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AT-LARGE ADVISORY COMMITTEE

ALAC Statement on the Preliminary Support Implementation Program

Introduction

By the Staff of ICANN

Avri Doria, At-Large member from the North American regional At-Large Organization (NARALO) and Chair of the At-Large new gTLD working group, originally composed an initial draft of this Statement on behalf of the working group after consensus was reached.

On 18 December 2011, this Statement was posted on the [At-Large Initial Statement on Support Implementation Workspace](#).

On 20 December 2011, Olivier Crépin-Leblond, Chair of the ALAC, motioned that a vote be held by the ALAC to ratify the Statement during the monthly ALAC call. Tijani Ben Jemaa, ALAC Executive Committee member from the African Regional At-Large Organization (AFRALO), seconded the motion. The vote passed with eight votes in favor, zero against, and zero abstentions.

On that same day, the Chair of the ALAC requested that the Statement be transmitted to Steve Crocker, Chair of the ICANN Board, Kurt Pritz, Senior Vice President, Stakeholder Relations, and Chris Disspain as Chair of the ICANN Board Workgroup for Applicant Support.

[End of Introduction]

The original version of this document is the English text available at <http://www.atlarge.icann.org/correspondence>. Where a difference of interpretation exists or is perceived to exist between a non-English edition of this document and the original text, the original shall prevail.

ALAC Statement on the Preliminary Support Implementation Program

The ALAC appreciates the efforts that have gone into the preparation of the Preliminary Support Implementation Program and is initially encouraged by the decision of the Board to give some applicants a fee reduction. In its first review of the [ICANN Board Resolutions 2011.12.08.01 – 2011.12.08.03](#) and of the Preliminary Support Implementation Program released by ICANN Staff on 10 December 2011 to the Joint Applicant Support WG (JAS WG) and to the ALAC New gTLD Working Group (ANgWG), concerns have been expressed by members of At-Large. These concerns, each of which is discussed separately below, relate to the following issues:

- The application of the \$2M USD to the fee reduction as opposed to other financial needs of aspiring registries;
- The lack of specificity on the criteria by which the financial need of a support applicant is judged;
- The lack of action on the creation of a Foundation and/or Fund for the purpose of fund raising;
- The composition of the SARP; and
- The Outreach Program of new gTLDs and for the Support program.

Application of \$2M USD to fee reductions

The JAS WG was quite explicit in its recommendation that the \$2M USD that the Board had allocated to Applicant Support should not be applied to fee reductions. It is clear that this will not accommodate a large enough program, as the Preliminary Support Implementation Program itself discusses, only fourteen (14) applicants would be aided by this program. Of an estimated 500 possible applications this would mean only 2.8% of the applications would be able to receive aid. The conservative projection by the JAS WG was that at least 10% - 20% of applications should be able to come from developing economies. The current \$2M USD would leave developing economy support short by \$5M USD of the conservative 10% of application estimate. While it is true that Preliminary Support Implementation Program does discuss the other future fund raising to make up the difference, it was recognized by the JAS WG that raising money from external sources in order to pay ICANN application fees was a very improbable. The JAS WG proposal included the recommendation that some of the full application fees intended for the ICANN Reserve Fund be applied to cover the Support Applicant's application fees.

As was made clear in the JAS WG report, and in most analyses of the costs of creating new gTLDs, the application cost was only a portion of the required costs. ALAC, in its support of the JAS WG recommendations, advised that the \$2M USD be used as the seed fund for raising money for needs such as building out of registry capability or ways of meeting the five (5) critical Registry Continuous Operations Instrument (COI) requirements in developing economies. I.e. that this funding be used to support capacity building in developing economies. When JAS discussed raising funds it was for a fund for building capacity and not for paying ICANN application fees.

The ALAC advises that the Board reconsider its decision to not apply Reserve Funds obtained from Applicant fees to reducing the fee for approved support applicants. ALAC also advises that the Board reconsider the need to fund Registry capacity building in developing economies and apply its allocation of \$2M USD as a seed to this purpose.

The lack of specificity on the criteria

The Preliminary Implementation plan does not include sufficient discussion of the criteria by which a Support Applicant will be judged as meeting financial need requirements. While the JAS WG recommendation was also deficient in this matter, there was recommendation that further work be done

by the JAS WG together with the Staff Implementation team to develop objective criteria for the financial evaluation. The need to do this has been made greater by the punishment documented in the Preliminary Implementation Program for 'gaming', i.e. by designating forfeiture of the application fee and exclusion from the New gTLD program for those judged as not meeting the financial need criteria. While this may be a clever mechanism for dissuading ICANN's professional gamers, how can an applicant from outside the ICANN community trust that the process won't find them insufficiently needy when they are being measured against unknown criteria. \$47K USD is a great sum for an applicant from a developing economy to gamble on being judged insufficiently needy against an unspecified set of financial criteria.

ALAC advises that the Staff Implementation plan work with a group of JAS WG volunteers and others to develop a set of objective criteria that take the realities of the developing world and its variety into account.

The lack of action on the creation of a Foundation and/or Fund for the purpose of fund raising

One of the recommendations of the JAS WG was that a Board initiated community wide committee be created to investigate the means and methods of creating an ICANN charitable foundation that could both do fund raising and could make decisions about grants to worthy applicants, including to those attempting to create registries in developing economies. A resolution initiating this Board committee was not included among the 8 December 2011 resolutions. As the questions that need to be answered in the investigation of an ICANN charitable foundation are many and establishing such a fund would be time consuming, and as such a foundation or fund would be necessary in any fundraising effort to assist Support Applicants beyond the \$2M USD allocated by the ICANN Board, ALAC advises that this effort be initiated as soon as possible.

The composition of the SARP

The Preliminary Applicant Support Program was unspecific about the composition of the Support Application Review Panel (SARP). This is an area of concern as there was a long discussed consensus in the JAS WG that such a group would need to be composed of both community members and of external experts. There is currently concern that the SARP will be created along the lines of other New gTLD program Review Panels and involve an external panel. ALAC advises that the Board instruct the Staff Implementation team to work with a group of JAS WG volunteers to develop a plan for the SARP that includes both community volunteers and external experts.

The Outreach Program of new gTLDs and for the Support program

At-Large members have expressed concern on the reach of the current New gTLD Outreach Program, in that it has not seemed to include outreach beyond centrally located communities in the capitals of the world where the ICANN President can travel to give presentations. In many communities, there is still no knowledge of the New gTLD program. In extending the Outreach program to include the Applicant Support program, there will be a need to increase the reach of the program beyond the current scope. As the Preliminary Support Implementation program does not yet contain the specifics of the revamped Outreach program, ALAC advises that the board instruct the Staff Implementation team to work with a group of JAS WG volunteers to develop a revamped Outreach program. ALAC also requests a briefing from the Staff Implementation team on both the general Outreach program and on the extended program of Outreach for Support Applicant

In concluding this advice from the ALAC, we request that the Board discuss with the ALAC any of the advice which it finds it can't accept and requests a formal reply from the Board on the outcome of any such discussions.