**Chartered objectives for the Working Group:**

Preamble: The working group on vertical integration shall evaluate policy recommendations for new gTLDs and existing gTLDs. The working group expects to define the range of restrictions on vertical separation that are currently in effect, to serve as a baseline to evaluate future proposals.

Objective 1: To set policy and procedures that provide clear direction to ICANN staff and new TLD applicants on whether, and if so under what conditions, contracts for new TLD registries can permit vertical integration or otherwise deviate from current forms of registry-registrar separation and equal access.

Objective 2: Determine whether the cross-ownership and joint marketing arrangements contemplated by the options described in DAGv3 are allowable under current or pre-existing forms of registry-registrar separation and equal access.

Objective 3: To examine current gTLD contracts and practices approved by ICANN staff and determine if any of them are outside the current or pre-existing forms of registry-registrar separation and equal access, and, if so make recommendations as to how to respond to these exceptions.

Objective 4: To perform the PDP activities in a manner that does not delay the launch of the New GTLD Program.

**Definitions to be used by the Working Group**

"Vertical Integration" (VI) is defined as a business structure in which there is no separation between the registry operator and the registrar in relation to a particular gTLD. They are either owner or controlled by the same company or have another contractual affiliation that controls the specific gTLD, and the domain name supplier may not required to provide full and equal access to independent firms to sell names under its gTLD.

"Cross ownership" (CO) is defined as the controlling ownership of a share of a registry by a registrar, or vice-versa.

"Minority Interest" is defined as the minority ownership of a share of a registry by a registrar, or vice-versa.

"Relationship between VI and CO" As long as full and equal access arrangements are in place and verifiable, cross-ownership that permits the registrar to sell the names of the cross-owned TLD registry shall not be considered a form of vertical integration.

**Operating procedures for the Working Group**

The Working Group will operate according to the guidelines set out in the [Draft Working guidelines of 5 Feb 2010](http://gnso.icann.org/en/improvements/proposed-working-group-guidelines-05feb09-en.pdf%22%20%5Co%20%22%28external%20link%29%22%20%5Ct%20%22_blank)

**Milestones**

|  |  |  |
| --- | --- | --- |
| Week | Dates | Tasks/Goals |
| 1-2 |   | Council Drafting team will create a charter for the group |
|   |   | Original recruitment for group members wil go out to the constituencies and the ICANN community. |
|   |   | and cross-ownership, indicating differences of the effects on registrants and users of the approaches. |
|   |   | Staff begins documentation on existing approaches and practices, differentiating among Vertical Integration, Joint Marketing approaches |
| 3 |   | Council review charter and appoint council liaison. |
| 4 |   | Group begins work. |
| 3-6 |   | Collect Constituency statement and community comments |
| 5-6 |   | Review of existing documents and commentary. |
|   |   | Publish Staff document on existing approaches and practices |
| 7-9 |   | Review staff document and constituency and public comments |
| 9-11 |   | Discuss conditions under which various practices are appropriate |
| 12-15 |   | Discuss and document policy recommendations |
| 16 |   | end report to Council and out for public review |

**Charter DT coordinator (and Council liaison): Stephane Van Gelder**

**WG Chair(s): TBD**

**WG Wiki:**

**WG Members and SOI pointers**

**Changes to this Charter**

The Chair of the WG will notify the GNSO Council of any substantive changes to this charter including milestones. The Chair may, at any time, refer questions or requests for clarification or modification on any of the objectives or definitions contained in this charter to the GNSO council. Such a request may be relayed through the council Liaison.