



July 21, 2010

Via Email: joint-wg-snapshot@icann.org

Re: Comments Regarding the Joint SO/AC Working Group Report

Dear Mr. Beckstrom, Mr. Dengate-Thrush, the ICANN Board of Directors and Staff:

The American Red Cross ("Red Cross") thanks ICANN for the opportunity to provide comments on this important issue. We are pleased that the Joint SO/AC Working Group provided a list of recommendations: (1) for financial support to applicants requiring assistance in applying for and operating new gTLDs and (2) for identifying the type of applicants that should receive support and the type of support that should be offered. I am an employee of the American Red Cross ("Red Cross"), a not for profit philanthropic organization and one of approximately 180 member national societies of the International Federation of Red Cross and Red Crescent Societies.

I. Working Team 1: How the net cost to applicants that fulfill appropriate criteria can be reduced, in keeping with the principle of cost recovery.

Not-for-profit organizations such as Red Cross are concerned that costs relating to the new gTLD Program, including both application-related costs and costs relating to the enforcement efforts that Red Cross will need to implement, will be prohibitive and could impact the ability of not-for-profit organizations to fund and fulfill its mission-related activities and objectives. When considering costs for the new gTLD program, Red Cross strongly encourages ICANN to consider that not-for-profit organizations may use a proposed new gTLD for internal business purposes under a model that is different from a commercial, profit driven new gTLD.

Red Cross is concerned that various fees structures in the new gTLD program, such as the \$185,000 application fee, the Program Development fee, the Fixed Registry fees and the costs associated with the auction process places the acquisition of a new gTLD out of the reach of most not-for-profit organizations. These fees represent resources that must be allocated from funds that Red Cross and other not-for-profit organizations would otherwise spend on directly serving the public. We request that ICANN consider setting a lower cost for not-for-profit organizations, such as Red Cross, in light of the significant and important role new gTLDs owned by these organizations would serve for the ICANN community.

Red Cross generally agrees with the intent of following recommendations of Working Team 1 briefly listed below and provided in more detail in the report of the JAS WG:

- 1. Waive the cost of Program Development (US\$26K) for selected entities qualifying for financial assistance.*
- 2. Staggered Fees. Instead of paying the entire fee upon acceptance of the applications, applicants meeting the criteria established for support could pay the fees incrementally (perhaps following the refund schedule in reverse).*
- 3. Auction Proceeds. Qualified applicants receive a partial refund from any auction proceeds.*

4. *Lower the Registry fixed fees due to ICANN.*
5. *Reconsider the Risk/Contingency cost per applicant (US\$60k).*
6. *Consider reduction of The Fixed/Variable cost of US\$100,000 for the applicants that meet the criteria established by the WG.*

II. Working Team 2: The who and what of offering assistance

Red Cross provides the following comments to the proposals of Working Team 2 briefly listed below and provided in more detail in the report of the JAS WG:

a. At least in the initial/pilot phase, target support to ethnic and linguistic communities (e.g. the Hausa community, Quechua speakers, Tamil speakers).

Red Cross supports this comment and also proposes that support should be given to not-for-profit organizations during the initial/pilot phase.

b. Address support for other groups, especially NGOs and civil society organizations at a future point as the idea of who constitutes a “community” in this space is less clear and the tests for which groups might need/merit support would be trickier. Moreover, the number of applicants could be very large.

Red Cross understands the concern being articulated, but disagrees with this recommendation. We strongly urge the WG/ICANN to consider support for not-for-profit organizations as soon as possible. We recommend immediate support during the initial/pilot phase for not-for-profit organizations that would use a new gTLD to communicate with the public about their mission and services, to engage in activities to increasing social inclusion of non-governmental organizations with technology, to distribute educational, informational or lifesaving information to members of their communities, or to collect donations to support their operations. Red Cross believes these potential applicants, whose mission, objectives and status can be verified and approved by criteria established by the WG/ICANN, constitute the type of potential applicant for which support is non-controversial.

c. Overall, the Working Team recommended giving some preference to applicants geographically located in Emerging Markets/Developing countries and in languages whose presence on the web is limited.

Red Cross agrees that the geographic location of the applicant is one of many factors that could be considered when deciding to provide support to applicants.

d. A series of groups are not recommended for support at this time, specifically:

- *Applicants that don't need the support/have ample financing*
- *Applicants that are brands/groups that should be self-supporting companies*
- *Purely Government/parastatal applicants (though applicants with some Government support might be eligible)*
- *Applicants whose business model doesn't demonstrate sustainability*

Red Cross believes the recommendations above lack sufficient specificity to provide meaningful comments.

2. What kinds of support might be offered?

a. Logistical, outreach and fee Support in the Application Process

- *Translation of relevant documents – a major concern noted by non-English speaking group members, who noted the extra time and effort needed to work in English*
- *Logistical and technical help with the application process – including legal and filing support that are expensive and in short supply in most Emerging Markets nations*
- *Awareness/outreach efforts – to make more people in underserved markets are aware of the gTLD process and what they can do to participate in the gTLD process*

Red Cross believes it is important that ICANN make information readily available about the processes and procedures relating to the new gTLD program to potential applicants in underserved markets and to certain groups within the ICANN community, such as not-for-profit organizations, that may not be as engaged in ICANN activities. We recommend that ICANN consider improving its outreach and education services, especially to not-for-profit organizations such as Red Cross, to ensure that its user community is able to navigate the process and not excluded or negatively impacted from the process. In our view, such outreach should begin immediately, but should especially be increased once the final Applicant Guidebook is released so that parties seeking guidance on the new gTLD process will have access to the final policy information and have the ability to timely ask questions so that they will not be disadvantaged in the process.

We recommend that the information provided during these outreach efforts include both information on the application process, as well as information of interest to those not applying for new gTLDs, such as the objection procedures and rights protection mechanisms. DAGv4 contains a fair amount of detail regarding the technical requirements for operating a new gTLD, especially in ***Modules 2 and 5***; these details are likely to be daunting for not-for-profit organizations that have not previously operated a registry. Thus outreach to targeted populations, regions and organizations should offer advice to the community about technical aspects related to registry operations.

We strongly recommend that ICANN conduct outreach in all of its five regions to ensure that the new gTLDs are truly accessible on a global scale, and that ICANN provide live, in-person seminars that are open to the public, rather than only posting educational information on the ICANN website or hosting webinars.

- *Fee reduction/subsidization and/or some sort of phased-in payment for deserving applicants – this discussion builds off of the work of Working Team 1, and includes two key ideas: (a) That deserving applicants might receive some reduced pricing in general and (b) That some sort of phasing for payment might be appropriate, enabling selected applicants to effectively “pay as they go” for the application process rather than having all funds assembled up front*

As mentioned above, we believe the current proposed payment schedule and fees will be prohibitive and could impact the ability of not-for-profit organizations to fund and fulfill its mission-related activities and objectives. Red Cross generally supports the intent of this recommendation.

b. Technical Support for Applicants in operating or qualifying to operate a gTLD

- *Infrastructure – providing IPv6 compatible hardware and networks as needed*

- *Education/consulting – to help with DNSSEC implementation*
- *Possible technical waivers or “step ups” – allowing applicants to build their capabilities rather than needing to demonstrate full capacity before applying (as appropriate)*
- *Lower cost and/or shared back end registry services*

Red Cross supports the intent of the recommendations above, especially since many Applicants will be new to registry operations. Generally, Red Cross supports discounted pricing for or assistance with new gTLD back end registry services.

- c. Support for Build-out in Underserved Languages and IDNs for new gTLDs*
- *Price discounts to incentivize build-out in scripts with a limited presence on the web*
 - *Bundled pricing to promote build out in multiple scripts – incentivizing an expansion of IDN content as new gTLDs are launched by encouraging applicants to build out in numerous scripts at once*
 - *Clear tests to prevent gaming and ensure that support reaches its targets*

Generally, Red Cross supports discounted pricing for new gTLDs.

VI. Conclusion

Thank you for considering our comments on the Joint SO/AC Working Group report. We hope ICANN will consider these comments and we welcome further discussions about the above and are available should you have any questions regarding our submission.

Sincerely,



Debra Y. Hughes, Esq.
Senior Counsel
American Red Cross