

From: Janis Karklins <janis.karklins@icann.org>  
Date: Tue, 10 Mar 2009 02:36:31 -0700  
To: Peter Dengate Thrush <peter.dengatethrush@icann.org>  
Cc: ICANN Board of Directors <icann-board@icann.org>  
Subject: [icann-board] GAC comments - issued in Mexico City meeting

Dear Peter,

Pls find the GAC comments on new gTLD Applicant Guidebook version 1 and IDN ccTLD Fast Track methodology version 1 which were adopted during the GAC Mexico City meeting and attached to the GAC Communique.

The GAC hopes that ICANN community, the Board and ICANN staff will find comments useful.

Best regards  
JK

**Governmental Advisory Committee  
Chairman**



Mr. Peter Dengate Thrush  
Chairman of the Board  
ICANN

Paris, 10 March 2009

RE: GAC COMMENTS ON THE NEW gTLD PROGRAM: DRAFT APPLICANT  
GUIDEBOOK (POSTED 23 OCTOBER 2008)

In its Communiqué during the 34<sup>th</sup> ICANN meeting in Mexico City, Mexico, the GAC issued the following comments:

As stated as early as 1999 in its GAC Operating Principles, and subsequently in its Principles on ccTLDs and Principles on new gTLDs, the GAC considers that the Internet naming and addressing system is a public resource that must be managed in the interests of the global Internet community.

The GAC's main concern is to ensure that the careful expansion of the domain name space does not cause any threat to the stability and security of the Internet. This is a strategic issue for the future of the DNS and its contribution to the global information society.

The introduction of new gTLDs must therefore be viewed as a means to enhance the social and economic value of the name space. It should be conducted with a view to provide benefits for the users, while respecting the legitimate rights and expectations of other stakeholders, and reducing the risks of confusion or market distortions. It should pay attention to a fair and equitable treatment of not only applicants but the affected communities.

In this context, the GAC wishes to provide the following comments in the perspective of further community-wide discussions:

**General vision of the Domain Name Space**

ICANN's bylaws contain as a core value "the introduction and promotion of competition in the registration of domain names where practicable and beneficial in the public interest".

In this context, the GAC considers that the study requested by the Board in its meeting of October 18, 2006, on "economic questions relating to the domain registration market" and particularly on "whether the domain registration market is one market or whether each TLD functions as a separate market" would have provided useful insights to develop a common vision within the whole Internet community and a needed reference framework for many of the pending issues regarding the introduction of new gTLDs.

In the absence of such a study, key decisions and stakeholder responses remain ill-informed about market and competition issues associated with the planned broad expansion of the domain space. For this reason, the GAC recommends that the requested study be completed as soon as possible to allow the ICANN community to make informed decisions about this important issue.

### **Limits of the single-fee structure**

The GAC has concerns about the proposed single fee structure and its deterrent effect on the prospective proposals for new domains emanating from innovative SME or developing countries, as well as those serving non-commercial purposes.

In particular, it is likely that some proposals addressing specific cultural, linguistic, local or regional communities may not be able to afford the entry costs and recurring costs envisaged in the current framework. Many countries and territories have significant linguistic and cultural minorities who stand to benefit from an Internet tailored to their particular needs with a DNS reflecting their particular cultural and social needs and aspirations. ICANN should give urgent consideration to the immense potential for social and cultural exploitation of gTLDs both in Latin and other scripts.

The GAC proposes therefore that consideration be given to the introduction of a new type of TLD which could be designated in the new gTLD round, the scTLD – social and cultural TLD which would be designed to address the needs and interests of a clearly defined social and/or cultural community and would essentially be non-commercially based. The GAC would be willing to discuss with other stakeholders the characteristics that such a new class of TLDs might have.

### **Fee level and management of surplus**

The GAC notes a lack of transparency about cost evaluation principles applied in determining the current fee level and how these compare with previous new gTLD Rounds. In this context, GAC recalls that the fee structure should also encourage a level playing field between new applicants and incumbent gTLD operators, especially for those new gTLDs that will be commercially run. High start-up costs mean higher initial prices for registrants and a greater risk of failure for the registry, which would be prejudicial both to competition and stability. The GAC fears the current fee level will not be conducive to innovation and will unduly favour well-financed applicants and purely commercial proposals.

Moreover, and in line with GAC comments on the PSC report regarding the general budget of ICANN, community consensus should be sought on appropriate uses for any revenue surplus.

### **Importance of contract compliance**

It is essential that ICANN show sufficient capacity to enforce contract compliance of both existing and new registries, and indicates how it intends to do so.

### **Reducing the cost to business (defensive registration)**

The GAC shares the concerns of business stakeholders about a range of overarching issues relating to overall costs to business. In particular efforts should be made to help limit the need for defensive registrations in the new gTLDs.

This also includes ensuring that registries provide appropriate mechanisms to prevent fraudulent registrations. The GAC believes it is important to gain a clear understanding of the views of the business community on those issues.

### **Auctions versus Competitive bidding**

Auctions have been used in the past by governments to allocate public resources (with revenues accruing to public finances) but as a private sector corporation, ICANN is an unusual position regarding its "gate-keeper" function for the Domain Name System. The GAC questions whether it would be appropriate for ICANN to select operators for new gTLDs based on auctions in which the bidders are required to compete by offering to pay ICANN the highest possible fee for the right to operate a new gTLD registry.

### **IDNs**

The introduction of domain names in non-Latin scripts is a fundamental development of the Domain Name Space, necessary to fulfill the vision of an Internet accessible to everybody in his/her own language.

In view of the explicitly manifested need in some countries which are not using Latin script, the GAC believes it remains crucially important to progress the IDN ccTLD fast track successfully to implementation in 2009.

### **Geographic names**

The GAC expects ICANN to apply GAC gTLD principles in respect to the handling of geographic names and in particular principles 2.2<sup>1</sup> (including place names) and 2.7<sup>1</sup> that are not comprehensively addressed in the implementation proposals.

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<sup>1</sup> ICANN should avoid country, territory or place names, and country, territory or regional language or people descriptions, unless in agreement with the relevant governments or public authorities.

<sup>1</sup> Principle 2.7 states: "Applicant registries for new gTLDs should pledge to: a) adopt, before the new gTLD is introduced, appropriate procedures for blocking, at no cost and upon demand of governments,

**Governmental Advisory Committee  
Chairman**



Strings being meaningful representations or abbreviations of a country and territory name in any script or language should not be allowed in the gTLD space until the related IDN ccTLD policy development processes have been completed

The proposed introduction of new gTLDs and in particular any process relating to the protection of geographic names should not result in an unreasonable administrative burden for government administrations.

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These views relate to the GAC's analysis of the Draft Applicant Guidebook posted by ICANN staff on 23 October 2008. The GAC will seek to provide ICANN with any additional comments it feels appropriate on the Draft Applicant Guidebook version 2 posted on 18 February 2009 before or during its meeting in Sydney.

Yours sincerely

A handwritten signature in black ink, appearing to be "Janis Kariklins", written over a horizontal line.

Janis Kariklins  
Chairman of the Governmental Advisory Committee,  
Ambassador of Latvia to France

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public authorities or IGOs, names with national or geographic significance at the second level of any new gTLD; b) to ensure procedures to allow governments, public authorities or IGOs to challenge abuses of names with national or geographic significance at the second level of any new gTLD."

Mr. Peter Dengate Thrush  
Chairman of the Board  
ICANN

Paris, 10 March 2009

RE: GAC COMMENTS ON THE DRAFT IMPLEMENTATION PLAN IDN ccTLD FAST TRACK PROCESS (POSTED 26 NOVEMBER 2008)

In its Communiqué during the 34<sup>th</sup> ICANN meeting in Mexico City, Mexico, the GAC issued the following comments:

GAC supports the introduction of IDN ccTLDs and believes that the procedure for delegation of an IDN ccTLD should be similar to that of the ASCII ccTLD and should equally follow GAC ccTLDs principles: "Principles and Guidelines for the Delegation and Administration of Country Code Top Level Domains".

### **Module 7: Discussion of Additional Topics**

#### **7.1. Relationship between ICANN and IDN ccTLD Operator**

- IDN ccTLDs should be similarly treated as ASCII ccTLDs.
- The GAC emphasizes that it is primarily for the local Internet community, including the relevant government or public authority, to determine the manner in which a string should be selected, the manner in which a registry operator should be selected and the registry policy that should apply for the selected IDN ccTLD.
- A documented relationship between ICANN and IDN ccTLD operators should be kept voluntary.
- A documented relationship on the basis of the proposed "Documentation of Responsibilities", either as it stands today or in a modified format, may be encouraged but should not be a condition for IDN ccTLD delegations.
- As it has always been the case, it's in the best interest of IDN ccTLD operators and the entire IDN community to adhere to all relevant IETF standards including IDNA protocol, IDN Guidelines and commit to complying with future protocol updates.

#### **7.2. Financial Contributions**

- IDN ccTLDs should be similarly treated as ASCII ccTLDs.
- Financial contributions should be calculated on a cost recovery basis. Full disclosure and breakdown of the costs involved in the IDN program would be desirable for better understanding of possible cost recovery models.
- Financial contributions should be kept voluntary and should not be a condition for IDN ccTLD delegations.
- Further information, from ICANN staff, on the different possible cost recovery mechanisms and concrete proposals would help advance positions on the subject.

### **7.3. Association of IDN ccTLD Operators with the ccNSO**

- The GAC supports the suggestion of participation of new IDN ccTLD operators to the ccNSO.
- Early association of new IDN ccTLD operators to the ccNSO would maintain a channel of ongoing exchange of information that would help fine tune the fast track process and guide the ccNSO Policy Development Process (PDP).

### **7.4. Discussion of Contention Issues with Existing TLDs and new gTLD Applications**

- ICANN should avoid country, territory or place names, and country, territory or regional language or people descriptions, unless in agreement with the relevant government or public authorities.
- Early coordination between both, the new gTLD process and the IDN ccTLD fast track process, should be encouraged.
- New gTLD applicants are encouraged to take early contact with relevant governments if their applications may be considered as representing country or territory names.
- Should contention still arise between a new gTLD and a new IDN ccTLD, meeting all criteria set for the fast track, priority should be given to the IDN ccTLD string.

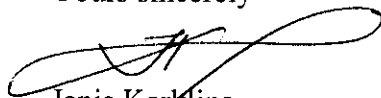
### **7.5. IDN Table Procedure**

- Collaboration, between language communities using same languages or same script, should be encouraged.
- Outcome recommendations of such language communities' working groups should feed into the IDN ccTLD fast track process and guide the work of the ccNSO PDP.
- Different requirements of different language communities should be considered, despite the fact that protocol rules cannot differentiate between such languages if they are represented by the same script, it is recommended that registries manage that differentiation.
- The GAC looks forward to a tutorial on this issue during the Sydney meeting and will provide more detailed comment on this issue at that meeting.

### **7.6. Proposed Evaluation of Fast Track the Process**

- The GAC supports the suggested evaluation every 12 months to help an ongoing fine tuning of the process.
- Such annual evaluation should not delay the finalization of the ccNSO PDP.

Yours sincerely



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