**Topic: New gTLD Applicant Support**

# Current environment:

* The summary below is based on the snapshot posted for comments prior to the Brussels meeting. The JAS WG is still working on a Final Report incorporating Community feedback during the Brussels ICANN Meeting and from a dedicated Public Comment period in 6 languages that ended on August 23.
* The Final Report is expected to be published at the end of September. Although no major changes are expected from the summary below, the WG continues to refine the language. Furthermore, the WG recognizes considerable implementation work will be needed and a list of next steps will be identified in the Final Report.
* Join SO/AC Working Group (JAS WG) was formed in response to an ICANN Board Resolution in Nairobi, inviting the community *"to develop a sustainable approach to providing support to applicants requiring assistance in applying for and operating new gTLDs."*

# Recent developments:

* Consultations:
  + ICANN Brussels live event – June 23
  + Public Comment period – June 16 to August 23
* Drafting of Public Comment Summary and Analysis
* Drafting of Final Report

# Recommendation Summary:

* The WG decided that the initial focus should be on finding a relatively limited and identifiable set of potential applicants that would be not controversial to support.
* The JAS WG recommendations summarized below can be divided in three parts: (A) application fee aspects; (B) which applicants would be entitled to special support; (C) what nature the support could be.
  1. **Application fee aspects**
     + Waive the cost of Program Development (US$26,000) for selected entities qualifying for financial assistance;
     + 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);
     + Auction Proceeds. Qualified applicants receive a partial refund from any auction proceeds, for which they can repay any loans or invest into their registry, or the auction proceeds could be used to refill the disadvantaged applicant’s foundation fund for subsequent rounds;
     + Lower the Registry fixed fees due to ICANN. In lieu of the Registry-Level fixed fee of US$25,000 per calendar year, instead only charge the Registry-Level Transaction Fee per initial or renewal domain name registration to a fee comparable to a minimum used for other gTLDs. If a minimum is absolutely required, then lower this fee to 30% for qualified applicants;
     + Reconsider the Risk/Contingency cost per applicant (US$60,000). This fee should be eliminated for applicants that meet the criteria established by the WG. If elimination is not possible, then it should be drastically reduced.
     + The Fixed/Variable cost of US$100,000 is based on a total cost of a previous round of applications and might not be relevant to the new gtld applicants and this cost should be reduced for applicants that meet the criteria established by the WG.

The WG further suggests that an independent foundation be established, outside of ICANN structures, to assist applicants with funding.

* 1. **Which applicants would be entitled to special support**

The main criterion for eligibility should be need.

* + - Community-based applications such as cultural, linguistic and ethnic;
    - Non-governmental Organizations (NGOs), civil society and not-for-profit organizations;
    - Applicants geographically located in emerging markets/developing countries;
    - Applications in languages whose presence on the web is limited;
    - Entrepreneurs in those too tight markets for a reasonable profit making industry.
    - NOT recommended for support: Applicants that do not need the support/have ample financing; brands/groups that should be self-supporting companies (except those from countries where markets are not wide enough for a reasonable profit making industry); geographic names; purely Government/parastatal applicants (though applicants with some Government support might be eligible); applicants whose business model does not demonstrate sustainability.
  1. **What nature the support could be**
     + Logistical, outreach and fee support in the application process: *translation of relevant documents; logistical and technical help with the application process; awareness/outreach efforts; fee reduction/subsidization and/or some sort of phased-in payment for deserving applicants*;
     + 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*;
     + 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*.

**Rationale:**

* The GNSO Council proposed a Joint SO/AC Working Group. The JAS WG has 22 members from ICANN's SOs; ACs and individuals.
* The WG agreed on a series of “principles” to guide the community as the support process is finalized: (a) [THIS IS STILL UNDER DISCUSSION - Self-Financing responsibility – ICANN/community support should comprise not more than 50% of the total cost of an application. The WG saw this as a good way to encourage accountability and sustainability;] (b) Sunset period – support should have an agreed cut-off/sunset point, perhaps 5 years, after which no further support would be offered. This was recommended as another measure to promote sustainability and as a way to help limited resources reach more applicants. (c) Transparency – Support requests and levels should be made public to encourage transparency. (e) Limited Government support – The receipt of some support from government(s) should not disqualify a community applicant from receiving gTLD support. However, the process is not designed to subsidize government-led initiatives. (f) Repayment in success cases – In cases where supported gTLDs make money significantly above and beyond the level support received through this process, recipients would agree to re-pay/rebate application subsidies into a revolving fund to support future applications.
* During the Public Comment period, there were thirteen (13) submissions from eight (8) different parties.