	Posting of “snapshot” on WG’s plans and progress for public comment in Spanish, French, Chinese, Arabic and Russian.
21-25 June 2010	ICANN Brussels Meeting - Community Public Session: “Reducing Barriers to New gTLD Creation in Developing Regions” <a href="http://brussels38.icann.org/node/12503">http://brussels38.icann.org/node/12503</a>



10 Jul 2010	Twice-per-week conference calls begin to prepare Milestone Report, incorporating public comments and September 2010 Board Resolution.
11 Nov 2010	Milestone Report posted for consideration by the Board, Chartering Organizations and At-Large Community. See Public Forum at <a href="http://www.icann.org/en/public-comment/#jas-milestone-report">http://www.icann.org/en/public-comment/#jas-milestone-report</a> + <a href="http://www.icann.org/en/topics/new-gtlds/jas-milestone-report-11nov10-en.pdf">http://www.icann.org/en/topics/new-gtlds/jas-milestone-report-11nov10-en.pdf</a> + [http://www.icann.org/en/topics/new-gtlds/jas-milestone-report-addenda-10nov10-en.pdf ]
9 Dec 2010	Cartagena ICANN Meeting Session: “Assisting gTLD Candidates from Developing Economies” <a href="http://cartagena39.icann.org/node/15499">http://cartagena39.icann.org/node/15499</a>
Dec 2010 to Feb 2011	Charter renewal process by Chartering Organizations (ALAC and GNSO) See charters here: <a href="https://community.icann.org/display/jaswg/Charter">https://community.icann.org/display/jaswg/Charter</a>
Jan 2011	Resumed conference calls. Preparations for election of new Chairs, Charter situation review, work planning – four subgroups formed.
Feb 2011	Posting of Summary Analysis of Milestone Report public comments in English <a href="http://www.icann.org/en/announcements/announcement-22feb11-en.htm">http://www.icann.org/en/announcements/announcement-22feb11-en.htm</a> New community wiki space available to JAS WG.
Mar 2011	Posting of Summary Analysis of Milestone Report public comments in Spanish, French, Chinese, Arabic and Russian.
Mar 2011	ICANN Silicon Valley Meeting: - Face-to-face meeting (Thursday, March 17 14:00-15:30; Victorian room). - Status update to GNSO and ALAC.
May 2011	- 7 May: Second Milestone Report received by the ALAC and GNSO. - 9 May: At-Large staff, on behalf of the ALAC, initially forwarded Second Milestone Report to the Board. - 7-13 May: Comments on the Second Milestone Report were collected from At-Large Community; these are basis for the Statement of the ALAC on the Joint Candidate Support Second Milestone Report. - 14 May: ALAC ratification process begins for Second Milestone Report and the ALAC Statement. - 19 May: GNSO decision to postpone its vote until meeting on 9 June. No consensus was reached about sending a letter to the Board. - 19-20 May: Board retreat in Istanbul.  - Other activities: JAS WG discussion to answer GNSO, RyC questions. JAS WG preparing cost questions to submit to staff.
June 2011	- 3 June: ALAC invitation to GAC and Board to join JAS WG on 7 June to clarify Second

	<p>Milestone Report. GNSO Chair notified by ALAC Chair.</p> <ul style="list-style-type: none"> <li>- 6 June: JAS WG meeting with GAC and Board postponed to 14 June.</li> <li>- 9 June: GNSO meeting on JAS WG's Second Milestone Report.</li> <li>- 10 June: Opening of public forum (for public comments) on Second Milestone Report (from 10 June through 29 July); see <a href="http://www.icann.org/en/public-comment/second-milestone-report-10jun11-en.htm">http://www.icann.org/en/public-comment/second-milestone-report-10jun11-en.htm</a></li> <li>- 14 June: JAS WG conference call with GAC and Board.</li> <li>- 23 June: JAS WG session "JAS WG proposal for support for New gTLD Candidates from Developing Countries" during ICANN Singapore Meeting; see <a href="http://singapore41.icann.org/node/24849">http://singapore41.icann.org/node/24849</a></li> </ul>
July 2011	<ul style="list-style-type: none"> <li>- 5 July: JAS WG meeting with Kurt Pritz regarding WG's request for additional staff support. Four additional staff members assigned to help with meeting notes, drafting the Final Report and instructions manual and creating support process flowchart.</li> </ul>
(Planned) September 2011	<ul style="list-style-type: none"> <li>- 16 September: Webinar presenting to ICANN community (a) the JAS WG Final Report and (b) related Frequently Asked Questions Web site at <a href="https://community.icann.org/display/jaswg/Frequently+Asked+Questions+%28FAQs%29">https://community.icann.org/display/jaswg/Frequently+Asked+Questions+%28FAQs%29</a></li> <li>- 22 September: GNSO meeting (for this meeting, Final Report must be submitted by 14 September).</li> <li>- 27 September: ALAC meeting (for this meeting, Final Report must be submitted by 15 September).</li> </ul>
(Planned) October 2011	<ul style="list-style-type: none"> <li>- 23-28 October: JAS WG face-to-face session during ICANN Dakar Meeting</li> </ul>

## **Appendix 4: Glossary**

1. The terms defined below are set forth throughout the Final Report. These definitions are supplied for consistency purposes.

### **Applicant**

2. An entity that applies to ICANN for a new gTLD by submitting its application form through the online application system.

### **Developing Economies Support Program**

3. The program being proposed in this Final Report by the JAS WG. It is not to be confused with the New gTLD Program.

### **Developing economy (also emerging market)**

4. Although these terms are often used in this Final Report, the WG has not adopted its own specific definitions for them. Instead, it proposes that, within the Developing Economies Support Program, a classification be used that is internationally agreed upon – for example, the G-77, United Nations or World Bank classification. The WG notes that these organizations might update their classifications at times. Also, the WG acknowledges that agencies that, in the future, participate in the Developing Economies Support Program as funding agencies might also adopt their own classifications.

### **Evaluation Fees**

5. The fee due from each Applicant to obtain consideration of its application for a new gTLD. The evaluation fee consists of a deposit and final payment per each string

application. A deposit allows the Applicant access to the secure online application system.

### **Internationalized Domain Name (IDN)**

6. IDNs are domain names represented by local language characters or letter equivalents. These domain names could contain characters with diacritical marks (accents) as used in many European languages or characters from non-Latin scripts (for example, Arabic or Chinese). IDNs make the domain name label as it is displayed and viewed by the end user different from that transmitted in the DNS. To avoid confusion, the following terminology is used:
  - a) The A-label is what is transmitted in the DNS protocol; this is the ASCII-compatible (ACE) form of an IDNA string (for example, xn--11b5bs1di).
  - b) The U-label is what should be displayed to the user and is the representation of the IDN in Unicode.

### **Languages and Scripts**

7. Scripts are a collection of symbols used for writing a language. There are three basic kinds of scripts:
  - a) An alphabetic script (Arabic, Cyrillic, Latin) has individual elements termed "letters."
  - b) An ideographic script (Chinese) has elements that are ideographs.
  - c) A syllabary script (Hangul) has individual elements that represent syllables.
8. The writing systems of most languages use only one script, but there are exceptions. For example, Japanese uses four different scripts representing all three categories. Scripts that do not appear in the Unicode code chart are completely unavailable for inclusion in IDNs.

### **New Generic Top-Level Domain (gTLD)**

9. A gTLD is part of the Internet's global addressing system or Domain Name System (DNS). The term "gTLD" refers to the specific suffixes that appear at the end of Internet addresses and are used to route traffic through the Internet. There are different types of top-level domains, which help to identify specific types of organizations, associations or activities (see [RFC 1591](#)). Some gTLDs, such as .com or .info, are intended for general use. Others are intended for use by a specific community (such as .COOP for cooperative organizations). A complete list of existing gTLDs is available at <http://www.iana.org/domains/root/db/>.

### **New Generic Top-Level Domain Program (New gTLD Program)**

10. The New gTLD Program is an initiative that will enable the introduction of new Generic Top Level Domains (gTLDs), including ASCII and IDN gTLDs, into the domain name space.

### **Non-financial support**

11. The WG has identified the need for Support-Approved Candidates to be provided with financial and non-financial support through the Developing Economies Support Program. Financial support includes financial assistance and fee reduction. Non-financial support that the WG is proposing includes logistical assistance, technical help, legal and application filing support, outreach and publicity efforts regarding the New gTLD Program and consulting and education regarding DNSSEC implementation.

## **Public interest**

12. For the purposes of this Final Report, the WG has defined the “public interest” as including the following:
- a) Support by and/or for distinct cultural, linguistic or ethnic communities;
  - b) Service in an under-served language, the presence of which on the Internet has been limited;
  - c) Operation in a developing economy in a manner that provides genuine local social benefit;
  - d) Sponsorship by non-profit, civil society and non-governmental organizations in a manner consistent with the organizations’ social service mission(s); and
  - e) Operation by a local entrepreneur(s) providing demonstrable social benefit in those geographic areas where market constraints make normal business operations more difficult.

## **Registrar**

13. Domain names ending in .aero, .biz, .com, .coop, .info, .museum, .name, .net, .org, and .pro can be registered through many different companies (known as “Registrars”) that compete with one another. A listing of these companies appears in the [Accredited Registrar Directory](#).
14. The Registrar you choose will ask you to provide various contact and technical information that makes up the registration. The Registrar will then keep records of the contact information and submit the technical information to a central directory known as the “Registry.” This Registry provides computers on the Internet with the information necessary to send you e-mail or to find your Web site. You will also be required to enter into a registration contract with the Registrar, which sets forth the terms under which your registration is accepted and will be maintained.

### **Registry**

15. The Registry is the authoritative, master database of all domain names registered in each Top Level Domain (TLDs). The Registry operator keeps the master database and also generates the zone file that allows computers to route Internet traffic to and from TLDs anywhere in the world. Internet users do not interact directly with the Registry operator; users can register names in TLDs (including .biz, .com, .info, .net, .name, and .org) by using an ICANN-accredited Registrar.

### **Registry fees**

16. Under the ICANN Registry Agreement, there are two fees – a fixed fee per calendar quarter and a transaction fee on future domain registrations and renewals. These fees are primarily intended to cover ICANN's recurring costs for Registry contract management.

### **Registry Service Provider (RSP)**

17. A Registry Service Provider (RSP) is a company that runs the operations of a TLD on behalf of the TLD owner or licensee. The RSP keeps the master database and generates zone files to allow computers to route Internet traffic using the DNS. (Also known as a Registry Operator or a Registry Provider.) Currently, most existing RSPs are located in developed areas of Europe, North America, Australia and Asia.

### **Support Candidate (SC)**

18. An entity that, in addition to applying for a new gTLD, applies to ICANN for financial or non-financial support in obtaining and/or maintaining that new gTLD.

### **Support Application Review Panel (SARP)**

19. The WG recommends that a Support Application Review Panel (SARP) be established to review applications for the partial fee waivers and financial grants. The SARP includes volunteers (from the ICANN community and outside experts) knowledgeable about the existing new gTLD processes, potential gaming patterns and general needs and capabilities of support Candidates from developing economies. Other SARP members should include contracted outside experts identified by ICANN staff and selected for their general expertise as outlined above.

### **Support-Approved Candidate (SAC)**

20. A Support Candidate that has been approved by the Support Application Review Panel (SARP) to receive financial and/or non-financial support.

### **Support Eligibility Criteria**

21. The Support Eligibility Criteria are the standards that the WG is proposing the Support Application Review Panel (SARP) use to determine whether or not a Support Candidate is eligible for financial and/or non-financial support. These criteria include demonstrated service in the public interest and both a certain level of financial need and financial capability. There are also proposed criteria that disqualify a Support Candidate for support.

### **Support Evaluation Process**

22. The process, proposed by the WG, by which the Support Application Review Panel (SARP) uses a set of Support Eligibility Criteria to determine which Support Candidates are actually approved for financial and/or non-financial support and which are not.



### **Support Recipient**

23. A Support Recipient is an entity that is receiving any combination or amount of support, financial and/or non-financial, via the Developing Economies Support Program. This necessarily would be the result of the entity's having applied for and approved for both a new gTLD and associated support from ICANN.