



Vertical Integration and linguistic and cultural TLDs

puntCAT welcomes the opportunity to comment on the Initial Report on Vertical Integration between registrars and registries. puntCAT also acknowledges the impressive work that the members of the Working Group have done to accommodate so many different views, in order to reach a comprehensive solution to such a challenging issue.

ICANN's current legal framework, as has been stated many times before, was developed to tackle the legacy monopoly that existed when the domain name space was much more limited to the consumer than what it is today, and than what will, presumably, be when the new round of applications brings new top level domains to the root.

We understand that the rationale behind any rules that apply to the issue of vertical integration in the new round of TLD's have as its main aim to foster a competitive market that provides end users the market mechanisms that bring lower costs, more innovation, encourage diversity, and enhance user choice and satisfaction

puntCAT abides by these principles, and believes them to be the guideline to be followed by any rule that addresses the issue. Therefore, puntCAT believes that the Registry-Registrar separation model is, as a default model, the best approach to ensure these benefits to end users.

However, we also believe that the such a model might restrain innovation and consumers' choice in certain cases, such as small community-based linguistic and cultural top level domains (lcTLD), and that these specific cases should be addressed appropriately.

The one-size-fits-all approach might not adequately cover lcTLDs' specific characteristics and focus on their sponsoring communities. And forcing lcTLDs to operate under that default model could precisely create the market distortions and restrictions vertical separation was originally intended to eliminate. Different solutions should be available to different market situations, and ICANN should address such situations taking into account these differences, for vertical separation can sometimes hinder market competition, and puntCAT wants to stress that this could be the case with new lcTLDs

We think, based upon our own experience, that some degree of vertical integration for the new linguistic and cultural community based gTLD (lcTLD) initiatives would only be beneficial to the end user. The market conditions under which lcTLDs will most likely have to operate are far from a global and open market, due to the narrowness of their customer's base, the characteristics of their focus on language and culture, and their policies addressing the needs of their sponsoring communities.

These constraints, inherent to lcTLDs, might most likely not appeal to as many registrars as the more standard registration requirements of generic unsponsored TLDs, and the market conditions resulting from this situation might happen to be far from a perfectly competitive landscape that provides end users the benefits above described.



puntCAT experience has shown that there is a real and growing interest in TLDs for linguistic and cultural communities. We believe we have reasons enough to say that our experience has been successful, not only in number of registrations, but in content and engagement with local communities as well, and that it has brought value and diversity to the Internet. Strong enforcement of our policies and registration procedures tailored to suit the needs of the linguistic and cultural catalan community online have helped .cat reaching the goal it was created for: to serve the needs of the catalan linguistic and cultural community on the Internet.

Our experience has encouraged many others to follow this path, some of them already present and well known in the ICANN community. Moreover, they have already gathered massive support from their sponsoring local communities, earning support from a wide array of civil society representatives, individuals and entities alike, proving that there is a real need for such domains. We believe that ICANN should acknowledge this trend by creating a framework where these initiatives find the best environment to grow.

puntCAT believes that by giving lcTLDs the capacity to run an ICANN accredited registrar, with the appropriate thresholds and check and balance systems, would create the development of a more competitive market for these TLDs.

We therefore believe that it is of the utmost importance that linguistic and cultural domains would be allowed to have the capacity to own an ICANN accredited registrar, in order to be able to offer their registration services within a legal framework that does not impose on them restrictions that might undermine the development of the most optimum market conditions for end users.

Thank you for your consideration of these comments

Nacho Amadoz
Fundació puntCAT

amadoz@domini.cat