**Chartered objectives for the Working Group:**

Preamble: The working group on vertical integration shall evaluate and propose 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 gTLD applicants on whether, and if so under what conditions, contracts for new gTLD registries can permit vertical integration or otherwise deviate from current forms of registry-registrar separation and equal access.

Objective 2: To review current ICANN gTLD registry contracts and policies to identify the current restrictions and/or practices concerning registry-registrar separation and equal access in place for existing gTLD registries and their accredited registrars.

Objective 3: To identify and clearly articulate the changes to current cross-ownership and joint marketing arrangements contemplated by the options described in DAGv3, considered by ICANN staff, and/or proposed by the community in connection with the planned introduction of new gTLDs.

Objective 4: To identify and clearly articulate the differences between the current restrictions and/or practices concerning registry-registrar separation and equal access, on the one hand, and the options described in DAGv3, changes considered by ICANN staff, and/or proposed by the community, on the other hand.

Objective 5: To determine what, if any, effect that the potential changes to the current restrictions and/or practices concerning registry-registrar separation and equal access contained in the options set out in DAG3, changes considered by ICANN staff, and/or proposed by the community will have on the retail and wholesale markets for domain names and on consumers of domain names.

Objective 6: 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 owned or controlled by the same company or have another contractual affiliation that controls the specific gTLD, and the domain name supplier is 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)

**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.