NEW sTLD APPLICATIONS

EVALUATION REPORT

Prepared for the
Internet Corporation for Assigned Names and Numbers
(ICANN)

Section I:
Report of the Technical Team

Ólafur Guðmundsson, Chair

Patrik Fältström, Co-Chair

Nii Quaynor

class=Section2>

TABLE OF CONTENTS

INTRODUCTION

1. The Technical Evaluation Team began its work on May 28, 2004. The Team met six times by teleconference between then and June 30, 2004. During and between these meetings, the proposals for new sTLDs were discussed and assessed against the selection criteria established by the Request for Proposal (RFP) issued by ICANN on December 15, 2003.

2. The Team exchanged a large number of email messages concerning proposed findings, analyses and questions that remained to be answered. The questions were tailored to each application and sent, along with questions from the other Evaluation Teams, to each applicant for response.

3. The Team's overall approach was to gather first information on all the proposals, then identify any issues or concerns with each one, and finally to judge whether they satisfied the RFP criteria for Technical Specifications. If the application was not clear, but the answers to our questions provided clarifying information, we relied on the latter information.

METHODOLOGY

The Team judged all proposals on the basis of the RFP criteria, including:

R1 Evidence of ability to ensure stable registry operation, including necessary validation services needed;

R2 Evidence of ability to ensure that the registry conforms with best practice technical standards for registry operations;

R3 Evidence of a full range of registry services, including exit strategy, escrow systems and diversity in DNS operation;

R4 Assurance of continuity of registry operation in the event of business failure of the proposed registry.

Discussion of which applications met these criteria included consideration of several factors, all of which relate to the RFP and best general practices. These factors include:

E1 Ability to register names and operate Registry, DNS and other services associated with a TLD. Applicants that used current operators of a (relatively) large TLD were judged on their processes and track records; other applicants were judged on the description of their plans to operate the registry and DNS system. All applicants were judged on various performance criteria, as well as their disaster recovery preparations.

E2 Ability to screen all registrants as to their suitability for registration in the TLD. This included a description of how the screening entity will communicate with the registry. The Team was in particular interested in how well this aspect of the proposals

would operate globally, so as not to discriminate against any potential registrar or registrant.

E3   The impact of the proposed TLD on the Internet, and whether its introduction was likely to have side effects on the operation of the Internet.

E4   In addition, the Team was pleased to see some innovation and experimentation, although this was not a basis for selection. A few proposals aimed at doing new or different things.

E5   The Team also asked for clarification from the applicants about their plans for compliance with new and future IETF standards. This information, however, was used only for informational purposes, and to check on the consistency of various sections of the proposals. No applicant was disqualified because of this information, or its lack of plans to deploy one or more of these technologies. All the applicants stated that they will use EPP for their registry (as well, in some cases, other registration protocols).

Other Considerations:

1. The Team also considered the public comments submitted to the ICANN websites established for that purpose.

2. The Team also took the following documents into consideration to evaluate some aspects of the proposals:

    -- RFC2826 *"IAB Technical Comment on the Unique DNS Root"*;

    -- RFC3675 *".sex Considered Dangerous"*;

    -- Internet-Draft *"DNS choices"* (http://www.ietf.org/internet-drafts/draft-ymbk-dns-choices-00.txt).

3. Namespace effects; some of the proposals would create new namespaces that have no relationship with either existing registrations in DNS, or other existing namespace. Others are tied to either registrations in other domains, or namespaces not related to the DNS. It was important for The Team to identify whether bindings exist, and if so, (a) what process is in use to reflect changes in the inherited namespace; and (b) how that process is implemented.

4. The Team took into account that the state of the art in operating registries and registering domain names has advanced significantly since the last time TLDs were created, resulting in a lower barrier of entry for new registries.

ANALYSIS

A number of the proposals use established Registry, DNS and Whois providers. In these cases, the Team examined evidence of compliance with ICANN standards and operating history. In all such cases, the operators passed. In addition, the Team asked these

operators to provide more details on their disaster recovery preparations and practices. In most cases the Team was fully satisfied with the answers, unless noted below.

When a proposal discussed services not provided by current TLD operators, we did further investigation and asked for clarifications. In some cases our questions were answered on a technical level, but in others the applicants provided policy-oriented responses that did not satisfy the Team.

One question we asked all applicants was whether the registry was going to be "delegation-only." This implies that registrants can only get delegations from the TLD (NS and possibly, in the future, DS records stored in the TLD). Some of the proposals had indicated this was not the case, and we wanted clarification of the exact plans. The Team was mainly concerned with the difficulties registrars could have in registering DNS records other than NS, A and AAAA.

On the subject of disaster recovery, the Team would like to make some general comments, even though most applicants satisfied the RFP criteria for preparedness. These comments should be considered in the nature of possible guidelines for ICANN registries.

      1. Geographical separation: In light of the large electrical outages in some power grids that occurred in 2003 (e.g., in the Northeastern United States, in Italy, in Scandinavia and elsewhere) more attention should be paid to wide location of data centers.

      2. Practice: Registries should practice fail over from one data center to another one once every two years. This is a disruptive test that may lead to outages for up to 6 hours, so it needs to be planned in advance and advertised widely to registrars.

The Team would also like to comment on inheritance between namespaces. If an applicant wants to make it easy for existing holders of an identifier to get a domain name in their domain, we call that inheritance. In other words, "If you have A, then you can get A.sTLD." This is regardless of whether A is a domain name outside of the sTLD or a registered item in a non-DNS namespace. The issues the Team has watched carefully include:

      What is the policy for the situation when registration of origin of A changes. How is this detected in the first place? How is this policy implemented technically? What is the risk for changes of A (for example, if owner changes) so the registration of A.sTLD is no longer possible according to the policy of the sTLD? Is there a risk for an attack on the namespace itself in this window? If so, how is this attack prevented?

      Is it clear owners of A and B can get A.sTLD and B.sTLD, or is there a risk of collision where A and B both lead to registration of C.sTLD? If such a risk exists, what is the dispute resolution policy? If the mapping is not 1:1, is the overall theory of the sTLD true?

      If someone holds the registration of A but in general is not interested in registering A.sTLD, is there a risk A will be forced to register A.sTLD for defensive reasons, to prevent someone else from registering it?

The Team examined these questions very carefully from a technical perspective, including with respect to implementation.

.asia

This is a proposal that is aimed at providing a general open namespace that covers a geographical region. This is different than most country TLDs that only cover one country. The aim is to provide geographically focused naming from a single root (.asia etc….). There is no need for any external validation eligibility as there are no admission criteria (just like .com). The proposal mentioned a residency requirement, but there is no mechanism to enforce it except by a third party registration challenge. As such, from a technical perspective we consider .asia to be an open TLD for all practical purposes.

A. Evidence of ability to ensure stable registry operation

For operations, the applicant proposes to use an established Registry and DNS operator – Afilias – with a good track record. The operations therefore meet or exceed all ICANN standards.

The Evaluation Team did not see any instability in naming introduced by this proposal other than the normal ones of introducing a new open TLD. The proposal advocates the extensive use of IDN in this TLD.

B. Evidence of ability to ensure that the registry conforms with best practice technical standards for registry operations

The Evaluation Team did not see any issues of concern with respect to these criteria.

C. Evidence of a full range of registry services

The Evaluation Team did not see any issues of concern with respect to these criteria.

D. Assurance of continuity of registry operation in the event of business failure of the proposed registry

The application does not fully satisfy this requirement, but it does to a reasonable level. Escrow is set up before the TLD goes live.

Recommendation:

In light of these factors, we believe that .asia meets the technical selection criteria set forth in the RFP. Accordingly, we recommend that it be approved on technical grounds.

.cat

This was a rather innovative proposal. It ties a domain name to a language and culture, which has not been done before. The proposal is clear that this is an experiment. As such, it lays out a clear exit plan if the experiment fails, including provisions for the return of the TLD to ICANN. The proposal sets preconditions before registrations can go live, and monitors registrants for compliance with TLD policies.

The proposal and subsequent answers from the applicant explained in great detail the technical process of interaction between the Registry and Sponsoring Organization, including the visible effects of each step in the process. There are no Internet stability issues related to the introduction of this domain.

A. Evidence of ability to ensure stable registry operation

.cat proposes to use an established registry and DNS operator – CORE. This operator does not have a track record of operating a large-scale DNS operation, but .cat does not expect its size to be large. The Evaluation Team is thus satisfied with the operational aspects of the proposal and expect the operations to meet or exceed all ICANN standards.

The Sponsoring Organization and the validation organization have to be set up. In any new process, some glitches are to be expected. But this proposal has explained in great detail its design, thereby minimizing any concerns of the Team.

The Evaluation Team did not see any instability in naming introduced by this proposal, other than the normal ones of introducing a new TLD. The proposal advocates the extensive use of IDN in this TLD.

B. Evidence of ability to ensure that the registry conforms with best practice technical standards for registry operations

The bandwidth to the sponsor is small but should be sufficient, unless there is a sustained spike in registrations.

Geographical distance between the sites is lower than the Team would like to see. As noted above, this is a subject ICANN should issue guidelines on.

C. Evidence of a full range of registry services

The Evaluation Team did not see any issues of concern with respect to these criteria.

D. Assurance of continuity of registry operation in the event of business failure of the proposed registry

This proposal has a clear exit strategy. If registrations are below a certain level the SO would close registrations and, when the last one expires, return the TLD to ICANN.

The Evaluation Team did not see any issues of concern with respect to these criteria.

Recommendation:

In light of these factors, we believe that .cat meets the technical selection criteria set forth in the RFP. Accordingly, we recommend that it be approved on technical grounds.

Note: We realize that this is an experiment to examine if a TLD can be used to connect distributed members of a culture that spans multiple countries. If this experiment is a success there may be others to follow, and ICANN might want to start to think now about appropriate rules for naming conventions (covering, for example, the string).

.jobs

This proposal for a sponsored TLD intertwines content with the right most label of the domain name (i.e. making it clear the domain name is related to things which have to do with "jobs" for an already existing domain name <existing-domain>.jobs). The team has some concern that the proposed change in how the job market operates may be confusing or disruptive for job seekers. The activity of searching for a job is frequently aimed at the websites of the target companies. In this case, creating a new namespace may actually make it harder for those in search of a job to find one. While this is not primarily a technical concern, it would constitute a use of the DNS that could complicate, rather than simplify, use of the Internet.

A. Evidence of ability to ensure stable registry operation

For operations, the applicant proposes to use an established Registry and DNS operator – VeriSign – with a good track record. The operations therefore meet or exceed all ICANN standards.

Jobs has a validation system in place that works for the United States and Canada, but the rest of the world is not covered. The documentation of the validation process was not technically detailed enough to convince the Team that there is a high probability of success.

The proposal mentioned compliance with policies and value added services, without going into great detail. Most of these points did not raise any concerns with the Team.

B. Evidence of ability to ensure that the registry conforms with best practice technical standards for registry operations

The Evaluation Team did not see any issues of concern with respect to these criteria.

C. Evidence of a full range of registry services

The proposal describes the admission criteria laid out for assessing the eligibility of registrations. The proposal and the supplementary answers describe at length how

compliance and registrations in the United States and Canada would be handled, but there was no mention of how the TLD would check applicants from the rest of the world. The lack of global validation will make the TLD either US-centric or open to predatory registrations from outside the US. At present, the technical description of how the registry and external validator for registrations will communicate does not satisfy the Team.

The Team would also like to offer an observation about the proposed purpose of the TLD, while acknowledging that assessment of "Community Value" is within the purview of the Sponsorship/Other Team. The aim of this TLD is to make searching for jobs easier, but it seems much simpler to educate job seekers to use jobs.<company>.<tld> (jobs.<existing-domain-name>) than to figure out what the name of the company in .jobs is. For example, how to find jobs at example.ca? Would one search for: example-ca.jobs, or example.jobs, or random-name.jobs? The Team is therefore concerned that there will be little use of this TLD, and that it will consist mostly of registrations for purely defensive reasons.

D. Assurance of continuity of registry operation in the event of business failure of the proposed registry

The application does not fully satisfy this requirement, but it does to a reasonable level. Escrow is set up before the TLD goes live.

Recommendation:

From a technical perspective, we are not yet persuaded that the TLD .jobs will make the DNS a more useful navigational tool. We are also concerned about the validation criteria for registrants from outside North America, and whether the applicant understands the complexities of creating a reserved list for job categories that span many languages. We note that some of these concerns might be addressed in a way that would satisfy them.

In light of these factors, we do not believe that .jobs currently meets the technical selection criteria set forth in the RFP. Accordingly, we do not recommend that it be approved on technical grounds at this time.

.mail

The proposal is innovative by trying to create a more trusted TLD that would reserve a namespace for non-spamming email application. Registered domains are tied to registrations in other TLDs, which have – at minimum - been in existence for at least 6 months. The domain names are re-validated annually.

The amount of work the Sponsoring Organization would put into monitoring compliance and providing facilities to a large extent justifies the high price of registrations. The Team considers that the high cost might act as deterrent for abusive registrations, but at the

same time this price places most domains out of the reach of many in the less developed world, as well as any small and medium enterprise (SME).

The Sponsor proposes setting up a service (XO) that operates all registrations in the TLD and has authority over all DNS records for delegations. The XO operates all the DNS servers for registrants, populated with data supplied by the registrant. The XO also operates the website for each registration, where Whois and mail policies are stored. The XO maintains a mail complaint center for each delegation to monitor compliance with the policies of the TLD.

The DNS records stored in zones delegated from .mail are more extensive than registrars handle today, which may cause some problems and issues. The XO has control of registrant DNS records, and can change content when a registrant is in violation, which requires expensive infrastructure. The formulation comes close to overloading domain names with services, but the implementation is accomplished largely outside the DNS.

The Sponsor will be required to possibly operate a high number of DNS zones. The difficult issue is the registration of the zone contents as registrars that act as a conduit for this information have no experience in dealing with (many of) these records. This may require significant upgrades to their systems to be able to participate. The team observes that some of these records can be passed to the XO via DNS Records stored in registrants' original zone, making this less of an issue.

The proposal bases much of the validation on information stored in the Whois for the original domain. Whois information for many ccTLDs is either not available or insufficient for this purpose. The team observes that some of the validation can be accomplished by issuing challenges to the registrant that must be published in the original domain.

The Team recognizes that the value of the .mail domain is going to be diminished if spammers can successfully register in the domain either via dormant domain names or by hijacking domains. The team observes the XO can mitigate this by quickly removing the domain from .mail DNS.

A natural question is why use a TLD for this service? The team observes that this type of service can be rooted at any given place in the DNS tree. The proposal justifies the selection of TLD by observing that it is the root domain that is the most stable domain, and the least likely to be interfered with by entities that may try to disrupt what .mail is trying to do.

A. Evidence of ability to ensure stable registry operation

For operations, the applicant proposes to use an established Registry and DNS operator – VeriSign – with a good track record. The operations therefore meet or exceed all ICANN standards.

Mail proposes a very complex external organization, and details of how it is going to work were not enough to convince the Team there is high probability of success. The Team would like to comment that this proposal is a "war effort" and thus requires constant tuning to react to adversaries' changes in tactics. The success of this registry will

depend to a great degree how the external organization performs and adapts to such changes.

Further, the Team believes that if .mail is to be able to do the verification it wants, it cannot rely on existing Whois information, as many domains in the world (especially ccTLD's) do not include all the information that is needed for the level of verification required by .mail.

B. Evidence of ability to ensure that the registry conforms with best practice technical standards for registry operations

The Evaluation Team did not see any issues of concern with respect to these criteria.

C. Evidence of a full range of registry services

The Team has some concerns about the cost of registrations in .mail. If it is successful and after it has have built out infrastructure, the cost should decline over time.

D. Assurance of continuity of registry operation in the event of business failure of the proposed registry

The application does not fully satisfy this requirement, but it does to a reasonable level. Escrow is set up before the TLD goes live.

<u>Recommendation:</u>

Given the complexity and unsettled nature of the behavior in the area this proposal is attempting to address, it is hard to evaluate it. We believe that the proposal meets the technical criteria set forth in the RFP for Registry, DNS and Whois. The areas of concern are in validation of registrations in all TLDs. None of the issues are unsolvable, but .mail might be forced to defer registrations for 6 months just to ensure there is a track record for each registrant. The quality of the infrastructure for the XO needs to meet the highest standards for .mail to have a chance to succeed. Approving this TLD offers high risk and possible high benefit.

Accordingly, the Team does not take a position on .mail, but recommends a review by the ICANN Security & Stability Advisory Committee.

<u>.mobi</u>

The Team is concerned about the disruptive behavior of servers and clients that just assume the use of .mobi TLD for small device content, rather than use content delivery protocol negotiation mechanisms. With existing protocol negotiation for content, a client can tell the server all about its limitations (as in HTTP), the client can select between available data (as in email/IMAP and extensions worked on in the Lemonade wg in the

IETF) or simply use the *mobi* prefix to reach mobile devices with optimized content (as in *mobi*.<existing-domain-name>).

Further, the Team is concerned about registrations in this TLD being open to abuse, as there is no explicit verification mechanism whether, for example, websites actually follow some specific requirement for either small devices or devices connected over slow bandwidth. This abuse could take the form of large content of small pages, or of excessive refresh, all aimed at driving up transfer charges of the mobile device[1] user.

As there are no rules for namespace in this TLD, the Team worries about namespace fragmentation if mobile devices use search strings that try <domain-name>.mobi before <domain-name>. Such a practice would force content providers to register in .mobi to defend their interests in other TLDs.

In a similar vein, there are some concerns that users of mobile devices may get locked-into services that become available only in .mobi by connection providers. If this happens, the user experience may differ greatly when the user roams between networks or if the user tries to use the same URL on his mobile device and on his computer at home.

There are proposals for providing location specific services via some second level extensions. But given the lack of description of the technical means for doing this, the Team cannot evaluate this part of the proposal.

A. Evidence of ability to ensure stable registry operation

For operations, the applicant proposes to use an established Registry and DNS operator – Afilias – with a good track record. The operations therefore meet or exceed all ICANN standards.

There is no validation of applications before registration happens which, in the case of .mobi, seems to be something that should be needed given the idea of the domain.

B. Evidence of ability to ensure that the registry conforms with best practice technical standards for registry operations

The Evaluation Team did not see any issues of concern with respect to these criteria.

C. Evidence of a full range of registry services

The Evaluation Team did not see any issues of concern with respect to these criteria.

---

[1] With *mobile device* the Team means a cellphone or other device that normally is easy to carry, has a small screen, limited battery capacity and uses radio for connectivity to the Internet. This is not 100% accurate because, according to other Internet specifications, *mobile* implies a device that is not always connected at the same location network, topology wise.

D. Assurance of continuity of registry operation in the event of business failure of the proposed registry

The application does not fully satisfy this requirement, but it does to a reasonable level. Escrow is set up before the TLD goes live.

Recommendation:

From a technical perspective, we are concerned with its introduction for several reasons: (1) It is not advisable from an engineering viewpoint to force into the naming system content negotiation that is better handled by higher level protocols or by using a new prefix instead of "www" for small screen devices; and (2) We see problems creeping in due to existing registrants being forced to take out defensive registrations to avoid namespace conflicts.

In light of these factors, we do not believe that .mobi meets the technical selection criteria set forth in the RFP. Accordingly, we do not recommend that it be approved on technical grounds.

.post

The proposal is an attempt to modernize and increase the relevancy of traditional Post Offices in delivery on the Internet. The setup of the domain reflects the structure of the Universal Postal Union (UPU). Registration fees vary by country (e.g., higher for Germany than Guyana), consistent with UPU dues.

This proposal addresses any conflicts with namespace issues by setting explicit rules on what registrations are allowed, which entities are allowed and where they can be registered. There are minimal trademark issues with this domain, freeing it from defensive registrations. The applicant proposes to use the 3 letter country codes from ISO 3166 for registrations for each country, rather than the 2 letter ones used normally in the root zone of the DNS. The Team has no problem with this approach, and it may actually be a good way to avoid conflicts with ccTLDs when search strings are used. This is especially the case as not all ccTLDs use the codes from ISO 3166 (uk/gb is one example). Registrations in this TLD are validated by the applicant via member countries, and they have infrastructure in place to do this. The information provided about how the registry communicates with the validating systems was not detailed enough to judge the likelihood of success, but it was detailed enough to demonstrate sufficiency. The lack of timers is not an issue because registrations are only for a well-defined namespace, and most delays will involve third-level registrations (for countries).

Registry operator currently operates two ccTLDs and has a good track record. The size of .post should not be an issue for the operator to handle. Due to the international flavor of the .post TLD, they will use more DNS servers around the world. It should be noted

that the operator has more new technology deployed (IPv6, EPP, IDN) than any other applicant.

A. Evidence of ability to ensure stable registry operation

For operations, the applicant proposes to use an established Registry and DNS operator – Switch – with a good track record. The operations therefore meet or exceed all ICANN standards.

Since the UPU would use its own members to validate registrants, this process will depend on each country. Due to the fact the country codes are in many cases embedded inside the .post name. there is limited chance of collision between registrants.

Geographical distance between sites is lower than the Team would like to see.

B. Evidence of ability to ensure that the registry conforms with best practice technical standards for registry operations

The Evaluation Team did not see any issues of concern with respect to these criteria.

C. Evidence of a full range of registry services

The Evaluation Team did not see any issues of concern with respect to these criteria.

D. Assurance of continuity of registry operation in the event of business failure of the proposed registry

The application does not fully satisfy this requirement, but it does to a reasonable level. Escrow is set up before the TLD goes live.

Recommendation:

The clear structured namespace makes it different from other TLDs and there is clear criteria for what entities can register, and that all registrations must satisfy eligibility. The validating organization is established to our satisfaction.

In light of these factors, we believe that .post meets the technical selection criteria set forth in the RFP. Accordingly, we recommend that it be approved on technical grounds.

.tel (Pulver)

The applicant proposes to create a public ENUM-like service that is only open for registration by "VoIP providers". The purpose of the proposal may be to circumvent regulatory problems in certain countries in order to deploy (User-) ENUM services faster. The Team did not see any other usage of lookups from this domain that would be any different than usage of lookups in existing ENUM (in e164.arpa).

The registry is also the registrar, and intends to be so for a while.

The proposal appears to be "first-world centric," with limited outreach and no DNS servers outside the United States.

The TLD has no issue with the structure of the namespace itself as it is structured and well defined (no names are used, only phone numbers). Further, there is no need for preregistration, as VoIP providers use telephone numbers assigned to them.

That said, in many countries phone numbers belong to users and not to providers. This domain may therefore have problems with corrections of registrations unless phone numbers are frequently checked against authoritative source. The Team worries about carriers not surrendering the numbers when a customer transfers service as well as the impact on local legislation in countries regarding use of E.164 numbers. Issues like the impact of legislation on number portability are not discussed in the application and could therefore not be evaluated by the Team. The Team believes the application to some degree may underestimate the need for adoption to local policies and legislation in countries when using E.164 numbers in any kind of application.

To summarize, ENUM in e164.arpa is what is called "User-ENUM" where the end user controls the data in the DNS. In spring 2004, the IETF and ITU-T started to discuss a similar mechanism (technically) called "Operator ENUM," where the result of lookups are used in a different way than "User ENUM". The .tel application indicates its domain is a third usage, called "VoIP-Provider ENUM." The Technical Team, however, has several concerns:

(a) the usage of results from lookups is different from User ENUM;

(b) if it is similar to either User- or Operator-ENUM, then harmonization with those solutions are needed;

(c) harmonization can only be made to work in either ITU-T SG2 or IETF by synchronizing with each other or by finding something explicitly not covered by the two groups;

(d) because E.164 numbers are in use, deeper technical and legal analysis of the impact on legislation in various countries is needed before deployment; and

(e) one of the basic principles of ENUM is a single authoritative tree for the world. This TLD therefore (based on analysis above) appears to be in direct competition with e164.arpa. Clients may have to look someone up in both to be sure that a phone number does not already have an ENUM entry, which in turn implies there is a risk that two different applicants have ownership of the two records (in .tel and in e164.arpa) for the same E.164 number.

We are also concerned because the proposed string is a general term used internationally, and yet this proposal is focused entirely on North America.

A. Evidence of ability to ensure stable registry operation

The infrastructure is based on current development by the applicant, with extensions to allow more "VoIP providers" to register names/numbers. The DNS software has been

used on the Internet but not in a TLD. Thus some problems are to be expected during the early phases of this TLD.

The description of systems, and how systems behave both in normal operation and during failures, was excellent.

There is no experience with Whois or EPP services.

There is nothing in the proposal that explicitly talks about verification of telephone number assignments outside the North American Numbering plan. Until that is addressed, this is not a global TLD.

There is nothing in the proposal that talks about the implication of local policy and legislation surrounding E.164 numbers, which might impact the ability to register numbers in .tel. See discussion above.

B. Evidence of ability to ensure that the registry conforms with best practice technical standards for registry operations

Escrow arrangements have to be set up and evaluated.

The Team points out that this is a new operator of an EPP registry that has not demonstrated an ability to operate it, even though the description in the application suggests that it has the chance of being a success.

Nonetheless, there is a high risk of technical problems when the registry starts up, even though the registry is also (the only) registrar.

C. Evidence of a full range of registry services

The Evaluation Team did not see any issues of concern with respect to these criteria.

D. Assurance of continuity of registry operation in the event of business failure of the proposed registry

The application does not fully satisfy this requirement, but they do to a reasonable level. Escrow mechanism is not described in the application.

<u>Recommendation[2]:</u>

We are concerned that this domain will cause major problems for global ENUM deployment. We are also concerned that this proposal is focused entirely on North America.

In light of these factors, we believe that .tel (Pulver) does not meet the technical selection criteria set forth in the RFP. Accordingly, we do not recommend that it be approved on technical grounds.

---

[2] Patrik Fältström participated in discussion of this application, but recused himself from the decision whether it satisfies the RFP criteria because of his deep involvement with ENUM issues. The decision not to recommend this proposal was made solely by the other two Evaluators.

.tel (Telnic)

This proposal is for a non-delegation registry where pointers to registrants are stored (NAPTR, SRV etc). As registrars are not used to dealing with registrations of this kind, startup problems could occur because of the high load during start up, including support for and information to end-users – a load normally registrars share between themselves.

There is no registry or DNS operator identified, and thus no way to judge their suitability or capabilities.

Some answers to the follow up questions from the Team (such as the question on whether the domain is delegation-only) have one answer, but then the description of how the domain operates describes functionality which is not coherent with the answer. This has left the Team feeling uneasy about the Applicant's technical understanding of DNS and Registry principles and operations. The Team therefore sees the potential for an increase in operational instability when the registry starts up, as compared with an experienced registry.

There are significant issues related to the use of the namespace. It is not clear if there will be a connection between what names are used in this domain, versus other TLDs. I.e. should the holder of example.com get example.tel, or example-com.tel? There are a number of extra rules for registrations that disconnect this namespace somewhat from others so no inheritance issues evolve. But the Team is not convinced existing registrations in other TLD's will **not** be used as evidence in, for example, dispute resolution processes in .tel more than existing registrations in one gTLD are used when disputing a registration in another gTLD.

We also have certain concerns that registrants may not initially see benefits as software deployed on the Internet is not looking for the DNS types that are registered in this domain. For example, even though technically it might be a good idea to use SRV and NAPTR records to find the correct host for a web server for a specific domain, web browsers deployed do not use the algorithms needed.

A. Evidence of ability to ensure stable registry operation

The applicant did not propose an operator, and therefore the Team could not do an evaluation of stability of the registry operation.

.tel allows any registration but will only register non delegation records for each name. This may cause problems for registrars as they need to make major changes to their systems for this TLD. Like any new registry, if .tel is not successful in attracting registrars, it will have a hard time being successful.

B. Evidence of ability to ensure that the registry conforms with best practice technical standards for registry operations

A risk factor is the lack of information about the registry operator and its capability to operate a large non-delegation domain.

C. Evidence of a full range of registry services

As no registry operator is described, no full evaluation could be made.

D. Assurance of continuity of registry operation in the event of business failure of the proposed registry

As no registry operator is described, no full evaluation could be made. An Escrow mechanism is not described in the application.

Recommendation:

The contents proposed to be stored in the DNS are sufficiently different from what is stored in current TLDs that a detailed technical analysis of the registry-registrar relationship is needed before approval can happen. Otherwise, there is a high risk of problems for registrars. For example, do registrars in general have support for this kind of data in their existing systems, or do the registrars have to develop such support before registration starts?

In light of these factors and insufficient details about registry operation of .tel, we believe .tel (Telnic) does not meet the technical selection criteria set forth in the RFP. Accordingly, we do not recommend that it be approved on technical grounds.

.travel

The .travel proposal is for a restricted TLD with strict admission criteria, but the potential number of registrants is high, possibly resulting in a large TLD.

The use of this TLD is envisioned to be global, and the applicant has a global system in place to verify registrants. The registry would communicate with the validators via a special purpose XML API.

Some problems early on in communication between the many validating sites and the registry are to be expected, but ample testing before launch should minimize any problems. One area of concern is the lack of timers in the validation process, as this may lead to some abusive registrations that lock up names. If the registrant has no right to such a name, difficulties in validation may still enable it to hold lock down for a long time and even attempt to sell the name during the period the domain is on hold.

The proposal is for a standard delegation-only TLD, and we see no problems on the Internet caused by the introduction of this TLD.

In the public comments, there was reference to a rogue root operating a TLD with the same name. It is possible that this TLD may experience visibility problems among users of the rogue root (see RFC2826).

A. Evidence of ability to ensure stable registry operation

For operations, the applicant proposes to use an established Registry and DNS operator – NeuLevel – with a good track record. The operations therefore meet or exceed all ICANN standards.

The application uses two validation entities, one for North America and the other one for the rest of world. Both are established players and should be able to perform the validation. There are some concerns about the lack of timers in the validation process, which may cause operational problems for the TLD but can be addressed.

B. Evidence of ability to ensure that the registry conforms with best practice technical standards for registry operations

The bandwidth to sites needs to be significantly increased. Registry and DNS servers should have pipes of at least 100Mb/s. Smaller pipes will make this TLD an easy target for dDoS attack.

C. Evidence of a full range of registry services

The Evaluation Team did not see any issues of concern with respect to these criteria.

D. Assurance of continuity of registry operation in the event of business failure of the proposed registry

The application does not fully satisfy this requirement, but it does to a reasonable level. Escrow is set up before the TLD goes live.

Recommendation:

In light of these factors, we believe that .travel does meet the technical selection criteria set forth in the RFP. Accordingly, we do recommend that it be approved on technical grounds with the following conditions:

- ICANN and .travel specify some time limits within which (for example) a registration must be validated, or it is rejected.

- .travel should be required to document - after 6 months – any problems it experiences with validation of requests, in order to assist future TLDs with similar outreach using diverse verification agencies, including the experience of registrants "fishing" for a validation agency to approve their application (if more than one validation agency is possible, for example, due to overlapping responsibilities between the agencies).

.xxx

The aim of this TLD is to sponsor the migration of responsible adult entertainment sites out of various TLDs to xxx, where the sites would be monitored for compliance with certain standards.

The Team is comfortable with the process of compliance enforcement from a technical perspective.

The proposal does not have any major impact on stability of the Internet.

In the public comments, there was reference to a rogue root operating a TLD with the same name. It is possible that this TLD may experience visibility problems among users of the rogue root (see RFC2826).

The TLD proposes privacy mechanisms for registrants in Whois. The Team sees no reason why such privacy enhancement would lead to instability problems, but it may have some impact on the timeliness of responses from registrants.

For operations, the applicant proposes to use a Registry and DNS operator with a good track record.

A. Evidence of ability to ensure stable registry operation

For operations, the applicant proposes to use an established Registry and DNS operator – Afilias – with a good track record. The operations therefore meet or exceed all ICANN standards.

.xxx has proposed extensive monitoring and, if necessary, arbitration work to be done by their validator. There are no admissions criteria, only a mandate that sites be operated within certain guidelines. The descriptions provided to the Team, including the high level of detail the applicant has used to describe any possible scenario, lead us to believe that this organization has a high probability of technical success.

B. Evidence of ability to ensure that the registry conforms with best practice technical standards for registry operations

The Evaluation Team did not see any issues of concern with respect to these criteria.

C. Evidence of a full range of registry services

The Evaluation Team did not see any issues of concern with respect to these criteria.

D. Assurance of continuity of registry operation in the event of business failure of the proposed registry

The application does not fully satisfy this requirement, but it does to a reasonable level. Escrow is set up before the TLD goes live.

Recommendation:

In light of these factors, we believe that .xxx does meet the technical selection criteria set forth in the RFP. Accordingly, we do recommend that it be approved on technical grounds.

CONCLUSION

The Technical Team has carefully evaluated the proposals against the RFP, based on the applications, the responses to the clarifying questions, and its expertise. We recommend .asia, .cat, .post, .travel (with conditions) and .xxx. We do not take a position on .mail, but recommend a review by the ICANN Security & Stability Advisory Committee. We do not, from a technical perspective, recommend .jobs, .mobi, .tel (Pulver) or .tel (Telnic). We note, however, that some of our concerns with .jobs might be addressed and resolved.

Our view is that, in accordance with the RFP, the applications have had to satisfy high technical standards. Our review has suggested a few areas where ICANN may wish to consider formulating guidelines to assist future applicants. These areas include disaster recovery, namespace architecture, cooperation with external organizations (such as owners of identifiers like 3166 (ISO) and e.164 (ITU)) and procedures for communication among registry, registrars and validation agencies.

APPENDIX

Biographies

Patrik Fältström, MSc, has been working with DNS and naming mechanisms on the Internet since he helped introduce the DNS in Sweden in 1987. He is currently Consulting Engineer at Cisco Systems, a member of the Internet Architecture Board, and co-chair of the ENUM working group in the IETF. He is a member of the IT Policy and Strategy group, an advisory group to the Swedish Government. He is also a member of a number of technical advisory boards and a board member of HotSIP AB in Sweden. Prior positions include engineering positions at the Royal Swedish Navy, The Royal Institute of Technology, Tele2 and Bunyip Information Systems. He was previously a member of the Internet Engineering Steering Group and the Policy Oversight Team. Patrik is the author of 10 RFCs.

Ólafur Guðmundsson has years of experience working on the Internet, DNS and Internet naming. He is currently Chief Scientist at Binnacle Systems, and co-chair of the IETF's DNSEXT working group. He has held prior positions at NeuStar, ISI, Network Associates Labs, Trusted Information Systems, the University of Maryland and the University of Iceland. Ólafur is the author of 6 RFCs.

Nii Quaynor is a leading African scientist and has long experience in the system characterization of distributed systems and the Internet. He is the Chairman of Network Computer Systems, Ghana, Director of Enterprise Africa and co-convenor of the African Network Operators Group (AfNOG). Prior positions include Chairman of AfriNIC, member of the ICANN Board, and Senior Engineering Manager at Digital Equipment Corporation.

NEW sTLD APPLICATIONS

EVALUATION REPORT

**Prepared for the
Internet Corporation for Assigned Names and Numbers (ICANN)**

Section II:

Report of the Business/Financial Team

Maureen Cubberley, Chair
Fernando Silveira Galban
Jeffrey Lissack

TABLE OF CONTENTS

1. ROLE

At the request of the Internet Corporation for Assigned Names and Numbers (ICANN), Maureen Cubberley, Fernando Silveira Galban and Jeffrey Lissack have served as the Business/Financial Evaluation Team, the purpose of which has been to review applications for new sponsored Top Level Domains (sTLDs). Ten applications were received in response to ICANN's Request for Proposal (RFP) and the Team has carefully assessed all of them.

Each application has been reviewed and evaluated on the basis of the Selection Criteria established in the RFP and has been judged on its own merits. The work has been conducted in a fair and objective manner.

2. METHODOLOGY

Each application includes six sections that respond to the posted Selection Criteria. They are; Explanatory Notes and Selection Criteria (Part A); Application Form (Part B); Business Plan (Part C); Financial Model (Part D); Technical Specification (Part E) and Application Checklist (Part F).

In the process of judging each application, the Evaluation Team considered the following questions raised by the RFP;
1. Does the Business Plan clearly demonstrate the applicant's methodology for introducing a new sTLD?
2. Does the Business Plan demonstrate the ability of the organization to implement a robust and appropriately resourced organization (i.e., capable of executing the plan)?
3. Does the Business Plan include, at a minimum, the following elements in sufficient detail:
   i)   Staffing, including key personnel and operational capacity
   ii) Marketing plan
   iii) Registrar arrangements
   iv) Fee structure
   v)   Technical resources
   vi) Uniqueness of application
   vii) Engagement with and commitment to the SO (SO)
4.   Does the Financial Model adequately outline the financial, technical and operational capabilities of the organization?

The Team used a two-part, parallel methodology to conduct its review, consisting of independent reviews of each application by each Team member and collaborative assessment. Each Team member reviewed the applications independently and posted comments to the evaluation website. The team then met via teleconference to discuss the applications and each evaluator's independent review.

The Business/Financial Evaluation Team has conducted its work collaboratively by means of a series of meetings between May 28th and July 6th, 2004, which Miriam Sapiro, President of Summit Strategies International, has coordinated. All meetings were conducted by teleconference. During these meetings, the Team reviewed all sections of the applications, as there is information throughout them that is relevant to this Team's work. The Team also reviewed the websites for "Public Comment for Proposed Sponsored Top-Level Domains" and has taken

these comments into consideration as part of the evaluation process.

Subsequent to the Team's initial and secondary reviews of all of the applications, sets of specific questions were sent to each applicant. The purpose of these questions was to obtain additional information and/or clarification regarding certain aspects of the applicants' methodologies, business plans or other relevant sections of the applications. The responses to these questions were carefully considered by the Team prior to making our final recommendations.

3. ANALYSIS and EVALUATION

The ten (10) applications received by ICANN in response to the RFP are discussed in this section. They are;
3.1 .asia
3.2 .cat
3.3 .jobs
3.4 .mail
3.5 .mobi
3.6 .post
3.7 .tel (pulver)
3.8 .tel (telnic
3.9 .travel
3.10 .xxx

3.1   .asia

A. BUSINESS PLAN

Methodology
An impressive regional community effort, an experienced RO (Afilias), and state of the art facilities for a dot-asia operation in Hong Kong support the methodology proposed in the dot-asia application.

There is a clear logic to the methodology, and a good link is demonstrated between ensuring the fiscal stability of dot-asia and securing buy-in from the membership by means of re-investment in socio-technological projects/initiatives. This is an important consideration and a good strategy in this region where there is a discernible gap between the 'have' and 'have-not' countries/registries.

Medium–demand projections of 335,600 registrations for year 1 from the most populated region in the world seem realistic and achievable. Export driven economies such as China, Korea, Japan, Singapore, Taiwan and India should be logical registrant markets for dot-asia. Emerging economies may also see a regional domain identity as strategically important, and thus the potential for

increased market share is likely.

The concept is clear, as is the way the applicant intends to organize the Supporting Organization (SO), and to manage the registry.

Ability to Implement

There is clear demonstration of the applicant's ability to implement a robust and appropriately resourced organization. There is a focus and evidence of community support from certain areas. The Board and initial Management Team have strong relevant experience. There is also evidence of strong technical resources in the RO. The project is well scaled, in that the financial resources the applicant has identified are reasonably well matched to the size and complexity of the initiative, so it appears to be appropriately sourced.

The Evaluation Team recognizes the value of ccTLD participation as fundamental to this sTLD's success. There are some very strong players in the Asia-Pacific ccTLD community with significant experience and good business savvy. Not all are or will be supporters; however, the applicant has identified some important supporters/participants. This level of buy-in contributes to the credibility of the organization, and indicates a good chance of successful implementation.

The Evaluation Team asked the applicant for supplementary information regarding the sufficiency of capital resources in the event that revenues are lower than projected. The applicant's response was satisfactory in that it demonstrated reasonable plans for achieving revenue projections and reasonable contingency plans.

SPECIFIC ELEMENTS

i) Demonstration in the Business Plan of staffing, including key personnel and operational capability
This area of the proposal is particularly strong. The Board members and interim staff appear to have highly relevant experience and demonstrated capabilities. Projected staff salaries are moderate and dot-asia should have no problems hiring excellent permanent staff when the registry begins operations, since members of the SO can assist in selecting experienced professionals.

Dot-asia's operational capacity is well demonstrated. The staffing proposal demonstrates a good mix of portfolios for an organization with a strong community focus (e.g. a position of community liaison has been included.)

The plan to keep the staff complement small and rely on contractors at first to manage growth is a smart one for a start-up organization.

In a supplementary question to the applicant the Team asked for evidence that there would be sufficient staffing to manage disputes, the concern being that in addition to the cost-recovery plan that was proposed, additional resources would be required. The applicant's response was satisfactory.

ii) Marketing Plan
The business plan includes marketing initiatives, although a comprehensive marketing plan is not evident. In addition to using ICANN accredited Registrars, dot-asia will also contract with the ccTLDs who are members of dot-asia, thus gaining additional sales points located within the region, and enabling registrants to deal with a vendor in their native language. Internationalized Domain Names will be supported, which is a value-added feature that lends strength to the marketing plan.

Many of this TLD's proposed initiatives, if successful, will be self-marketing. For example, their approach to IDN and potential contribution to IDN standards with their 'multilingual TLD registry' may add to market appeal. Dot-asia's plan for board meetings and communications, such as conducting open meetings and holding the AGM at the APRICOT conference will increase visibility and therefore also help achieve some marketing goals.

There is, nonetheless, heavy reliance on efforts of the members to sell this domain; the amount of effort regional ccTLDs will put into marketing this versus other products may depend on the relative profitability of the dot-asia product vs. ccTLD products. (Sponsors will earn $8 per domain from dot-asia; it will be important for dot-asia to compare this with what they earn for sales from each ccTLD domain in order to remain competitive.)

The applicant makes the case that sales will track or exceed growth in sales of ccTLD's but no data is given on those growth rates. Nonetheless, the reasoning dot-asia presents, specifically that there should be demand for this domain both from small enterprises selling internationally who want to brand broader than their home country, or from larger entities (e.g.multinationals) wanting to create a uniform regional presence, seems logical.

The Team questioned the line item in the budget for marketing and PR ($330,000 in the first year and $276,000 in the second year) and asked for an explanation of how this funding will be used. The purpose of this question was to assist the Team in its assessment of how realistic it is to -project sales of 200,000 to 500,000 in year 1, 300,000 to 700,000 in year 2, and 400,000 to 1,300,000 in year 3. The applicant's response clarified the focus of the marketing efforts and the basis for the projections in a satisfactory manner.

iii) Registrar arrangements

Dot-asia's registrar arrangements are well articulated. They will run a thick registry, the inherent design of which ensures accountability between registry / Afilias and Registrars (and on behalf of registrants). There appears to be a good arrangement for including dot-asia's WHOIS into cross-registry WHOIS systems.

Registrars will be accredited. Dot-asia will enable ICANN-authorized registrars to sell its domains, however they (registrars) will be required to complete an authorization process that includes legal agreements and proof of technical and financial capability. On the financial side, dot-asia will require the registrars to fund their debit accounts and obtain the necessary credit and verification documents. Information on billing and collections is contained in the application.

Participating ccTLD operators (Sponsor Members) will be required to complete the same accreditation process as ICANN-accredited registrars (except that they would not require ICANN-accreditation) in order to be eligible to sell dot-asia domains.

The Team asked the applicant for a clarification of Afilias's commitment to run the registry in the event of SO failure, and was satisfied with the response.

iv) Fee Structure
[CONFIDENTIAL INFORMATION REDACTED]

v) Technical Resources
The RO will be Afilias with existing registries in operation, currently handling more than 4 million registrations managed by qualified staff.

The SO's proposed office location at Hong Kong's cyberport, which is a government subsidized initiative that provides its technology facilities with centralized support, is a good choice, and indicates that any potential concern over the funding of systems and bandwidth resources for dot-asia can be minimized. Resources appear to be allocated for all of the important technical functions, including day-to-day (e.g. backup and escrow).

vi) Uniqueness of Application
The RFP calls for an assessment of the "uniqueness of application" as an element of the Business Plan. This assessment depends to a large extent on whether the Applicant has persuasively demonstrated that it appropriately represents a "clearly defined [sponsored] community," that its proposal "is clearly differentiated from existing TLDs;" and "that it "meets needs that cannot reasonably be met in existing TLDs at the second level." A decision on these questions is properly within the purview of the Sponsorship/Other Evaluation Team. On this particular question, therefore, we defer to that Team's assessment of whether these criteria

are met. If they are, then we are comfortable concluding that the "uniqueness of application" element of the Business Plan is also satisfied.

vii) Engagement With And Commitment To The Sponsoring Organization Sponsoring Organization (SO)
Engagement with and commitment to the SO is evident. The SO has non-profit status and plans to dedicate a percentage of revenues ($1 per domain name) to fund related activities. This seems likely to engender support from the relevant community. The initial board members, organizational structure, and description of bylaws all seem conducive to open representation of the relevant community (although it appears that the Board will always be controlled by the organizations running ccTLDs). There appears to be strong support from these organizations and from related non-profits.

B. FINANCIAL MODEL

[CONFIDENTIAL INFORMATION REDACTED]

While the financial model meets most criteria, marketing expenses are not explained in the application. However the response to the Team's supplemental question in this regard was satisfactory.

This project has support from a number of ccTLDs in the region, which are part of the SO. This means significant support from at least part of the Asian domain name community. Combined with Afilias they have proven experience in management of millions of domain names.

RECOMMENDATION

Our review and analysis of this application, together with our review of the public comments regarding business and financial issues, and the applicant's satisfactory responses to our supplementary questions indicate that the selection criteria set forth in the RFP have been met. It is our recommendation that, from a business/financial perspective, this application for .asia sTLD be approved.

3.2	.cat

A. BUSINESS PLAN

Methodology
The business plan is clearly defined and demonstrates an in-depth knowledge of the registrant market to be addressed. The methodology is solid and well structured. The applicant has turned an insightful and advanced understanding of the concept of domain name as identity into a solid business idea. The methodology is detailed and coherent. The plan is well defined, straightforward, and easy to understand --the clarity of the plan increases the likelihood of successful implementation.

Ability to implement
The large number of entities and institutions, and the importance of some of the most recognized among them, enables us to assume that the project can be sustained adequately. There is strong representation from a variety of diverse groups, which is an important contributing factor to the organization's stability and potential for success. The list of memberships/supporters is extensive and impressively representative of this community. The fact that some of the founding members have donated (not loaned) the money to the applicant organization to prepare the application and to pay the application fees to ICANN speaks well of their commitment to this project.

Board members are experienced and highly credible. The applicant is very clear about what the purpose of this TLD is, and core goals and use of earned funds are well documented. Plans for use of 'surplus' revenue on projects such as development of open source, cross platform dictionaries will ensure support from the community and the continued relevance of this organization.

The specific and clear focus bodes well for success. The budget is appropriate for tasks at hand. Strong support is evidenced from member communities. Revenue projections seem achievable and good contingency plans are in place.

The Team requested additional information to verify a) the capital commitments represented, and b) the strength of CORE as a partner with sufficient financial viability, and c) evidence that the disaggregated organizational structure presented by the applicant is capable of delivering services. The response provided by the applicant verified the loan guarantees and line of credit, and also provided adequate additional information about CORE and the proposed organizational structure.

SPECIFIC ELEMENTS

i) Staffing, Including Key Personnel And Operational Capability
The association directors have strong breadth and depth of relevant experience. The background of the members of the applicant's steering committee appears to be appropriate to fulfill the objectives. The applicant's commitment to keeping overhead low until dot-cat is sure of revenues is a responsible approach.

While the applicant seems to have access to good resources through the member organizations, the Team requested supplementary information regarding the secondement of additional staff. The response was adequate in its indication of commitments from the member organizations to supplement the staff complement during start-up phase. Additional, satisfactory information was also provided about the qualifications of CORE staff.

The staffing plan is modest but appears to be appropriately scaled to the size of the operation, and is focused. There is indication that operational capability exists.

ii) Marketing plan
The marketing plan is strong. Its main elements include a multimedia advertising campaign, a strategy for working with Registrars, and web outreach through the membership. The budget of US $112,000 for the first year, and US $187,500 for the second year seems reasonable for targeted local media buys. Full time marketing staff will be added in year 2. The plan seems appropriate and likely to reach projections given the well defined community.

There is indication that the applicant knows the community it plans to serve, specifically those identifying themselves or their activities with promotion of Catalan language or culture via the Internet. The unique focus on activities directed to affirm the cultural, linguistic and regional identity, assures us that the applicant has a clear understanding of what will be required to market the TLD to this community.

In summary, the amount budgeted seems reasonable and appropriately scaled to the anticipated size of the operation. The financial effort seems congruent with the target market.

iii) Registrar Arrangements
The registrar arrangements for dot-cat meet the RFP requirements. ICANN accredited registrars are to be used. CORE's relevant experience is evident through its management of dot-aero and dot-museum and the fact that it has registered over 1 million domains. In a supplementary question to the applicant, the Team expressed concern about the stability of the arrangement whereby puntCat, as a largely volunteer driven, decentralized applicant would be dealing

with a decentralized RO. (CORE being a consortium of independent Registrars). The response clarified the issues of stability, dedicated staff and resources and CORE's capabilities to the Team's satisfaction.

iv) Fee Structure

The fee structure is well-defined in the application. Wholesale registration fee will be US $94., with a projected retail price of $109 to $129. Renewal wholesale fee will be $31., which may be high for some of the smallest not-for-profits, however dot-cat plans to target entities with heavily used web sites and build on demonstrated commitment to the dot-cat concept, so it seems reasonable that price will not be a significant barrier to purchase for these targets. The defensive registration fee of $469 may be high, but the TLD is not counting on this for a significant portion of revenues.

The fee to be paid to CORE in year 1 is the higher of either a) US 180,000., b) 50% of registry fees plus 15% of ENS, or c) $1.20/domain. This seems to be an appropriate arrangement.

v) Technical Resources

Technical resources meet criteria. CORE appears to have good relevant experience through managing .aero and .museum, although these domains have very small numbers relative to projections for this particular TLD.

The applicant's response to the Team's supplementary questions regarding CORE's capabilities was satisfactory.

vi) Uniqueness of Application

The RFP calls for an assessment of the "uniqueness of application" as an element of the Business Plan. This assessment depends to a large extent on whether the Applicant has persuasively demonstrated that it appropriately represents a "clearly defined [sponsored] community," that its proposal "is clearly differentiated from existing TLDs;" and "that it "meets needs that cannot reasonably be met in existing TLDs at the second level." A decision on these questions is properly within the purview of the Sponsorship/Other Evaluation Team. On this particular question, therefore, we defer to that Team's assessment of whether these criteria are met. If they are, then we are comfortable concluding that the "uniqueness of application" element of the Business Plan is also satisfied.

vii) Engagement with and commitment to the Sponsoring Organization (SO)

This application demonstrates strong engagement with and commitment to the SO. The association puntCat appears to have widespread support from the relevant community, as evidenced by the breadth of membership. Puntcat also appears to have an organizational structure and bylaws conducive to open

representation of the community. The association will be dissolved and replaced by the SO if ICANN accepts the proposed sTLD.

B. FINANCIAL MODEL

The financial plan is credible and solid. Contingency plans are appropriate to keep the domain operational in case of failure. The budget seems realistic and appropriately scaled to the tasks outlined in the business plan. The model shows good judgment in building low initial overhead until the revenue base is secured.

The Team asked the applicant for additional information regarding the loan guarantee and letter of credit and the information provided has addressed the concern in a satisfactory manner.

The plan seems to have access to sufficient financing to accomplish its tasks --the application has solid contingency plans for turning the domain over to another operator should that become necessary.

RECOMMENDATION

Our review and analysis of this application, together with our review of the public comments regarding business and financial issues, and the applicant's satisfactory responses to our supplementary questions indicate that the selection criteria set forth in the RFP have been met. It is our recommendation that, from a business/financial perspective, this application for a .cat sTLD be approved.

3.3 .jobs

A. BUSINESS PLAN

Methodology
The concept is clear and the plan seems to be well thought through and detailed. The partners are credible. The business plan efficiently demonstrates the chances of success in the introduction of dot-jobs .

The partners and the strong insertion of SHRM (Society For Human Resources Management) in the United States market is relevant, if very U.S. specific. While the business plan and responses to supplemental questions suggest that marketing will focus on Personnel Management Associations worldwide, SHRM's membership and organizational structure seems to be predominately U.S. oriented.

Ability to Implement
Ability to implement is demonstrated. The proposal includes a description of Employ Media's philosophy of upfront investment in this project as an equity investment rather than a cost/expense to be factored into domain name wholesale cost.

Appropriate levels of resources are evident for all 3 projections, low, medium and high.

There is indication of the possibility of other sources of revenues (e.g. licensing fees for search companies to access WHOIS is interesting, which might or might not be realistic depending on decisions under consideration regarding public access to WHOIS databases). This does, nonetheless, indicate an entrepreneurial spirit, and since it is not included in revenue model, presents little risk. Business risks and opportunities are realistically assessed, and plans for addressing risks are well thought through. The Registry failure contingency plan seems solid.

The role of each key participant is clearly detailed. The applicant (Employ Media) has adequate financial support and professional staffing. The SO (SHRM) is an existing entity with an established background in the United States. The RO (VeriSign) is established and qualified.

The applicant presents a clear concept and a strong funding base [CONFIDENTIAL INFORMATION REDACTED]. This is a plan that inspires confidence that the applicant will be able to execute successfully and will have the appropriate resources to respond to evolving conditions.

In its supplementary questions, the Team asked the applicant to verify ability to fund capital commitment and to provide evidence of international support. The responses addressed the issue of capital, however planned efforts to market to developing countries, while mentioned, was not detailed.

SPECIFIC ELEMENTS

I) Staffing, Including Key Personnel and Operational Capability
The initial directors and management team are named, and all appear to be highly qualified. Because SHRM is established, and all individuals are already in place, capability has been demonstrated. All key personnel are employed in or engaged in the human resources field with good, established track records.

The bios for the staff and initial directors for Employ Media, SHRM and Verisign are sufficiently detailed. Operational capability is indicated by current activities. Second generation's experience with a range of other start-up companies should be helpful.

ii) Marketing Plan
[CONFIDENTIAL INFORMATION REDACTED]

iii) Registrar Arrangements
[CONFIDENTIAL INFORMATION REDACTED]

iv) Fee Structure
[CONFIDENTIAL INFORMATION REDACTED]

v) Technical Resources
[CONFIDENTIAL INFORMATION REDACTED]

vi) Uniqueness of Application
[CONFIDENTIAL INFORMATION REDACTED]

vii) Engagement with and commitment to the Sponsoring Organization
[CONFIDENTIAL INFORMATION REDACTED]

B. FINANCIAL MODEL

[CONFIDENTIAL INFORMATION REDACTED]

RECOMMENDATION

Our review and analysis of this application, together with our review of the public comments regarding business and financial issues, and the applicant's satisfactory responses to our supplementary questions indicate that the selection criteria set forth in the RFP have been met. It is our recommendation that, from a business/financial perspective, this application for a .jobs sTLD be approved.

3.4	.mail

A. BUSINESS PLAN

Methodology
The business plan describes how the TLD would function, particularly as it relates

to the technical operation, but the financial side relies heavily on presumptions of continued interest and participation, yet-to-be-negotiated fees and charges, and a considerable amount of good will.

The plan does not demonstrate how the TLD would be marketed, gain community support, or be sustained in the face of lower than projected demand.

This proposal appears to be adding another feature to the Spamhaus war on spam, and as such is interesting, and even laudable, yet the methodology as presented in the business plan appears inadequate to give the Team confidence that it will achieve this objective.

The dot-mail TLD is presented as a service applied to existing gTLD (not sponsored) domains such as dot-com. Registrants who can find value in the dot-mail TLD are mailserver operators (ISPs). Evaluation of the technical merit of the proposed service is best left to the Technical Evaluation Team.

Ability to Implement
[CONFIDENTIAL INFORMATION REDACTED]

According to the business plan, income is almost entirely dependent on domain sales, which are focused on a small community, one that the applicant defines as the "same large segment of e-mail providers (senders and receivers) who now trust Spamhaus." The evidence of demand at projected prices is not compelling, either in the original application or in the responses to the Team's supplementary questions. The plan does not suggest an ability to execute successfully or to have staying power in the face of lower than projected revenues or longer implementation timelines.

In the section "representation", reference is made to five leading community entities as the logical initial board of the SO. The applicant later states that not all have committed to participate at the board level. Our conclusion, therefore, is that there is insufficient evidence of community support or ability to garner such support. We are also concerned that there is little evidence of qualifications or ability of the SO to execute the plan.

One further element of concern is in case of failure, given the very specific and atypical nature of this sTLD. If this SO fails, would any other organization be willing/able to assume responsibility for the continued operation of dot-mail? The applicant's responses to the Team's supplementary question did not provide sufficient information to ease these doubts. The Evaluation Team has serious concerns, therefore about the capability of the applicant to implement a robust and appropriately resourced organization.

SPECIFIC ELEMENTS

I) Staffing, including key personnel and operational capability
Emphasis has been placed on operations, not on management and executive leadership. The RO and the Extra Services Operator (XO) will do most of the work, but there is little indication of the leadership role to be provided by the Supporting Organization.

Verisign, as RO, undoubtedly has all the operational capacity this TLD will require, and this is described in detail. It also has strong customer support capacity. eNom, as XO will provide DNS services, WHOIS validation, domain name website administration and hosting.

The plan seems to be to operate this TLD with the volunteer staff from Spamhaus, who will be working from their individual locations in 22 places worldwide. From this pool of current volunteer workers, some will be taken on as paid staff as the registry begins to function, led by Mr. Linford, the Spamhaus founder. The information provided in the application is vague as to the qualifications, commitment and staying power of these undoubtedly well intentioned volunteers. Nonetheless, the Team recognizes the potential power of a "movement" and there is a strong, established anti-spam movement. However, the question remains: does Mr. Linford, in the absence of an established SO have the ability as an individual to harness that power sufficiently to ensure personnel and staffing capability, and in so doing to ensure the sustained operation of dot-mail? That question has not been answered adequately in either the original application or the responses to the supplementary questions.

ii) Marketing plan
There is little mention of marketing plans in this application. The first year budget is $100,000. The application, and the responses to the supplementary questions lack compelling evidence of an ability to reach projected sales at the projected price. The applicant's evidence of willingness to pay appears to be premised on the supposition that the thousands of businesses and individuals that currently purchase digital certificates for $1000 each will buy dot-mail domains, and informal polling. (No specifics were submitted in the application and limited details were provided in the supplementary response.) Market demand is premised on the belief that companies that send considerable e-mail such as Amazon, or organizations managing considerable incoming e-mail such as universities, will find the service valuable, but no evidence is presented indicating support or interest from such organizations.

Marketing is presented as an extension of the current relationship Spamhaus enjoys with "companies who send and receive e-mails" (ISPs) and projections are for limited, expensive registrations. Here it should be noted that the number of

ISPs in the world who can be considered a target market is finite, and indeed their number is constantly being reduced as larger players consolidate dominant market positions.

A position of Vice President Marketing has been identified, and an outside marketing firm will be engaged. This presents a circular dilemma from a financial perspective in that the VP Marketing will not be hired until at least 2,000 names are registered, but how will those 2,000 names be acquired if the TLD is not marketed aggressively? The cost of an outside marketing firm does not appear to be provided for in the start-up costs.

iii) Registrar Arrangements

Dot-mail's registrar arrangements are presented in the application. VeriSign plans to provide a thick registry for dot-mail, the inherent design of which ensures accountability between registry, registrars and registrants.

The RO, VeriSign will conduct registrar arrangements. VeriSign is ICANN-accredited and has considerable relevant experience, with 31M domains registered in .com and .net; US $1.1 billion revenues. VeriSign will implement registrar transfer procedures according to a transfer policy, which will be in acceptance with ICANN guidelines. VeriSign will generate registrar reports on a regular basis.

Registrar billing and collection systems are identified in the application; the RO will be performing billing and collection services, and will debit fees from the account of each registrar as transactions are conducted.

In this sTLD the WHOIS information is already contained at some other registry/registrar, therefore there are no plans, and the applicant sees no need, to transmit the information from the registrar to the registry. A system is proposed whereby the XO will transmit WHOIS information to the registry.

iv) Fee Structure

The RO fee is US $500,000. per year up to 16,000 registrations, $30 per domain registered for 16,000+ domains, and $6 per domain for 50,000+ domains. VeriSign employees to have strong relevant experience.

The Extra Services Operator (for authentication) is eNom, which is represented in the application and substantiated in the responses to supplementary questions as a strong company with 2.8M domain names sponsored across a variety of TLDs and US $30 million revenues projected for 2004. eNom has 50 employees, who appear to have strong relevant experience. eNom is ICANN-accredited.

The fee structure is variable proportional to the number of domains (US $715,000 for 1000; $1,873,000 for 2200, $3,611,000 for 4000). This appears to be half of

the $1995 fee after VeriSign and ICANN have been paid.

There is a compliance review and monitoring fee of $1,995. per name/year. Subcontractor fees have not been fully negotiated; They are 'subject to final contract negotiations and agreement", however, a minimum fee of $500,000. would have to be paid by the SO to the RO regardless of number of registrations performed up to 16K, and each registration after 16K would cost the SO $30. until a 50,000 registration threshold is reached. The fee then drops to $6. Given the apparent under-capitalization, this $500,000. floor could prove to be an onerous financial burden for this sTLD.

v) Technical Resources
The RO will be Verisign, (USA) so the Team is confident that technical resources for that part of the operation are proven and satisfactory. There is ample capacity if this operation becomes large. Spamhaus (UK base) is a volunteer organization with servers that distribute spam blocklist and are dispersed around 22 countries worldwide. It is difficult, therefore to judge the technical resources of those 22 sites. (The applicant has noted that staff will use desktop computers that interface with the RO and the SO.)

eNom, as Extra Services Operator is established and reputable.

The two subcontractors appear to have good technical resources and experience. The application, however, contains very little information about the technical capabilities of the SO, Spamhaus.

The applicant's responses to the supplementary questions do not provide the Team with adequate additional detail to indicate the technical capabilities of the SO.

The SO sets policy/rules, and can, by means of policy-making, deny entry into the zone or have removed those names that violate the policy/rules. The SO will determine which domains are accepted or removed from the zone. If the credibility of the policies is compromised this may have a negative effect on the value of the TLD.

vi) Uniqueness of Application
The RFP calls for an assessment of the "uniqueness of application" as an element of the Business Plan. This assessment depends to a large extent on whether the Applicant has persuasively demonstrated that it appropriately represents a "clearly defined [sponsored] community," that its proposal "is clearly differentiated from existing TLDs;" and "that it "meets needs that cannot reasonably be met in existing TLDs at the second level." A decision on these questions is properly within the purview of the Sponsorship/Other Evaluation Team. On this particular question, therefore, we defer to that Team's assessment of whether these criteria are met. If they are, then we are comfortable concluding that the "uniqueness of

application" element of the Business Plan is also satisfied.

vii) Engagement with And Commitment to The Sponsoring Organization SO
It is unclear who the community is that the SO represents. "The community of
individuals and companies who wish to receive (and send) spam-free email", is, in
addition to the very few who engage in spamming, everyone who uses email.
There is little evidence in the application of how this enormous community of
individuals will be engaged in this SO. There is no evidence in the application of
support from the community at large. Nor is there evidence that the initial Board
members suggested will agree to serve. The proposed small Board that picks its
own successors seems unlikely to engender a high degree of consensus from the
broader community. The core community is presented as operators of receiving e-
mail servers and operators of sending e-mail servers (ISPs), responsible senders &
receivers of spam-free electronic mail (unsolicited bulk e-mail).

The SO does not currently provide domain name registration services.
Commitment may be there, on the part of the applicant, however engagement is
not strongly demonstrated. The Anti-Spam Community Registry is, as the
application indicates, very much TBD.

B. FINANCIAL MODEL

The financial model is weak and the project seems seriously underfunded. The
applicant has access to start-up capital of US $100,000, and yet in the low demand
scenario, would need $500,000. to pay the SO, $715,000. to pay the XO, $65,000.
for ICANN, and $815,000 to fund its own operations.

The minimum registration level for SO to remain viable is 1000, with start-up
capital of $100,000. being provided by eNom as an interest free loan. The
applicant provides no evidence of ability to obtain additional funding, although
eNom is represented in the application and substantiated in the supplementary
responses as a company with access to significant financial resources.

[CONFIDENTIAL INFORMATION REDACTED]

The applicant represents that both RO and XO will build out systems and begin
work without any start-up payments. There is no indication of confirmation of the
strength and details of these commitments in the applicant's responses to
supplementary questions.

The technical and operational capacities of the RO and XO are not in question .
The Team has a high level of concern over the financial capabilities of the
organization, in particular, the start-up capital that has been promised and also
the scenario in the event of business failure of any of the SO, RO or XO. Of these
three, the RO and XO are the least likely to fail. The applicant states that "If it did
fail, provisions would have to be made with the RO to maintain the DNS and

WHOIS until another SO can be established." Given that the applicant has not yet marshaled the support of major players in the anti-spam community for this application, the Team is not convinced that it would be able to draw supporters for 'another SO'. Our conclusion is that there is an absence of well thought-through contingency plans to sustain this initiative through the ups and downs that are common to new business start-ups.

RECOMMENDATION

Our review and analysis of this application, together with our review of the public comments regarding business and financial issues, and the applicant's unsatisfactory responses to our supplementary questions indicate that the selection criteria set forth in the RFP have not been met. It is our recommendation that, from a business/financial perspective, this application for .mail sTLD not be approved.

Summary of Factors Influencing This Recommendation
The major weaknesses in this application are:

a) There is insufficient evidence and documentation to support the revenue projections,
b) There is insufficient capital to support ongoing operations if revenues are short of projections, and
c) There is little evidence of support (and therefore of market demand) from the affected community, which the applicant describes as large senders or recipients of e-mail.

The major strengths in this application are:

a) Strong subcontractors (Verisign, eNom)
b) Commitment from eNom (as evidenced by interest-free loan and accepting payment only after Verisign has been paid)

It is the Team's opinion that the weaknesses in this application overwhelm the strengths. There is little in the business plan, or in the responses to our supplementary questions, to provide confidence that the applicant will have sufficient staying power to see this TLD through start up and early growth stages. There is even less to instill confidence if it encounters any setbacks; this application lacks sufficient resources to have the necessary staying power for the delays and problems inherent in a start-up business.

3.5	Mobi

ANALYSIS AND EVALUATION

A. BUSINESS PLAN

Methodology The proposed methodology is detailed and thorough. The Registry operation is outsourced to Afilias. There is a staggered introduction of dot-mobi products, and it would appear that market research has been done, see section ii of the Marketing Plan.

Much emphasis is placed on the growing mobile telephone user population, and on the need for mobile Internet content.
Ability to Implement

[CONFIDENTIAL INFORMATION REDACTED]

Given the combined strength of the key players (Nokia, Vodafone and Microsoft), the resources at their disposal – capital, market research, R&D laboratories, staff and facilities, and the level of planning evidenced in the application, there is little doubt as to the financial capability to implement a robust and appropriately resourced organization.

Projections, as presented, seem achievable, however, if growth is slower than predicted, the Team is satisfied (by means of applicant's response to a supplementary question) that there is sufficient investment commitment to survive slow growth.

Specific Elements

   i) Staffing, including key personnel and operational capability. The executive structure is outlined briefly, but initial directors and members of the Board are not named. The SOs are strong, so participation by experienced, qualified individuals should be easy to obtain. A staffing plan is included, which provides roles/functions for a proposed staff of between 20 and 25 people. The proposed staffing complement is appropriate for the type of registry that is envisioned.

   Importantly, the applicant has provided for the position of Standards and Industry Liaison manager with staff. Salary levels have been well researched and seem appropriate. Recruitment costs have been identified, which is indicative of this applicant's attention to detail regarding expenses. However, no details have been provided about training, other than 'suitable training possibilities" will be provided.

   Registry operations will be outsourced, (Afilias has an established, proven registry capability), as will SRS and DNS infrastructure, IT support web site, PR and HR. This is a considerable amount of outsourcing; however, it will allow the registry staff to concentrate on the core business. It is assumed that there will be a liaison function between dot-mobi staff and the staff of these outsourced

companies, and that it will be handled by various officers and staff members.

Good research has been conducted on costs of physical facilities in Ireland. Dublin is highest-cost possibility in that country, therefore this provides a safe basis for actual costs.

ii) Marketing The applicant has not provided a full marketing plan, however substantial consideration seems to have been given to the extent and durability of the potential market. Key market segments are identified. Market will grow as mobile subscriber base grows, and as more people buy phones/devices that support the new naming related services. The applicant has estimated regional demand world-wide and plans to market through its Registrar network, and to use re-sellers.

Projections and prices seem reasonable and there is a good sized budget for marketing to the 4 market segments that have been identified:

      a. corporations and trademarks that register their brand names Low forecast is 400,000 registrations in year 3 (70% entities w/<10K users/subscribers; 2% entities w/>10 million users & subscribers) Wholesale prices >10M max $10K; >10K $30; <10K min $20
b.   operators and mobile service providers that register their brand names
c.   Low forecast is 200K domains in year 3 --pricing same as A)
d.   mobile content and service providers who provide services under generic or high value names
e.   Low forecast is 800 domains in year 3 --pricing is $10 for generic; $1000 for reserved
f.   individuals or groups of individuals that register personalized domain names
g.   Low forecast is 660K in year 3 --wholesale pricing is $10 thru 2 reselling channels: Registrars and mobile operators

The Team asked for additional information regarding market share for each segment and product availability for each segment and the answer provided by the applicant was satisfactory.

iii) Registrar Arrangements The Registry/Registrar model and protocol are detailed and thorough. The RO will be Afilias. Registrars must meet detailed criteria, including financial viability criteria. The agreement will be based on standard Registry/Registrar agreements used in other TLD registries. Wholesale prices are provided. A mix of mobile operators and accredited Registrars will be the distribution channel.

iv) Fee Structure
Fees the registry will charge the Registrars are provided, with category variables. Sales volumes are reasonably predicted. (See Marketing Plan details above.) Pricing structure as provided for all products is in line with other TLD products on the market.
The Team asked for additional information regarding the trademark verification fee and

the amount Afilias charge for maintaining system capacity and buying and maintaining hardware and software, and the response was satisfactory.

v) Technical Resources Plans for acquiring technical resources to meet demand have been outlined. The Registry (Afilias) is solid, and scalability is proven. Track record with .org and .info is established. Provision for ensuring technical backup in case of registry failure is comprehensive and solid. Technical plan is detailed and comprehensive. Given the high number of outsourced functions, appropriate financial resources have been allocated in the budget.

vi) Uniqueness of Application The RFP calls for an assessment of the "uniqueness of application" as an element of the Business Plan. This assessment depends to a large extent on whether the Applicant has persuasively demonstrated that it appropriately represents a "clearly defined [sponsored] community," that its proposal "is clearly differentiated from existing TLDs;" and "that it "meets needs that cannot reasonably be met in existing TLDs at the second level." A decision on these questions is properly within the purview of the Sponsorship/Other Evaluation Team. On this particular question, therefore, we defer to that Team's assessment of whether these criteria are met. If they are, then we are comfortable concluding that the "uniqueness of application" element of the Business Plan is also satisfied.

vii) Engagement with and Commitment to the Sponsoring Organization The SO will be built up by the applicant, and will become the registry. Mobi JV has strong initial founders (Nokia, Microsoft, Vodafone), and also important investors. The SO is/will be comprised of the investors.

A Membership Advisory Committee will be open to all commercial participants. It will appoint a Policy Advisory Group. No provision for participation by the consumer is indicated other than that the MobiJV Board will invite consumer and trade organizations to designate policy Advisory Group members.

The original investors (Microsoft, Nokia, Vodafone) state that others will join, (GSM Association, HP, Orange, Samsung, SUN Microsystems, T-Mobile, TIM, and others). The plan appears to be to reach out to more investors if the sTLD granted. The SO, will be a for profit corporation with policy making authority. The Policy Advisory Group will be advisory only. The Advisory Group will be self funded for corporate members; funding will be provided for govt/non-profit members, however specific funding mechanism has not been identified.

The team has some concern that the SO may have difficulty engendering support from all affected communities, which could hamper the ability to achieve projected revenues; however, the organization seems sufficiently well resourced to survive lower than projected revenues.

B. FINANCIAL MODEL

The financial model adequately outlines the organization's capabilities. The applicant has proposed low, medium and high demand forecasts for each product, which are supported by reasonable projections.

Start up capital of [CONFIDENTIAL INFORMATION REDACTED] million Euro is healthy, and projection on spreadsheet looks to break even in the second year. In Section vii (Business Risks and Opportunities) it is stated that "in addition the investor base can be leveraged at any time in order to guarantee the registry contingency." Considering the applicants' collective reputation as highly successful, established businesses this is seen as a reassuring indication of dot-mobi's financial stability.

Technical and operational capabilities appear to be good, with Afilias as RO adding the domain namespace expertise to the mobile industry expertise of the applicants.

The applicant provided a satisfactory response to the Team's question regarding the amount of revenue needed to sustain operations if demand develops more slowly than projected.

RECOMMENDATION

Our review and analysis of this application, together with our review of the public comments regarding business and financial issues, and the applicant's satisfactory responses to our supplementary questions indicate that the selection criteria set forth in the RFP have been met. It is our recommendation that, from a business/financial perspective, this application for a .mobi sTLD be approved.

3.6	.post

A. BUSINESS PLAN

Methodology
A clear methodology is demonstrated. It is straightforward, given that the community is defined and UPU and SWITCH are both established. The registrant community is comprised of the worldwide postal service entities and offices. They are pre-identified and outreach to them is an internal procedure at UPU. "Using a sponsored TLD, the UPU wishes to extend this territory by extending its services onto a global electronic postal network establishing up to 650,000 Post Offices on the Internet which will enable users in all parts of the world to access their local postal outlets via the DNS, for services related to local postal functions."

The concept is described adequately; however, it would benefit from more detail,

specifically on how rollout will actually be managed.

Ability to Implement

UPU is a known quantity. It is a specialized agency of the United Nations and as such has established its reputation over the years. The design for the SO is appropriate and there is good support from the community. SWITCH has proven ability in running the ccTLD.

Strengths:

a) support from 27 member DPOs,
b) suitable SO structure, and
b) reasonably strong technical resources in SWITCH and UPU's International Bureau.

The applicant was asked to address the Team's concerns around what were considered to be weaknesses, specifically:

a) not enough details provided to build confidence in the financial plan, especially of whether adequate financing is in place,
b) failure to identify specific individuals (and their experience) who will manage the project, and
c) not enough information to gain confidence in their ability to reach projected levels of domain registrations.

The responses were deemed to be adequate, although going forward ICANN would benefit from learning more specifically how UPU plans to fund this venture and the nature of the financial arrangements between UPU and SWITCH.

SPECIFIC ELEMENTS

i) Staffing, Including Key Personnel and Operational Capability

Specific individuals are not named in the application, however, the applicant states "The UPU will use its existing governance structure to manage and administer dot-post on behalf of the community", so the assumption is that current UPU officials will serve as key personnel. Knowing that both organizations (UPU IB and SWITCH) have strong, relevant experience is reassuring.

The Team asked for details about the individuals who will hold key positions. The response included the CVs of key staff, all of whom have relevant experience.

ii) Marketing Plan

Market is known and there is support from 27 member countries (14.2% of members, but 41.8% of UPU revenues). A central part of the marketing plan is to attend each of 15 Restricted Union (geographic region) member meetings.

Projections were not well substantiated in the plan. In order to assess likelihood of reaching projections, the Team asked for supplementary information, which was provided to the Team's satisfaction.

iii) Registrar Arrangements

The RO will be SWITCH, which manages 650K domains for Switzerland and Liechtenstein, as well as Swiss academic and research organization, with a staff of 32.

Thick model registry will use one of two versions of a VeriSign thick model RRP depending on registrar requests. These are established and commonly used protocols/agreements, and SWITCH's capability to use both in parallel is a good sign of operational capacity.

The arrangement calls for a combination of the 190 DPOs (or UPU members) and ICANN accredited Registrars, to conform to UPU procedures.

iv) Fee Structure

[CONFIDENTIAL INFORMATION REDACTED]

No information was provided in the application about the financial arrangement between UPU and SWITCH. The response to the Team's supplementary question indicates that no details have been negotiated yet.

v) Technical Resources

Technical resources appear to be good. SWITCH (the Swiss academic network and ccTLD) will be the RO. UPU has its own IT department, and the International Bureau of UPU (150 staff, 50 contractors) appears to have significant relevant experience in deploying technical solutions (track and trace, financial services) to members. SWITCH appears to have relevant experience and staying power.

vi) Uniqueness of Application

The RFP calls for an assessment of the "uniqueness of application" as an element of the Business Plan. This assessment depends to a large extent on whether the Applicant has persuasively demonstrated that it appropriately represents a "clearly defined [sponsored] community," that its proposal "is clearly differentiated from existing TLDs;" and "that it "meets needs that cannot reasonably be met in existing TLDs at the second level." A decision on these questions is properly

within the purview of the Sponsorship/Other Evaluation Team. On this particular question, therefore, we defer to that Team's assessment of whether these criteria are met. If they are, then we are comfortable concluding that the "uniqueness of application" element of the Business Plan is also satisfied.

vii) Engagement with and commitment to the Sponsoring Organization SO
The applicant and the SO are the same and this is a good match between the right organization and a very specific purpose.

The SO structure (Postal Operations Council of the UPU) seems ideally suited to this task since it has elected representatives, a delegated body of staff, and is accustomed to dealing with standards setting.

B. FINANCIAL MODEL

[CONFIDENTIAL INFORMATION REDACTED]

Based on the supplementary information provided by the applicant, it is the Team's opinion that the financial plan is viable, and concerns regarding the organization's ability to survive low registration rates have been adequately addressed.

RECOMMENDATION

Our review and analysis of this application, together with our review of the public comments regarding business and financial issues, and the applicant's satisfactory responses to our supplementary questions indicate that the selection criteria set forth in the RFP have been met. It is our recommendation that, from a business/financial perspective, this application for a .post sTLD be approved.

3.7	.tel (Pulver)

A. BUSINESS PLAN

Methodology
The methodology is not clear. The key players are experienced, well resourced financially and qualified, and NetNumber's existing operation appears to be solid, but there are few details actually provided in the application to substantiate this. Nor is there a detailed methodology that describes how that experience and current operational success will be used to ensure the success of this TLD. The applicant's responses to the Team's supplementary questions failed to provide adequate additional detail about the proposed methodology.

Ability to Implement

The Business Plan is minimal. The applicant states that based on current operations, it has the ability to implement, but there is a shortage of specific details about the proposed business activity to substantiate the statement. If no new systems and/or facilities or staff are required, we assume that existing systems, facilities and staff will be used. But to what extent? There is no indication of scope or cost. Will the entire operation and all staff shift to the deployment of dot-tel? Capital resources are substantiated, but capital requirements have not been clearly identified. The fact that previous venture capital and strategy equity investments funded the current operation, and the applicant has those numbers, and that "no additional financing is required" does not tell the evaluators how much capital dot-tel will require.

The Team questions the likelihood of successful implementation of a plan with no dedicated staffing, no resources specifically dedicated to the project, and no specific plans for marketing the product/service to customers.

SPECIFIC ELEMENTS

i) Staffing, including key personnel and operational capability
Initial directors have been named: Mr. Jeff Pulver (pulver.com) and Mr. Douglas J. Ranalli (NetNumber). No other personnel is named, nor are positions described other than those listed in the 2005/2006 business plan for NetNumber's existing business, wherein 24 full-time staff provide existing services. NetNumber's existing staff will be used to provide .tel services." No additional staffing or equipment will be required to implement the proposed services."

The list of key executives and Board Directors from NetNumber is simply a list and short bio for each individual. It offers no indication as to who, if any, of these very experienced, credible and in many cases high-profile individuals will be

responsible for specific areas of the .tel DNS operation.

Sections IV and V, which ask for hiring policies, training plans, etc., and positions that key management personnel will hold have not been answered.

With regard to operational capacity, there is a description of registry services to be provided:
1. WHOIS (common WHOIS database for all .tel Registrars and initially NetNumber will be the only Registrar)
2. Conflict Resolution Tool for registrants disputing authority over use of an e.164 number as a domain name,
3. Conflict Resolution Centre, with personnel to be provided by NetNumber.
4. Registrar Services – provided by NetNumber.

The description of NetNumber's current operations provides little evidence of capacity to provide conflict resolution services, registrar services or WHOIS services. It is unclear as to whether NetNumber's current business of providing telephone number address resolution services (via a hosted DNS infrastructure) involves NetNumber staff developing, maintaining and making available some kind of WHOIS database.

With regard to operational capacity as it relates to physical facilities, there appears to be no problem with housing the staff for dot-tel or with expansion of physical facilities if the need arises. Four addresses are provided, including staff headquarters, (for which square footage and future expansion detail is provided), the master database site (which is a hosting facility) and 3 edge sites (which are also hosting facilities).

Technical capacity is summarized in Business Plan – Registry Requirements Section I where applicant says "….existing DNS infrastructure hosted by NetNumber can support up to 120 million incremental .tel records and up to 100,000 TLD referral queries per second.)

There is no dedicated staffing for this project, and there are no expense lines dedicated specifically to it. Team members believe that the success of projects where no one "owns" the initiative or is held accountable for it is rare.

ii) Marketing Plan[3]

---

[3] While we are aware that it this Team's mandate to evaluate all applications from a business/financial perspective, we feel a responsibility to advise ICANN to consider some political and regulatory background regarding ENUM service in its review of this application. This is because the regulatory and political " bigger picture" will, in our view have an impact on the applicant's ability to implement its proposed business plan methodology.

ENUM has been launched as an ITU project, and tests are being conducted in a number of countries, mostly European, plus the U.S., Brazil and some Asian countries. In order to implement

There is no marketing plan evident in the application. NetNumber does not maintain any marketing staff. The application provides no indication of plans to hire marketing staff. Is the assumption that because NetNumber already provides telephone number address resolution services to communications service providers no marketing will be necessary? If this is the assumption, it is not explained in the application. Responses to the Team's supplementary questions did not explain this in a satisfactory manner. The role of the 2 Directors of Sales, as it relates to marketing, is not specified.

Those activities that could be interpreted as marketing initiatives seem to consist of publishing newsletters and running conferences, however there are no projections made as to market acceptance and financial impact of these activities.

The applicants make no attempt at projecting likely levels of sales either in the application or in responses to the supplementary questions.

iii) Registrar Arrangements

The application contains very few details about the Registry/Registrar arrangement or agreement. NetNumber will do the registrar side of the business itself. However, there is nothing in the application or the supplementary reponses to indicate how the registrar will function and what its parameters of responsibility will be (e.g. where does ultimate responsibility for registrar/registrant relations fall? What is responsibility of registrar to registrant? What are the terms of the RAR/RANT agreement? What is relationship of Registry to RAR?)

The applicant states "NetNumber will operate the first accredited Registrar service for the .tel TLD, however, NetNumber's objective is to recruit Registrars on a global basis for the .tel TLD." There is no indication as to how that recruitment will be achieved. What criteria will be applied to potential registrars? Will they have to be ICANN accredited? It would appear that IP communications providers will do the registering of phone numbers of their subscribers. The assumption is, therefore, that they would be acting as registrars.

With regard to billing and collection systems, the applicant states that NetNumber

---

an ENUM registry test in a country, the application must be made from a country, showing adequate stakeholder support, and submitted to RIPE/NCC as the ENUM testbed registry. (Recently RIPE/NCC has granted extensions.) Ripe then sends a query to the telecom regulator of the requesting country, asking if they authorize the test. The regulator is the country entity that is a member of the ITU, and specifically must authorize the "delegation" of the country international telephone prefix (for example '54' for Argentina) for ENUM testing. This dot-tel application seems to intend to "remove" ENUM service from the sphere of authority of the ITU and its members (national telecom regulators), and launch dot-tel as a market-driven sTLD.

We acknowledge that this does not appear to directly concern the specific elements of our financial/business evaluation, nonetheless we believe there is a financial impact inherent in it, given the opposition that could compromise dot-tel's ability to market this TLD may (and will likely) arise from those currently engaged in the deployment of ENUM.

uses "a state-of-the-art web based billing infrastructure provided by Intacct, Inc.", but no further details are provided.

iv) Fee Structure
[CONFIDENTIAL INFORMATION REDACTED]

v) Technical Resources
Technical resources are in place. NetNumber is an established business and is engaged in the development of ENUM related technology. NetNumber is both the applicant and the RO, and seems to have positioned itself as a leading player in the technology upon which this application is based.

Regarding "plans for acquiring necessary systems and facilities" the reply is "none required. All systems and facilities are already deployed" (p.17). Based on our interpretation of established track records, and the strength of the management team, we have assumed that between UUNet and MCI the capacity for appropriate technical resources will be there.

We cannot evaluate whether or not they will meet the requirements of the new TLD's projections, since there are no projections.

vi) Uniqueness of Application
The RFP calls for an assessment of the "uniqueness of application" as an element of the Business Plan. This assessment depends to a large extent on whether the Applicant has persuasively demonstrated that it appropriately represents a "clearly defined [sponsored] community," that its proposal "is clearly differentiated from existing TLDs;" and "that it "meets needs that cannot reasonably be met in existing TLDs at the second level." A decision on these questions is properly within the purview of the Sponsorship/Other Evaluation Team. On this particular question, therefore, we defer to that Team's assessment of whether these criteria are met. If they are, then we are comfortable concluding that the "uniqueness of application" element of the Business Plan is also satisfied.

vii) Engagement with and Commitment to the Sponsoring Organization
The SO is pulver.com (which is a private U.S. corporation), and the application appears to describe an existing partnership arrangement between pulver.com and NetNumber. Engagement is described, however the sponsoring organization is being created based on the activities of Mr. Pulver, and support of some relevant industry players is claimed. It is unclear who the list of supporters includes and excludes, and what the structure of the SO will be. The applicant has not demonstrated that significant effort has yet been directed at creating the SO

beyond the financial relationship that exists between Mr. Pulver and NetNumber.

B. FINANCIAL MODEL

[CONFIDENTIAL INFORMATION REDACTED]

RECOMMENDATION

Our review and analysis of this application, together with our review of the public comments regarding business and financial issues, and the applicant's unsatisfactory responses to our supplementary questions indicate that the selection criteria set forth in the RFP have not been met. It is our recommendation that, from a business/financial perspective, this application for .tel sTLD not be approved.

Summary of Factors Influencing This Decision
Major weaknesses are:

a) The applicant's failure to provide specific budget or plans for the venture.
b) Statements that operation will be handled by existing staff as part of existing operations do not instill confidence in their ability to execute successfully.
c) There is insufficient evidence that the organization as structured is capable of representing the relevant community, and the result of that could be very slow market acceptance.

Major strengths are:

a) The applicant appears to have strong organizational capabilities

It is the Team's opinion that the weaknesses in this application overwhelm the strengths. The business plan and supplemental responses do not engender confidence in what the applicant will do to introduce the new sTLD or in ability to do so.

3.8	.tel (Telnic)

[CONFIDENTIAL INFORMATION REDACTED]

3.9	**.travel**

[CONFIDENTIAL INFORMATION REDACTED]

3.10	**.xxx**

A. BUSINESS PLAN

Methodology
Methodology is detailed and comprehensive, and addresses all significant aspects of introducing a new TLD. The application has clear focus and description of how plan will be implemented

The target community is precisely [CONFIDENTIAL INFORMATION REDACTED]. After the anticipated sunrise period the general sale of dot-xxx domains will begin through accredited Registrars. Promotion to customers will be through industry events, portal development, and Registrars or aggregated resource [CONFIDENTIAL INFORMATION REDACTED] be outsourced to Afilias. Policies of the SO are modeled on the ICANN structure and bylaws.

The Team has identified a fundamental question at the base of this proposed methodology; Does this community want to be pre-identified by a TLD? That is, will registrants be willing relinquish the potential for disguise that is offered by registering in other TLDs? If the answer is yes, the basis for the methodology is sound.

Ability to Implement

Ability to implement is well demonstrated. The plan reflects a significant amount of background work and detailed thinking about how to establish the business. Its clear focus bodes well for implementation. The applicant's projections appear achievable given the level of interest shown by potential customers. Solid contingency plans are in place. Management has strong relevant experience in growing related businesses. The RO (Afilias) is experienced and ICANN accredited, and has an established track record.

Human Resources capacity is demonstrated: The principal players (Initial Directors, Officers and other staff) appear to be experienced and qualified. Financial Resources: Resources appear to be available to the applicant.

In response to the Team's supplementary questions the applicant provided detailed financials indicating how it would respond to lower than expected revenues, clear compelling evidence of capital, and good back-up for revenue projections and pricing.

SPECIFIC ELEMENTS

i) Staffing, Including Key Personnel And Operational Capability
 Management has strong relevant experience in growing businesses in the technology industry. [CONFIDENTIAL INFORMATION REDACTED].

ii) Marketing Plan
The marketing plan, although not presented in great detail in the application itself, is focused and targeted. The community to be served has been defined, and market size has been estimated. Supplementary information provided by the applicant in response to the Team's questions adds important details to the plan.

The applicant has letters of support from a number of major potential customers, lending credence to its ability to achieve at least low range of projections.

The applicant states that ICM has conducted an "extensive outreach program" to establish support for this application. We have interpreted this outreach to be part of the marketing initiative.

The proposed marketing budget for the first year seems appropriate to achieve that which needs to be accomplished [CONFIDENTIAL INFORMATION REDACTED].

In its supplementary questions the Team requested evidence of market research to support price projections. The responses to the questions were satisfactory and engendered confidence in the applicant's ability to reach projected sales levels.

iii) Registrar Arrangements
Registrar arrangements are solid. The applicant has a letter of intent to enter into an outsourcing agreement with Afilias, which is an established organization with highly relevant experience (4M domain names, .org and .info) and qualified staff.

iv) Fee Structure

Dot-XXX plans to pay Afilias [CONFIDENTIAL INFORMATION REDACTED] per domain name registration per year.

Pricing is proposed at [CONFIDENTIAL INFORMATION REDACTED] wholesale and [CONFIDENTIAL INFORMATION REDACTED] retail, which is seen to be in line with specialized TLD market trends.

US $10 is allocated to the sponsor. IP claims during sunrise period

[CONFIDENTIAL INFORMATION REDACTED] per domain name.

The information supplied by the applicant in response to supplementary questions provided good justification for the proposed fee structure.

v) Technical resources
Technical resources are demonstrated through the outsourcing agreement with Afilias. Afilias's track record for highly relevant experience is established (4m domain names, .org and .info) and qualified staff.

Financial provision for ensuring technical backup in case of registry failure is comprehensive.

vi) Uniqueness of application
The RFP calls for an assessment of the "uniqueness of application" as an element of the Business Plan. This assessment depends to a large extent on whether the Applicant has persuasively demonstrated that it appropriately represents a "clearly defined [sponsored] community," that its proposal "is clearly differentiated from existing TLDs;" and "that it "meets needs that cannot reasonably be met in existing TLDs at the second level." A decision on these questions is properly within the purview of the Sponsorship/Other Evaluation Team. On this particular question, therefore, we defer to that Team's assessment of whether these criteria are met. If they are, then we are comfortable concluding that the "uniqueness of application" element of the Business Plan is also satisfied.

vii) Engagement with and commitment to the Sponsoring Organization SO
The SO (IFFOR) has a complex organizational structure, but seems well thought through and appears to have enough traction for it to be implementable. It is appropriate to organize IFFOR as non-profit in charge of policy and overall direction complemented by the for profit company (ICM), which will implement the operation in accordance with the SO's policy directives.

The funding base seems appropriate ([CONFIDENTIAL INFORMATION REDACTED] capital infusion, $10 per domain name) for proposed staff size [CONFIDENTIAL INFORMATION REDACTED]. The applicant represents that there is a broad base of support from the adult entertainment industry, child advocacy groups, privacy organizations, and free speech organizations. Extensive information has been provided on the structure of IFFOR and its engagement/input mechanisms.

B. FINANCIAL MODEL

The financial model is strong. Line items seem appropriate to the tasks at hand. The inclusion of a [CONFIDENTIAL INFORMATION REDACTED] contingency in year 1 indicates that the applicant understands the realities and unpredictability factors of a start-up operation. The applicant indicates that the ICM principals are capable of funding this initiative themselves until it is profitable, and responses to supplemental questions confirmed this. The investment of money and time to date suggests that dot-xxx has the staying power to see this initiative through to successful implementation.

Costs of staff are defined, and the applicant anticipates adding staff as growth occurs. Registry operation expenses are predicated on a [CONFIDENTIAL INFORMATION REDACTED] charge per name from AFILIAS. The Registrars may provide a good sales force at no cost to applicant if they view this TLD as a profitable product.

In its supplementary questions the Team asked for details about the applicant's ability to manage lower than projected revenue, and how much premium domain name sales are expected to contribute to revenues in years 1 and 2. All responses provided strong evidence of a well thought through plan and of adequate capital resources should more funding be required.

RECOMMENDATION

Our review and analysis of this application, together with our review of the public comments regarding business and financial issues, and the applicant's satisfactory responses to our supplementary questions indicate that the selection criteria set forth in the RFP have been met. It is our recommendation that, from a business/financial perspective, this application for a .xxx sTLD be approved.

4. CONCLUSION

Serving as the Business/Financial Evaluation Team, we have reviewed the ten applications that were submitted to ICANN for new sponsored Top Level Domains (sTLDs). Each application has been reviewed and evaluated on the basis of the Selection Criteria established in the RFP and has been judged on its own merits, and we have conducted this work in a fair and objective manner.

Our assessment included a review of the six sections that respond to the posted Selection Criteria. They are; Explanatory Notes and Selection Criteria (Part A); Application Form (Part B); Business Plan (Part C); Financial Model (Part D);Technical Specification (Part E) and Application Checklist (Part F). We considered the following questions raised by the RFP;

1. Does the Business Plan clearly demonstrate the applicant's methodology for introducing a new sTLD?
2. Does the Business Plan demonstrate the ability of the organization to implement a robust and appropriately resourced organization (i.e., capable of executing the plan)?
3. Does the Business Plan include, at a minimum, the following elements in sufficient detail:
    i) Staffing, including key personnel and operational capacity
    ii) Marketing plan
    iii) Registrar arrangements
    iv) Fee structure
    v) Technical resources
    vi) Uniqueness of application
    vii) Engagement with and commitment to the SO (SO)
4. Does the Financial Model adequately outline the financial, technical and operational capabilities of the organization?

We also developed sets of specific questions, which were sent to each applicant. The purpose of these questions was to obtain additional information and/or clarification regarding certain aspects of the applicants' methodologies, business plans or other relevant sections of the applications. We considered the responses carefully, and in conjunction with the information provided in the applications and the postings to the public comments websites prior to making our final recommendations.

We judged seven of the ten applications as meeting the criteria and have recommended that from a business and financial perspective, they be approved.

The seven are .asia, .cat, .jobs, .mobi, .post, .travel, and .xxx. We judged three of the ten applications as not meeting the criteria and have recommended that from a business and financial perspective, they not be approved. The three are .mail, .tel (pulver), and .tel (telnic).

Respectfully submitted by the Business/Financial Evaluation Team
Maureen Cubberley, Chair, Fernando Silveira Galban and Jeffrey Lissack

5. LIST OF APPENDICES

Appendix 1   Review and Analysis Of Comments Posted To The Public Websites

Appendix 2   Evaluators' Biographies

APPENDIX 1

PUBLIC COMMENTS

REVIEW AND ANALYSIS OF PUBLIC COMMENTS

AS THEY RELATE TO THE BUSINESS/FINANCIAL EVALUATION TEAM's ASSESMENT PROCESS

THIS DOCUMENT INCLUDES REVIEW OF THE FOLLOWING SETS OF PUBLIC COMMENTS:

GENERAL (http://forum.icann.org/lists/stld-rfp-general/)
1. ASIA (http://forum.icann.org/lists/stld-rfp-asia/)
2. CAT (http://forum.icann.org/lists/stld-rfp-cat/)
3. JOBS (http://forum.icann.org/lists/stld-rfp-jobs/)
4. MAIL (http://forum.icann.org/lists/stld-rfp-mail/)
5. MOBI (http://forum.icann.org/lists/stld-rfp-mobi/)
6. POST (http://forum.icann.org/lists/stld-rfp-post/)
7. TEL – PULVER (http://forum.icann.org/lists/stld-rfp-tel-pulver/)
8. TEL-TELNIC (http://forum.icann.org/lists/stld-rfp-tel-telnic/)
9. TRAVEL (http://forum.icann.org/lists/stld-rfp-travel/)
10. XXX (http://forum.icann.org/lists/stld-rfp-xxx/)

GENERAL

Most of the 59 comments did not comment specifically on the business or financial aspects of the applications.
▪   A couple of e-mails question the impact of MAIL's proposed $2000 fee on small mail serving businesses and therefore question the proposal's viability
▪   There are several e-mails relating to the conflict between the proposed TRAVEL sTLD and New.Net (and 1 or 2 on the same topic re: XXX)

▪   Marilyn Cade's (ATT Corporation) April 30th comment includes the following:

. Finally, in observation of the "proof of concept" TLDS experience in growth of registration, as provided in public data sources, it appears that growth in registration may take a reasonable amount of time, after the introduction of a new TLD string to a community of registrants; e.g., there may be initial slow, even if steady growth. Therefore, we note that given our priority on the stability of the Internet, that all applications approved must demonstrate full capability for technical systems, appropriate financial resources, administrative performance, and operational integrity of the registry, as well as providing an appropriate escrow approach, in order to weather an extended and slow initial growth period.

- Elana Broitman's (Registry.com) April 30th comment includes the following:
  ICANN should approve those business proposals that support the growth of a vibrant, competitive domain name industry. Industry growth requires stable, healthy companies with reasonable margins that allow them to adhere to ICANN requirements, provide innovation and protect their customers. New registries should frame their business plans with a view toward promoting such healthy registrars, rather than fostering a race to the bottom, which only cuts out the ability of the industry to satisfy the requirements of the ICANN community.

- Phillip Sheppard (Commercial and Business User Constituency)'s May 6th comment includes the following:
  The BC offers a set of questions to the ICANN evaluators that we recommend be examined for all applications...
  4. Sufficient resources. Has the sponsor provided documentation of sufficient financial and administrative resources to ensure the stable operation of the TLD, even with a slower than expected registrations? (Experience with earlier TLDs indicates a slower take up than forecasted in the applicant's business plans).
  5. Risk of failure. Does the sponsor provide proper documentation of escrow? The BC is opposed to ICANN taking a casual attitude toward the potential failure of new TLDs. While failure may occur, given time, the BC believes that ICANN has a responsibility to take all reasonable steps to limit these occurrences, and to limit harm to the registrants who have built businesses within the new TLD.

1.   ASIA

There is only one of the 40 published comments that refers to financial aspects. Mr. Joseph Yu (Chairman of HKIRC) does not demonstrate the basis of his opinion.

"Fourthly, we are also concerned about the financial viability of DotAsia. We are not aware of any viability study on the sources of start-up capital.

>   *Best regards,*
>   Joseph YuChairman
>   *Hong Kong Internet Registration Corporation (HKIRC)*
>   *17-5-04"*

2.   CAT

Of the 26 public comments, none comment specifically on the business or financial aspects of the application. Most of the comments address the questions of what is an appropriate community for a sTLD and what precedent would be set by approval of CAT.

One comment, posted on April 30th by the applicant, PUNTCAT, does provide specifics on the level of support for the application. The relevant section of their comment is excerpted below:

>   *…Contrary to other applicants, we have explicitly asked our supporters not to come to this forum to express that support. This is a comment forum, and comments and discussion should take place here, not just endorsements. Therefore we used our own site (http://www.puntcat.org) in order to collect such support. The result has been impressive: as of today, at 11:17 UTC 54,981 individuals and 2,122 legal organizations (corporations, associations, foundations, federations...) have signed up and provided all their relevant contact data (including identity card or passport for individuals and tax identification number for legal entities) and agreed to their name and data to be sent to ICANN in proof of their support. Many thanks to them all!!*
>
>   *Over 57,000 formal expressions of support (and 57,000 mails spared to this forum ;-) is certainly not a small number. At the very least, is a clear proof of support from the community at which .cat is aimed. It also shows the strength of the promoters. The association, created for the sole purpose of promoting the .cat application, consists of 71 among the most respected and representative entities in the linguistic and cultural fields,*

both offline and online. It has reached this level of support without spending a single cent in marketing or advertising. A single press conference (and at that time the supports already exceeded 30,000!) and, most especially, their channeling of the information through its members, its users.

There is a community of appreciable size. There is strong support for the proposal within it. There is an entity capable to communicate with such community, and to mobilize it....

3. JOBS

None of the 8 comments posted comment specifically on the business or financial aspects of the proposal. Most relate to the question of the need for or value of the proposed sTLD.

4. MAIL

- This application had a total of 60 comments. Most objections are based on the $2.000 dlrs. Registration fee, in one extreme case the following experience is detailed:

  *"Title: **Customer Service and how is the $2,000 spent***

  I have only experienced poor customer service from SpamHaus in the few instances I have had to deal with them.
  I am curious how they will approach customer service issues and how they decided upon a $2,000 Fee vs. the typical fees that most domain registrars charge.
  Geoff Brookins
  Beachead Technologies, Inc.
  Geoff Brookins" <geoff@xxxxxxxxxxxx> Date: Sat, 10 Apr 2004 22:52:44 – 0400"

- Observations on the technical side regarding the usefulness of the proposed methodology, could suggest doubts about the possibility of achieving the market goals proposed in the business plan.

  "Two, the British Spamhaus guys' effort is laudable but unfortunately much overly optimistic and unrealistic and just plain erroneous. The fact that they are "totally depending" on a paltry $2,000 dollar "market entry fee" (a/k/a registration fee) to scare away multimillion dollar spammers is ludicrous and downright funny much in the same spirit as a Monty Python Rube-Goldberg machine that requires the movement of raw eggs to stop spam (or sometimes "cook it" - the real spam too that is). It would be so

easy for the deceitful mega-spammers to simply start up scores of dummy corporations and just let them age like a fine wine until they sequentially one after another month after month reach the ripe old age of 6 months and THEN start their old usual spamming operations again."

The remaining comments are in line with the above two examples.

5. MOBI

Most of the 79 comments do not comment specifically on the business or financial aspects of the proposal. Several comments include questions about whether the need for such a sTLD is a temporary one, whether it is addressed by other technologies or forums, the appropriateness of the sponsors to represent the community, and whether creation of the sTLD would give too much power or control to the applicants. Comments that specifically addressed business or financial aspects of the proposal are excerpted below:

- Mohammad Kahbir's April 3rd comment questions the business model:

  After carefully examining the figures in the fiscal information section one is amazed by the modest revenue levels Mobi JV anticipates. Having explained in the first part of their application, the power of Mobi JV and the importance of the mobile market (1.5 billion mobile subscribers growing to 2.2 billion in the next few years), one is puzzled by the low level of registrations expected by Mobi JV.

  By 2007, the consortium only expects revenue of 12 million Euros. If one assumes a wholesale fee of US$ 6 per registration, this translates approximately a 2 million registration level for the .Mobi sTLD.

  This seems paradoxical, however there could be a clear explanation:

  Mobile Operators will register their domain names on the second level (Vodafone. mobi) and offer all their subscribers a third level registration (name@xxxxxxxxxxxxx) thus ring fencing their subscriber base. The subscriber by receiving his .mobi name on the third level from his mobile operator will have a lesser incentive to purchase his own second level .Mobi.

  Under these circumstances why bother giving out this Mobi sTLD?

- Larry Boston's comment on April 21st included this comment (which references several other paragraphs made in the same comments but not excerpted here):

5. sTLD Financial Justification and Registration Projections are Unproven
--
From the above, it is not clear that there is a sustainable business case for the sTLD, unless Service Providers mandate that Data services and Content must be provided by domains registered under the .mobi sTLD.

Service Providers and Content Providers could reasonably use a TLD for their own purposes, but the number of registrations seems unlikely to reach the estimates given in the proposal unless the financial model assumes a higher
registration charge than for most other Registries.

It might also be that registrations are not the primary motive for this sTLD, but rather to enable mobile operators to register their subscribers at the third level, thus ringfencing them.

- Ritva Siren (writing on behalf of the applicant)'s comments on April 29th included this section re: projected volumes:

  Concern # 4 - Business volume
  mTLD addresses a market with huge long term potential. However, both Internet capable mobile devices and services targeting these devices are just emerging. Therefore, it will take some time before the market can fully benefit and use the full extent of the possible mTLD features and services. That applies to the situation in both the traditional mobile telecommunications services and new mobile services based on unlicensed or unregulated wireless access. The application only covers the time up to 2008. We expect significant mass-market growth to begin closer to the end of this decade, i.e. after the period defined in the application. Critical to that growth are a number of things including the development and availability of solutions, establishing roaming agreements for new services, etc. To get these items in place we need to start now and that requires as a component the existence of the mTLD.

  Investors have discussed how potential future profits will be used. The consensus is, that investors themselves target only payback of their investment with very modest interest with the rest of the profit being reinvested in the business to foster further innovation and enhance mobile business possibilities in different parts of the world. Developing countries in particular have been mentioned.

- Ian Robertson's comments on May 2nd included this comment on proposed level of registrations:

  Furthermore, if mobile users have such a need for a .mobi as you suggest, how can you explain the very low level of registrations you forecast in the

business section of your application? You are forecasting 2.2 billion mobile users by 2007 but only 2 million .mobi registrations, which represents about 0.1% of mobile users.

- Andrew Goldman's May 12 comments included:

    1) Will the pricing of second level domain names for mobile operators with large subscriber bases (i.e. vodafone.mobi), who will therefore have numerous third level registrations (i.e. siren<at>vodafone.mobi ...), be the same as for a small content provider with no sub-domain registrations?
    (i) If this is the case, then the projections in your business model are too optimistic: if all the mobile operators go for third level registrations and pay only $6.00 for their second level domain name, and assume approximately 1000 operators in world, that only yields an annual revenue of $6000!
    (ii) If this is not the case and second level domain names for mobile operators will be determined by the number of sub-registrations, could you please explain your innovative pricing policy?

- Ritva Siren (writing on behalf of the applicants) May 15 comments include:

    Financial Model clarification

    mTLD financials as presented in the application are conservative and reflect the belief, that it takes some time before majority of consumers have handsets, which can use Internet based services. Therefore figures for the first years are modest compared to the target population. However, majority of the currently sold phones are already IP phones and the user population for mTLD's name services is expected to ramp up rapidly towards the end of this decade. That is not reflected in the application due to the requirement of only 3 years period for the estimates.

6. POST

Among the 8 opinions published, there were none related to business and finance characteristics of the .post application.

7. TEL (Pulver)

Among the 28 comments published, none have been detected that refer specifically to business and finance aspects of the .tel application.

8. TEL (Telnic)

The 13 comments do not comment specifically on the business or financial aspects of the proposal.

9. TRAVEL

- There is only one specific comment related to finance and business aspects, which poses questions on characteristics of the business plan and some technical aspects, as follows:

  > *"Question is ... -Do you have enough investment power? -Are you good enough to convince VCs? -What is your risk tolerance? -Do you have a team of professionals? -Can you afford to employ such high level professionals for a long period? -Do you have 200 million user accessibility power? -Do you have ISP support? -Do you have support from Internet backbone providers? -Do you have registrar/reseller support? -Do you have webmaster/business owner/end user support? iska"   <iska@xxxxxxx> Date: Sun, 18 Apr 2004 13:42:33 –0400"*

However, it must be noted that alternative root "New.net" is operating with an identical domain and this might affect the potential market.

- It is worth noting a comment that refers to ICANN's financial health, is the following:

  > *"Under Article XIV of its ICANN bylaws, ICANN must "indemnify each of its agents", including "any other agent", for liability for their actions as an agent of ICANN. In other words, ICANN is required by its bylaws to assume complete liability for the actions of sTLD sponsors in their role as agents of ICANN exercising delegated decision-making authority, including liability for decisions made according to procedures which fail to satisfy the requirements of ICANN's bylaws for the "maximum extent possible" of openness, transparency, and fairness. Given ICANN's liability for its exercise, the delegation of decision-making authority carries the highest degree of fiduciary responsibility for ICANN, and should only be done on the basis of explicit binding commitments to observe all the procedural requirements of ICANN's bylaws. Those commitments are utterly lacking from the Tralliance/TPC proposal. To approve the ".travel" application without a commitment to the "maximum extent feasible" clause of ICANN's transparency, openness, and fairness would be a violation of ICANN's bylaws as well its fiduciary responsibility.*
  > *Edward Hasbrouck" <edward@xxxxxxxxxxxxx>*
  > *Date: Fri, 30 Apr 2004 01:00"*

10. XXX

The 63 comments do not comment specifically on the business or financial aspects of the proposal. A couple suggest that the registration fee seems high relative to that for .com and that some legitimate businesses may feel "forced" to register their names under .xxx to avoid having their brand be tainted.

BUSINESS/FINANCIAL EVALUATION TEAM

EVALUATORS' BIOS

MAUREEN CUBBERLEY - Senior Partner, ASM Advanced Strategic Management Consultants, Canada, specializing in strategic business planning and the design and implementation of new organizational structures in the private and public sectors. She is immediate Past-Chair of the Canadian Internet Registration Authority (CIRA) Board of Directors. As a founding member of CIRA, Ms. Cubberley played a key role in negotiating the transition of dot-ca from UBC to CIRA and helping take the organization from conceptual stage through start-up and on to successful registry operation. She has served three consecutive terms as Chair of the Board, overseeing growth in dot-ca registrations from 60,000 to 400,000. She has contributed to international ccTLD policy discussions and negotiations with ICANN. Ms. Cubberley has held leadership positions with the Ontario Library Association and the Ministry of Culture and Communications and was co-founder of Canada's Coalition for Public Information. She has served as a volunteer advisor with the Canadian National Institute for the Blind and the Consumer Health Information Service and as a mentor with the Northern Exposure To Leadership Institute. She has worked in the areas of information and telecommunications business planning and policy since the late 1980s. In 2001 she received an IWAY Award Honourable Mention for Public Leadership, and was honoured by CANARIE for her contribution to the founding and building of the dot-ca domain.

FERNANDO SILVEIRA GALBAN - Active in the IT world, particularly in e-commerce in Argentina, and a member of the Board of the most important foreign trade entity in Argentina, the CAMARA DE EXPORTADORES DE LA REPUBLICA ARGENTINA (www.cera.org.ar). Mr. Galban is active in the higher education field. He was also a high ranking official for management and performance control in the Presidency of the Argentine Republic, and directed the development of IT applications for International Commerce in the Argentine Foreign Office. He sat on the board of local IT enterprises even before the Internet was deployed in Argentina, where he was in charge of development and control of their business plans. As part of the team at ECOM-LAC, the Latin America and Caribbean Federation for Electronic Commerce and the Internet (www.ecom-lac.org), he was charged with the assignment of the business plan and financial projection for ECOM-LAC activities in the deployment of connectivity solutions for 600 primary/high schools in Latin America, for the "ATLAS MI LUGAR" project funded by the @lis programme of the European Union. He has also been active in preparing projects for funding from organizations like the IDB and the World Bank. Mr.Galban holds a degree in Economy (Universidad del Salvador – Buenos Aires), and a Masters degree in

Operation Research (ESIO-JICEFA) and International Economic Policy (Universidad de Belgrano – Buenos Aires).

JEFFREY B. LISSACK - An experienced executive in the technology field, he now runs his own consulting firm in Salem, MA, focused on helping early stage organizations navigate changing markets and technologies. Previously, he served as Vice President of Nanoplex Technologies (Menlo Park, CA), where he facilitated the launch of a brand security/supply chain tracking business by co-authoring the business plan, building the financial model, and developing its first partnerships. Before that, he rationalized product development and led an asset sale for Knowledge Ventures (Naples, FL), allowing this higher education e-services company to survive amidst a severe industry downturn. Prior to that, he was one of six executives who took The Cobalt Group, the leading provider of Internet marketing services to the U.S. automotive industry, through two rounds of venture financing and its initial public offering, growing annual revenues from <$1M to >$40M. At Cobalt, he served as COO of a multi-million dollar acquisition, created a new customer service division to meet the changing needs of more than 10,000 business customers and managed complex re-selling relationships with a range of companies, including Microsoft, Yahoo, and AOL. Mr. Lissack's earlier work for Massachusetts state government included creating a loan fund and a series of venture capital forums to assist early stage companies with environmentally beneficial technologies. Mr. Lissack earned his M.B.A from the Yale School of Management and his B.A. from Williams College.

NEW sTLD APPLICATIONS

EVALUATION REPORT

**Prepared for the
Internet Corporation for Assigned Names and Numbers**

**Section III:
Report of the Sponsorship
and Other Issues Team**

**Dr. Liz Williams, Chair
Mr. Pierre Ouedraogo
Mr. Daniel J. Weitzner**

TABLE OF CONTENTS

I. **INTRODUCTION**

The Sponsorship and Other Issues Evaluation Team (S&OI ET) have made their recommendations based on an analysis of each of the applications in response to the RFP released on 15 December 2003; on answers to supplementary questions from the applicants and the team's collective knowledge of ICANN and the management of the domain name system.

The S&OI ET had the most complex of the evaluation tasks with significantly more RFP criteria than the Business & Finance and Technical teams ranging across an array of different sTLD elements. In addition, the questions required, in some cases, subjective and futuristic judgments about how the applications may meet the criteria. We applied the criteria to each of the applications individually. We assessed the applications in the context of existing gTLDs, sTLDs and ccTLDs and our knowledge of ICANN's historic (but relatively new) approach to these issues.

We found that this round of applications takes ICANN into new territory, especially with respect to the market for domain name registration services and the services required of registry operators; the economic and policy environment in which the new sTLDs would operate and the social policy context of global DNS governance. These factors, whilst outside the direct scope of the RFP, reflect the reality of the environment in which new sTLDs would operate.

II. **SELECTION CRITERIA**

A brief discussion of the selection criteria is necessary to put into a precise context the way in which the analysis was constructed and to give some background on how the S&OI ET arrived at its conclusions.

The S&OI selection criteria were grouped into two major parts - Sponsorship Information and Community Value. The criteria relating to Sponsorship Information are divided into four sections. The criteria concerning Community Value fall into four sections. We have reprinted all of them here for easy reference to each of the applications and our response to the applicants.

1. *Sponsorship Information*

A. *Definition of Sponsored TLD Community*

The first section revolved around the notion of sponsored communities; appropriate sponsorship arrangements and an understanding of how common needs and interests of the applicant group could be differentiated from the global Internet community.   The

RFP required precise definition of a sponsored community; evidence that that community would benefit from the establishment of an sTLD and evidence that the community would be involved in policy formulation.

> RFP: **The proposed sTLD must address the needs and interests of a clearly defined community (the Sponsored TLD Community), which can benefit from the establishment of a TLD operating in a policy formulation environment in which the community would participate. Applicants must demonstrate that the Sponsored TLD Community is: precisely defined, so it can readily be determined which persons or entities make up that community; and comprised of persons that have needs and interests in common but which are differentiated from those of the general global Internet community.**

B. *Evidence of support from the Sponsoring Organization*

The second section of the RFP looked for direct evidence of support from the Sponsoring Organization for the application. In some cases, the applicant and the Sponsoring Organization were the same entity, in other cases there was a close connection between them.

> RFP: **Applicants must: provide evidence of support for your application from your Sponsoring Organization; and, provide the name and contact information within the Sponsoring Organization.**

C. *Appropriateness of the Sponsoring Organization and the policy formulation environment*

The third section of the RFP required the evaluators to judge whether the Sponsoring Organization's policy formulation procedures and structures would successfully demonstrate a robust and effective policy formulation and implementation organisation. This is a critical section of the RFP because, in delegating the policy formulation and implementation function, ICANN has to be assured that any successful applicant has the capacity to create and deliver policy on a wide range of issues, consistent with ICANN's technical regulatory remit.

> ***RFP:*** *Applicants must provide an explanation of the Sponsoring Organization's policy-formulation procedures demonstrating:*
>
> - *Operates primarily in the interests of the Sponsored TLD Community;*
> - *Has a clearly defined delegated policy-formulation role and is appropriate to the needs of the Sponsored TLD Community; and*
> - *Has defined mechanisms to ensure that approved policies are primarily in the interests of the Sponsored TLD Community and the public interest.*

The scope of delegation of the policy formulation role need not be (and is not) uniform for all sTLDs, but is tailored to meet the particular needs of the defined Sponsored TLD Community and the characteristics of the policy formulation environment.

D. Level of support from the Community

The fourth section of the RFP required the ET to assess whether the applicants had demonstrated sufficient levels of support from the community. This was a particularly subjective judgment which relied upon assessment of evidence provided by the applicants, in addition to analysis of the ICANN public comment forum to ascertain whether the application had sufficient support. The ET required signed evidence of support for the application. Copies of letters of support provided by applicants were uploaded to the evaluation website as supplementary materials and read carefully.

RFP: **A key requirement of a sTLD proposal is that it demonstrates broad-based support from the community it is intended to represent.**

Applicants must demonstrate that there is:

- *Evidence of broad-based support from the Sponsored TLD Community for the sTLD, for the Sponsoring Organization , and for the proposed policy-formulation process; and*
- *An outreach program that illustrates the Sponsoring Organization's capacity to represent a wide range of interests within the community.*

2. Community Value

The second major section of the RFP was divided into five significant subsections. This section of the analysis was the most complex. It required the ET to make objective judgments about the characteristics of each of the applications and to make subjective and futuristic summations of the likely success of any of the successful sTLDs. The results of the assessment were done in the aggregate so that the application was rated on how it met the criteria in a balanced way. The applications presented a mix of commercial and non-commercial propositions which required different analysis.

A. Addition of new value to the Internet name space

RFP: Applicants must demonstrate the value that will be added to the Internet name space by launching the proposed sTLD by considering the following objectives:

(i) Name value

A top-level sTLD name must be of broad significance and must establish clear and lasting value. The name must be appropriate to the defined community. Applicants must demonstrate that their proposal:

- o *Categorizes a broad and lasting field of human, institutional, or social endeavor or activity;*
- o *Represents an endeavor or activity that has importance across multiple geographic regions;*
- o *Has lasting value; and*
- o *Is appropriate to the scope of the proposed Sponsored TLD Community*

(ii) Enhanced diversity of the Internet name space

The proposed new sTLD must create a new and clearly differentiated space, and satisfy needs that cannot be readily met through the existing TLDs. One purpose of creating new TLDs is to enhance competition in registry services and applicants must demonstrate that their proposal:

- o *Is clearly differentiated from existing TLDs;*
- o *Meets needs that cannot reasonably be met in existing TLDs at the second level;*
- o *Attracts new supplier and user communities to the Internet and delivers choice to end users; and*
- o *Enhances competition in domain-name registration services, including competition with existing TLD registries.*

(iii) Enrichment of broad global communities

One of the reasons for launching new sTLDs is to introduce sTLDs with broad geographic and demographic impact.

Significant consideration will be given to sTLDs that serve larger user communities and attract a greater number of registrants. Consideration will also be given to those proposed sTLDs whose charters have relatively broader functional scope.

B. Protecting the rights of others

This section of the RFP focused on the protection of the rights of others.   The applications were assessed on their ability to meet other ICANN policies designed to protect registrants' interests and those of intellectual property and trademark owners.

RFP: New sTLD registries will be responsible for creating policies and practices that minimize abusive registration activities and other activities that affect the legal rights of others.

sTLD registries are required to implement safeguards against allowing unqualified registrations, and to ensure compliance with other ICANN policies designed to protect the rights of others.

C. Assurance of charter-compliant registrations and avoidance of abusive registration practices

This section of the RFP was used to assess whether registry operators could ensure the veracity of registrants within their community and protect the rights of intellectual property holders. It was a particularly difficult section to examine given the diversity of applications and the diversity of jurisdictions in which the applicants proposed to operate. In addition, some applications had not fully formed their organizations and were unable to give sufficient information about the selection criteria.

RFP: Operators of sTLDs must implement safeguards to ensure that non-compliant applicants cannot register domain names. Applicants must demonstrate that their proposals address and include precise measures that:

- *Discourage registration of domain names that infringe intellectual property rights;*
- *Ensure that only charter-compliant persons or entities (that is, legitimate members of the Sponsored TLD Community) are able to register domain names in the proposed new sTLD;*
- *Reserve specific names to prevent inappropriate name registrations;*
- *Minimize abusive registrations;*
- *Comply with applicable trademark and anti-cybersquatting legislation; and*
- *Provide protections (other than exceptions that may be applicable during the start-up period) for famous name and trademark owners.*

D. Assurance of adequate dispute-resolution mechanisms

This section of the RFP focused clearly on whether the applicants were able to implement and ensure compliance with ICANN's well-established Uniform Dispute Resolution Policy. In addition, the applicants were required to demonstrate that they were aware of and could respond to other disputes that may arise within their community.

RFP: All gTLD registries must adhere to the ICANN Uniform Dispute Resolution Policy (UDRP). Particular dispute resolution mechanisms are implemented to support situations such as priority of acceptance of applicants in competition for the same name during start-up periods.

Applicants must demonstrate that their proposal will:

- *Implement the ICANN UDRP; and*
- *Where applicable, supplement the UDRP with policies or procedures that apply to the particular characteristics of the sTLD.*

E. Provision of ICANN-policy compliant WHOIS service

The final section of the RFP focused on the applicant's ability to implement an ICANN compliant WHOIS policy. The provision of accurate WHOIS data and the protection of registrant privacy are handled in diverse ways in different jurisdictions. The ET had to assess whether the applicants had the capacity to implement the existing ICANN WHOIS policy and determine whether they had the capacity to comply with future decisions about WHOIS policy and privacy protection.

RFP: **All existing gTLD registries must provide accessible WHOIS database services to give legitimate information about registrants for purposes that comply with ICANN policies.**

Applicants must include an explanation of how they plan to develop and implement a complete, up-to-date, reliable, and accessible WHOIS database of all registrations in the sTLD. The WHOIS database must also be compliant with ICANN policies. The implementation of such WHOIS policies must comply with emerging ICANN privacy policies in this area, if and when they become approved.

III. PROCEDURAL MATTERS

The ET met through conference calls and conducted their discussions on-line and through formal regular meetings throughout the evaluation phase. The ET met eight times by teleconference between May 28 and July 7. Its work focused on using the evaluation website to input comments, transmit questions and receive information from team members. The ET was generally in agreement on all of their recommendations. In addition, there was no significant divergence of views either about the approach to the evaluation or the results of the evaluation.

This report was drafted based on detailed study of all the applications; reference to meeting notes; conference call discussions and general familiarity with the ICANN and the sTLD application process. The applicants also had one week to provide further information to the ET by responding to questions that it had about a variety of aspects of the applications.

The ET commends the work of all the applicants and has recommended all that we believe meet the Sponsorship and Other Issues selection criteria set forth in the RFP.

IV. <u>METHODOLOGY</u>

The ET team used a variety of methods to arrive at their conclusions.

Firstly, we relied upon the applicants to make demonstrably clear in their responses to the selection criteria that they understood those criteria and would be able to implement a new sTLD on the basis of what they had claimed in the application. We have acknowledged that some of the selection criteria required somewhat subjective analyses of future attractiveness and lasting value.

Secondly, we attempted to rely on the process and results of the previous round of gTLD applications to determine what parts of that process were relevant here, most particularly with respect to dispute resolution, protection of the rights of others and the potential for a successful implementation phase. We found that those earlier processes were not that helpful here as the applications were largely different; the market had shifted significantly and the reasoning behind decisions in those processes were not always well documented. We also took the opportunity to pose questions to each of the applicants, inviting them to amplify their applications and to clarify other information that we needed to assess their proposal against the RFP.

Thirdly, we used existing ICANN policies on sponsorship; accreditation of registries and registrars; and on the definitions of regions and country codes; as well as those policies under discussion in the GNSO (particularly with respect to WHOIS and UDRP) and on our knowledge of ICANN's systems and procedures within its technical regulatory mandate.

Fourthly, we reviewed the public comment forum in great detail and took into account commentary from the broader community about the strength of each of the applications. However, we had to contain our analysis very firmly to the detailed RFP criteria.

Finally, we relied on our collective experience within the ICANN policy making environment; gTLD & ccTLD management experience; technical and policy expertise within the group, both in non-profit and for-profit environments, and the geographical and skills diversity of our ET. This enabled us to make decisions on the basis of the RFP in an orderly and sound manner.

V. <u>ANALYSIS</u>

We have set out our analysis on an application-by-application basis and have addressed each of the selection criteria in turn.

We have put the applications into three categories: those that meet all of the selection criteria, those that do not presently meet all of the selection criteria but, for the reasons described below, merit further discussions with ICANN, and those which do not meet all of the selection criteria and whose deficiencies cannot be remedied within the applicant's proposed framework.

Recommendation	Application
Meets criteria	.cat
	.post
Does not meet all criteria	.asia
but merits further discussion	.jobs
	.travel
Does not meet all criteria	.mail
and is not recommended for further discussion	.mobi
	.tel (Telnic)
	.tel (Pulver)
	.xxx

VI. .asia

Introductory comments

The ET was concerned about the .asia application for several reasons. The proposal does not define a sponsored TLD community clearly enough. There also is inadequate evidence of widespread support for the application across the broadly identified region. In addition, the ET has questions about how a .asia sTLD would have broad recognition across such a wide region that includes both the Middle East and the South Pacific.

On balance, the ET thought that the application might be a useful starting point for the consideration of a sTLD which reflects specific geographic regions, but that the application had failed to demonstrate how it would be implemented and managed in this instance. The applicant might also consider participating in a broader round of generic top level domains at a later date.

1. SPONSORSHIP INFORMATION

A. Definition of Sponsored TLD Community

The ET was of the view that the community was not clearly defined on a number of levels. Whilst the region is reasonably well defined geographically (particularly according to ICANN's five regional definitions), it was not clear whether registrants would be limited to that region. The ET was of the view that the diversity within the region (from the Middle East to the South Pacific) was so great as to make it difficult to define a community of common interests.

The poor to non-existent representation of some parts of the community in the application also cast doubt on the likelihood of being able to meet the criteria.

On balance, the application does not meet the selection criteria.

B. Evidence of support from the Sponsoring Organization

The application meets the criteria insofar as the Sponsoring Organization (Dotasia Organisation Limited) and the applicant are one and the same.

C. Appropriateness of the Sponsoring Organization and the policy formulation environment

The application demonstrated significant experience and commitment to policy formulation in the DNS governance environment. However, the application does not demonstrate that there is a clearly defined policy formulation environment for .asia that would operate in the interests of both the sTLD and the public interest.

It was also not clear that the proposed policy formulation environment reflected the diversity of views within the region, nor how such a broadly defined community could be brought together in an effective policy making organisation.

On balance, the application does not meet the selection criteria.

D. Level of support from the Community

Measuring levels of support from the community is a particularly difficult task and the ET recognized and valued the strong support from several important groups.

The ET took into consideration the level of support demonstrated in the application itself; the provision of support letters from the applicant and other entities (such as regional organizations) from which we could reasonably have expected support for the application.

Answers to the supplementary questions the ET posed were not sufficient to demonstrate that the application had formalized support from a diversity of groups in the region. The support for the application is limited to a range of ccTLDs, albeit important and well-established ones. The ET was concerned about the absence of even a majority of regional ccTLDs and questioned whether it would be possible to gain support from additional ccTLDs administrations at least those that appear concerned .asia may compete with them for recognition in the domain name space.

The ET is aware that there is not comprehensive support from the APTLD and from a range of other interests outside of North Asia. The representation is heavily skewed to North Asia, with little or no representation from other areas within the region. Furthermore, it appears that the applicant did not seek support from pan-regional organizations such as ASEAN, APEC or the Pacific Island Forum Secretariat.

The application does not demonstrate broad based support from the community, either through the evidence supplied in the application or from the public comment forum.

2. COMMUNITY VALUE

A. Addition of new value to the Internet name space

The ET was not persuaded that the .asia string would have broad recognition across such a wide region, especially in the Middle East and the South Pacific, where potential registrants may have difficulty relating to the "asia" tag. As such, the ET could not conclude that the application adds new value to the name space.

Aside from the question of whether the application demonstrates lasting value, the application does not meet the other criteria for this section because the name string proposed does not align with the community assembled so far. The applicant may wish

to consider a TLD that is more descriptive of the group it has assembled, as a .asia sTLD seems too broad for the group described in application.

B. Protecting the rights of others

The applicant has shown a strong will to protect the rights of others through sunrise registration periods, commitment to ICANN's Uniform Dispute Resolution Policy (UDRP) policies and a special Charter Eligibility Dispute Resolution Policy (CEDRP).

However, the application was not very clear in sections under these categories relating to the protection of rights adapted to the specifics of local communities and the nations that composed the region.

Considering the variety of cultures and languages in the region, the ET was not convinced that the application sufficiently met the criteria.

C. Assurance of charter-compliant registrations and avoidance of abusive registration practices

The application provided general discussion around these parts of the selection criteria. It did not, however, demonstrate that it met the criteria. Again, the diversity of the region; the difference in approach to these issues with respect to the policy formulation environment and the lack of clarity about how to ensure charter and name registration policy compliance were problematic.

On balance, the application does not meet the criteria.

D. Assurance of adequate dispute-resolution mechanisms

The application set out a clear intention to abide by the already established ICANN UDRP.

The application meets the criteria.

E. Provision of ICANN-policy compliant WHOIS service

The application set out a clear intention to abide by ICANN existing and future WHOIS policies. The application meets the criteria.

Recommendation:

In light of all these factors, we believe that .asia does not meet the Sponsorship and Other Issues selection criteria set forth in the RFP.

Whilst we cannot state that this application meets the RFP criteria, we believe some of the ideas presented here are sound and innovative. The application might consider a TLD string which is more descriptive of the community that it has assembled, or participating in a broader round of generic top level domains at a later date.

VII. .cat

Introductory comments

The ET was of the view that the .cat application met the required criteria and should be allowed to proceed to the next stage of the application process.

The community was well defined and the policy formulation environment was properly articulated. The applicant asked that some support letters be kept confidential. We were not able rely on support and testimonials which could not be made public. However, we did ascertain that there was sufficient public support to warrant the application meeting the criteria.

The applicant showed a clear understanding of the selection criteria and ICANN's expectations for sponsored TLDs.

1. SPONSORSHIP INFORMATION

A. Definition of Sponsored TLD Community

The application clearly demonstrated that the definition of a sTLD community was met. The application showed that there is a clearly defined set of needs around the provision of Internet services that are culturally and/or linguistically associated with the Catalan language or region.

The ET was satisfied that the criteria had been met.

B. Evidence of support from the Sponsoring Organization

The application meets the criteria. Although the Sponsoring Organization, Fundacio puntCAT has not yet been formed, its founders will be largely the same people that have formed Associacio puntCAT.

C. Appropriateness of the Sponsoring Organization and the policy formulation environment

The ET was satisfied that the criteria had been met in the explanations provided in the application.

D. Level of support from the Community

The Catalan culture and language is recognized globally as a significant community with valuable content and services both for the members of the community and others. There were approximately 58,000 indications of support from the community.

The application therefore demonstrated that there was support from the Catalan community for the application. In the public comment forum there was ambivalence about support from the broader Internet community.

However, the ET is obliged to assess the application on the basis of the selection criteria. On that basis, the application met the criteria.

2. COMMUNITY VALUE

A. Addition of new value to the Internet name space

The application met all the criteria in this section. It is clear that .cat adds new and different value to the name space, especially as it recognizes clearly defined cultural and linguistic characteristics. The applicant has demonstrated a broad and lasting social endeavour and activity which has importance for a diasporic community which is appropriate to the sponsored community.

There was some discussion about whether the needs of the community could be met under the existing .es ccTLD, but because the Catalan community is not limited to Spain, the application has demonstrated that the needs of the community are sufficiently differentiated to warrant a specific sTLD.

The ET could not assess whether there would be a large number of registrations in the new sTLD but that, on balance, this application would be attractive to a wide range of Catalan users around the world.

B. Protecting the rights of others

The application does attempt to protect the rights of others.

The application meets the criteria.

C. Assurance of charter-compliant registrations and avoidance of abusive registration practices

The application demonstrated an understanding of charter-compliant registrations and mechanisms to avoid abusive registrations. The ET were of the view that the experience of the staff involved in the application would be helpful in ensuring that these criteria would be met in implementation.

The application meets the criteria.

D. Assurance of adequate dispute-resolution mechanisms

The application meets the criteria.

E. Provision of ICANN-policy compliant WHOIS service

The application meets the selection criteria.

Recommendation:

In light of all these factors, we believe that .cat meets Sponsorship and Other Issues selection criteria set forth in the RFP.

VIII.   .jobs

Introductory comments
The ET was of the view that the .jobs application did not, on balance, meet the selection criteria. The ET believe that the existing sTLD structure is sufficient to accommodate the needs identified in the application. In addition, whilst the application listed international organizations of human resource professionals, it was not clear that those organizations would have a significant impact on the nature and operation of the sTLD.
In summary, the ET thought that employment is a very broad category that has substantial overlap with other existing classes of content and services. The ET was of the view that the global jobs and careers market was well served by existing search capabilities and that the application as presented would not add significant new value to the name space.

1. SPONSORSHIP INFORMATION

A. Definition of Sponsored TLD Community

It was thought that the string suggested is broader than the described community. For example, the absence of ILO (International Labor Organization) and main trade union organizations in the SO suggests that the SO is insufficient to represent the proposed community.

The applicant seems to restrict the community related to "jobs" to "employment." Jobs could also refer to other sub-communities related to jobs as, for example, trade unions, health, security, law enforcement, retreats or insurance.

The choice of another string is one way to address these concerns. For example, ".shrm" (the acronym for the sponsoring organization) or ".employ" would correlate more closely to the proposed sponsoring organization.

The ET was not convinced that the definition of the sTLD met the selection criteria.

B. Evidence of support from the Sponsoring Organization

The application meets the selection criteria insofar as the Sponsoring Organization (The Society for Human Resource Management) and applicant (Employ Media LLC) are closely affiliated.

C. Appropriateness of the Sponsoring Organization and the policy formulation environment

The SO definition and its applicability in the jobs market makes it very difficult to determine how appropriate the SO is to the proposed policy formulation environment. We have noted above our concern about the absence of organizations such as the ILO.

On balance, the ET agreed that the application did not meet the selection criteria.

D. Level of support from the Community

The ET was not convinced there was sufficient evidence for support from the SO to meet the selection criteria. Whilst the application listed a range of organizations that could support the application, the ET were not assured that the SO had sufficient support from the community it was designed to serve.

The applicant seemed to suggest that those who are interested should join the Society for Human Resources Management. It is not clear that this organization has adequately broad representation in the labor market in general. The geographic centre of gravity of the organization appears to be in the United States with little evidence of participation outside. The entire board of directors is composed of U.S. persons.

In addition, the ET thought that there was little evidence of outreach activities to garner support from a larger community of interest in employment matters for the Sponsoring Organization. On balance, the application does not meet the selection criteria.

2. COMMUNITY VALUE

The ET did not agree that the .jobs application added sufficient value to the name space. In particular, whilst jobs is a recognized letter string, the application did not demonstrate clear and lasting value that could not be met in the existing gTLD structure nor was it relevant across multiple geographic regions. Employment-related content is well represented already on-line, and it was not made clear how this proposal would increase those services.

The ET agreed that the .jobs application did not create a new and clearly differentiated space which was clearly distinct from existing gTLDS. It is unlikely that the .jobs would attract new user and supplier communities as the existing job and career search services are comprehensive, globally relevant and demonstrably successful in terms of numbers of advertised positions and use of on-line job search facilities.

Whilst the .jobs may serve a large global community, the application failed to explain why those needs could not be met in the current DNS structure.

B. Protecting the rights of others

The applicant's response is adequate and meets the selection criteria. It does not, however, account for a global service reach.

C. Assurance of charter-compliant registrations and avoidance of abusive registration practices

The application meets the selection criteria.

D. Assurance of adequate dispute-resolution mechanisms

The application meets the selection criteria.

E. Provision of ICANN-policy compliant WHOIS service

The application meets the selection criteria.

Recommendation:

In light of all these factors, we believe that .jobs does not meet the Sponsorship and Other Issues selection criteria set forth in the RFP.

Some of the ideas presented in the application, however, are valuable and interesting. We recommend that, in the first instance, the application could be improved if a narrower string was used, for example, .shrm or .employ. As an alternative, we recommend that the applicant broaden their base of support to include other groups and individuals that one would normally associate with the broad term "jobs." In the meantime the applicant might work closely with existing registries to offer their services through the current gTLD structure.

IX. .mail

Introductory comments

The ET was not convinced that the .mail application met the selection criteria adequately. The reduction and removal of spam was seen as a worthy and useful service which could be applied to any gTLD or ccTLD. The ET thought that, on balance, .mail did not meet all the selection criteria.

It recommended, however, that the .mail applicants work with existing registry providers to ascertain whether their technical solution can be used in all registries.

1. SPONSORSHIP INFORMATION

A. Definition of Sponsored TLD Community

The application met some of the selection criteria in this section but the sponsored TLD community is a very amorphous category of users – essentially anyone who does not want to receive spam.

B. Evidence of support from the Sponsoring Organization

The application met the selection criteria insofar as the Sponsoring Organization (The Anti-Spam Community Registry) and the applicant are the same.

C. Appropriateness of the Sponsoring Organization and the policy formulation environment

The application met the selection criteria but the benefit of having an SO with the proposed policy formulation environment is not immediately obvious, as registrants appear to need an existing registration in another registry which then uses the .mail service to filter mail.

D. Level of support from the Community

The application did not meet the selection criteria, either from the public comment forum or through direct proof of support from the applicant community itself. According to some public forum commentary, the high costs of fees for this registry were considered a disincentive for individual and small and medium size business registrants.

2. COMMUNITY VALUE

A. Addition of new value to the Internet name space

The applicant did not meet the selection criteria set out in this section. The ET was of the view that the service proposed by .mail could be most usefully implemented in the broader gTLD context if that would provide a technically sound solution for users.

B. Protecting the rights of others

The applicant did not meet the selection criteria set out in this section. In particular, it was unclear whether there was a benefit to registrants in having to register a domain name in one registry and another in this domain.

C. Assurance of charter-compliant registrations and avoidance of abusive registration practices

The application met the selection criteria.

D. Assurance of adequate dispute-resolution mechanisms

The application met the selection criteria.

E. Provision of ICANN-policy compliant WHOIS service

The application met the selection criteria.

Recommendation:

In light of all these factors, we believe that .mail does not meet the Sponsorship and Other Issues selection criteria set forth in the RFP.

Our decision not to recommend this application does not imply that we consider spam either a solved or unimportant problem. To the contrary, we believe that it is a vital issue to address but that it requires broad-based Internet community involvement. We recommend that the applicant work closely with the existing gTLD and ccTLD registries to implement their spam management ideas.

‣ **X. mobi**

.mobi

The ET does not believe that the .mobi application sufficiently meets the selection criteria to enable them to recommend that the application proceed to the next phase. In particular, concerns about exclusivity in the policy formation environment and uncertain contributions to the Internet name space lead us to decline to recommend this application for a sTLD on the basis of the RFP.

I. SPONSORSHIP INFORMATION

A. Definition of Sponsored TLD Community

The applicant defines the community as "all commercial participants in the mobile community." It is not clear that it is possible, especially over time, to establish the membership of this community. Questions the ET discussed, for example, included whether television broadcasters who in the future may be allowed to use their radio spectrum for mobile services should be included. Until relatively recently, the computer industry would probably have been excluded, but now that would be regarded as mistaken. These scenarios raise questions as to the precise definition of the community.

Taking the applicant information and previous approaches to sTLDs, the ET were of the view that the application did not meet the selection criteria in a sufficiently well-defined way.

B. Evidence of support from the Sponsoring Organization

The application meets the selection criteria insofar as the initial founders of the Sponsoring Organization (Mobi JV) and the applicant (Nokia/Vodafone/Microsoft) are the same.

C. Appropriateness of the Sponsoring Organization and the policy formulation environment

The ET does not believe that the application articulated the most appropriate policy formulation environment for a highly commercial and exclusive organisation. The fact that the JV retains ultimate policy-making authority over the TLD raises concerns about bias on behalf of the financial backers of the JV.

The ET was also not persuaded that the joint venture partners could implement a cohesive policy formulation environment that aligned with ICANN policy setting priorities. The perception of bias would discourage the broader community from

participating and cast doubt on the fairness of the resulting decisions. The ET also thought that some mobile service providers may have a distinct interest in reaching mobile users. However, evidence of ongoing product development and technical standards efforts suggests that most content and services providers want to reach all Internet users and devices, not just those with mobile devices.

On other matters raised in this section, it was also not clear whether the Policy Advisory Group (PAG) and the Membership Advisory Group (MAG) were self-selecting on the basis of financial capability which would be an excluding element in their organisation. It was thought that whilst the policymaking process takes input from a variety of advisory organizations, decisions are made by the board of directors, chosen from amongst those that invest in the venture. This may not be the best scenario for the board to take the larger community input into account.

The application also suggests that the ability to set policy will enhance the community's ability to agree on business and technical best practices in order to form a more coherent, precisely defined set of mobile services. This may benefit those who participate in the decision. It is unclear that it will be positive for innovation or the community of registrants and users. On balance, the ET does not believe that the application meets the selection criteria.

D. Level of support from the Community

As the Sponsoring Organization has not yet been formed, it is impossible to assess the level of support for the organization. There is not at this time evidence of broad support from the potential community of registrants nor is there such evidence from the public comment forum.

In addition, the scope of delegation is not clear in that it appears to include requirements to comply with a variety of technical standards and business practices. There is no indication whether the policymaking process will or will not be bound to comply with basic technical standards from established standards setting bodies in the Internet community, such as the IETF, all of which work in this mobile Internet and web environment.

The policy formulation process is not sufficiently well articulated especially to support a new service and a new community of users. The application, on balance, does not meet the selection criteria.

II. COMMUNITY VALUE

A. Addition of new value to the Internet name space

The ET was of the view that the benefits of more mobile-aware Internet and web services can be provided at least as effectively with existing

technologies and without reliance on a new TLD.

To the extent that the purpose of this new TLD is to provide specialized mobile access to both existing and new Internet-based services, the existence of this TLD is likely to create confusion as to where to find a particular service and whether there is any difference between *.com/org/cctld and *.mobi. The confusion will be magnified in trying to assess the relationship between http://www.*.mobi and http://www.*.*

In addition, it appears that the needs of the community can be met through existing content negotiation and device capability negotiation technologies, even without second level domain name changes. While the application asserts that the very large number of mobile users will generate more registrants, the logic is unclear. The average mobile user seems even less likely to need or want a domain name than the average traditional Internet user. The ET was not convinced that the .mobi application would bring new user communities to the Internet.

On balance, the application does not meet the selection criteria.

B. Protecting the rights of others

The application meets the selection criteria. However, significant questions remain about the ability of the SO to implement these policies.

C. Assurance of charter-compliant registrations and avoidance of abusive registration practices

The application meets the selection criteria but further work would need to be done on avoiding abusive registrations practices and ensuring compliance.

D. Provision of ICANN-policy compliant WHOIS service

The application meets the selection criteria.

E. Provision of ICANN-policy compliant WHOIS service

The application meets the selection criteria.

RECOMMENDATION

In light of all these factors, the ET believes that .mobi does not meet the Sponsorship and Other Issues selection criteria set forth in the RFP.

X. .post

Introductory comments

The .post application was presented in a well defined and sensible manner. The ET was of the view that the .post application met the required selection criteria and should be allowed to proceed to the next stage of the application process.

1. SPONSORSHIP INFORMATION

A. Definition of Sponsored TLD Community

The application meets the selection criteria because it is clear that organizations that are part of the Universal Postal Union (UPU) and those who provide private postal services are included in the community. This seems to be a well-bounded group of organizations that are potential registrants.

B. Evidence of support from the Sponsoring Organization

The application meets the selection criteria insofar as the Sponsoring Organization (the Universal Postal Union, or UPU) and the applicant are one and the same.

C. Appropriateness of the Sponsoring Organization and the policy formulation environment

The application meets the selection criteria.

The UPU affiliation makes the scope of needs and interests clear in addition to having a clear and long established policy formulation environment. Further clarification is needed about the integration of the UPU policy formulation environment into the ICANN environment. A hierarchy of regulatory authority must be established early to ensure the smooth operation of a new registry. In addition, the applicant needs to show how non-state registrants (such as FEDEX) would participate in the policy development process.

D. Level of support from the Community

The application meets the selection criteria.

The applicant's reference to the longstanding experience of the UPU suggests a good likelihood of success. It would be valuable to know whether any non-UPU, non-governmental members are excluded.

The application would be strengthened by clear focus on the utility of the sTLD to developing countries, where postal services are universal but Internet access is limited or non-existent.

2. COMMUNITY VALUE

A. Addition of new value to the Internet name space

The application meets the selection criteria, particularly with respect to its broad significance; its relevance across multiple geographic regions; and its potential for lasting value in underserved markets.

The applicant needs to clarify that ICANN's policy formulation processes take precedent; that accreditation as an ICANN registrar is sufficient to allow the registrars to sell .post names and that ICANN registrars are not excluded through an extra layer of accreditation standards.

The applicant needs to demonstrate direct outreach efforts. It seems implicit that, because postal services are universal, the .post outreach will also be universal.

The .post application meets needs that are not currently served in existing gTLDs.

B. Protecting the rights of others

The applicant meets the selection criteria. We do recommend that further discussions with ICANN address data protection and law enforcement access to communications covered under .post.

C. Assurance of charter-compliant registrations and avoidance of abusive registration practices

The applicant meets the selection criteria.

D. Assurance of adequate dispute-resolution mechanisms

The applicant meets the selection criteria.

E. Provision of ICANN-policy compliant WHOIS service

The applicant meets the selection criteria.

Recommendation:

In light of all these factors, we believe that .post meets the Sponsorship and Other Issues selection criteria set forth in the RFP.

XI. .tel (Pulver)

Introductory Comments

The ET was of the view that the .tel (Pulver) application did not meet the selection criteria because of the lack of representative reach of the Sponsoring Organization, poor coordination with ENUM developments in the larger Internet community, and questions about whether the application defined a community which can add value to the Internet name space.

Whether the proposed sTLD ought to be established depends, in the first instance, on whether or not it makes sense to register telephone numbers as domain names.

1. SPONSORSHIP INFORMATION

A. Definition of Sponsored TLD Community

The application does not meet the selection criteria.

The definition of the community to be served by this sTLD is very clear, that is, those who seek to register telephone numbers in ITU E.164 format as domain names on the Internet. The ET was concerned about whether this sTLD meets the requirements of a sponsored TLD community given that it was unclear whether it made sense to register telephone numbers as domain names apart from the ENUM trials under way. If it did make sense to register telephone numbers as domain names, then it becomes even more problematic to identify a clearly defined community whose needs are differentiated from existing Internet users.

The Sponsorship evaluation team was not convinced that the definition of the community to be served is precisely and sufficiently well described.

B. Evidence of support from the Sponsoring Organization

The application meets the selection criteria insofar as the Sponsoring Organization (Pulver.com) and applicant (NetNumber, Inc) are closely affiliated.

C. Appropriateness of the Sponsoring Organization and the policy formulation environment

The application relies on the framework of a newsletter writing and conference organizing company. While this company is well regarded in some parts of the IP telephony community, it functions primarily as a media outlet. Given the pressures of operating industry conferences and close ties with particular commercial service providers in the IP Telephony industry, we are not persuaded that this type of organization can provide an open, fair and trusted environment for policy making. The application lists a large number of organizations that participate in Pulver-sponsored

conferences. While this speaks well to the applicants' organizing ability, it does not provide adequate evidence of the sort of foundation required for a well-functioning policy-making process.

The composition and selection procedures of the Sponsoring Organization's board of directors do not establish an adequately open, inclusive policy formation environment. Whilst the application calls for a board representative of the variety of industries interested in the IP telephony market, the board as defined is self-perpetuating with no process for open selection of new directors beyond the applicant organizations.

Information provided in the supplemental answers submitted in response to the ET's questions do make a case for the need on the part of a certain sub-section of the overall IP telephony community to have a better organized voice in the process of evolving standards and services. As such, the applicant makes the case for continued efforts at technical and operational consensus, not an sTLD. Moreover, the proposed policy formulation environment may inadvertently encourage and/or enable a subset of the overall Internet community to depart from efforts at consensus on operation of VoIP services. In that this departure could lead to fragmentation of important new Internet voice services, accepting this sTLD application could make policy formulation in these issues more difficult. Policymaking and standards setting in this important area is clearly needed at a broader level than the applicant proposes.

Given the narrow scope of the sponsoring organization and the unfinished process of developing consensus in the Internet community, the application does not meet the selection criteria.

D. Level of support from the Community

The application does not meet the selection criteria. A comprehensive list of major stakeholders has not been provided which would indicate a sufficient level of support. In addition, the support list which has been provided does not demonstrate sufficient geographically diversity, which is critically important given the increasing use of IP telephony in developing countries.

The public comment forum did not provide resounding support for the idea and some of the commentators posed valid questions (on both sponsorship and other matters) which, on balance, indicated that the application does not meet the selection criteria.

2. COMMUNITY VALUE

A. Addition of new value to the Internet name space

We are not certain whether or not this sTLD would add value to the Internet name space. The ET noted that this would be a proof of concept trial as there are currently no numbers

registered as domain names. We note that the DNS system has been created in order to make the IP identifiers easier to remember and, in this proposal, exactly the opposite is proposed.

Hence, we cannot find that the application meets the selection criteria.

B. Protecting the rights of others

The application appears to meet the selection criteria by requiring that registrants prove they are entitled to use of the E.164 number they seek to register.

C. Assurance of charter-compliant registrations and avoidance of abusive registration practices

The application assumes that it can prevent abusive practices by limiting the universe of potential registrants to IP Communications Service Providers. The application meets the selection criteria.

D. Assurance of adequate dispute-resolution mechanisms

The application meets the selection criteria through use of ICANN UDRP procedures.

E. Provision of ICANN-policy compliant WHOIS service

The application meets the selection criteria through agreement to provide ICANN policy compliant WHOIS services.

Recommendation:

In light of all these factors, we believe that .tel (Pulver) does not meet the Sponsorship and Other Issues selection criteria set forth in the RFP.

XII. .tel (Telnic)

Introductory comments

The ET was of the view that the .tel (Telnic) proposal did not meet the selection criteria and should not proceed to the next round of negotiations.

1. SPONSORSHIP INFORMATION

A. Definition of Sponsored TLD Community

The application defines an enormously broad community of users. As the applicant describes it, this .tel sTLD "addresses the unique needs of the fixed-line and wireless Internet-Communications namespace. This namespace covers any form of

intercommunications activity (voice, combined voice/data, or messaging) between individuals and/or businesses, which is dependent, in part or whole, on the Internet as the means of transport. Hereinafter, this environment is referred to as the "Internet-Communications" namespace."

In sum, the community appears to be anyone who has a phone or seeks to disseminate telecommunications routing information about how to reach them. Given the intent to include other forms of messaging, it may progress even beyond just telephone numbers.

The ET understands the goal of the RFP is to open up new sTLDs to well-defined communities that can be differentiated from others in the existing TLD namespace and assume certain of ICANN's policy-making authority on issues relating to the sTLD. .This application seems to sweep almost all existing registrants (at least those who have a phone number or other messaging address) under its ambit. Owing to its extreme breadth, we do not believe that the application meets the selection criteria.

B. Evidence of support from the Sponsoring Organization

The application meets the selection criteria insofar as the Sponsoring Organization (Telname Limited) and applicant (Telnic Limited) are closely affiliated.

C. Appropriateness of the Sponsoring Organization and the policy formulation environment

Owing to the extraordinary breadth of the defined community, we do not believe that the Applicant has proposed an appropriate policy formulation environment. Despite laudably transparent operating procedures, the policy making and operational authority is exclusively vested in the original financial investors of this venture with no mechanisms to grow toward broader community support. We have no objection in principle to such a commercially-oriented governance structure, but believe that it is inappropriately closed in light of the broad functions that the applicants seek to support.

The policymaking process is made up of a Policy Advisory Group (PAG) and Sponsoring Organization Board (SO). The PAG is responsible for developing policy recommendations, upon which the SO will decide. The PAG is composed of independent experts appointed by the chair of the PAG (named initially by the applicants) and operates in a public and transparent manner. The SO must decide on all proposals brought before it by the PAG. The SO can only overrule the unanimously arrived at PAG proposals based on a unanimous vote of the SO. This process does provide considerable public view into the operation of the sTLD, but in the end all of the decision making authority is vested with the SO. The SO is a self-perpetuating Board initially made up of the management and financial backers of the effort. As the application declares, "The majority of the SO Board members will be selected and appointed by the investors." The SO has no obligation to include representation from any portion of the community to be served by the sTLD. We can imagine that there would be some pressure on the SO to be inclusive in its appointments, but there is no requirement that they do so.

The challenge to policymaking in this arena is substantial, given the very broad range of activities to be controlled under this TLD. We agree with the applicant that there are considerable challenges to be met in providing more user-friendly navigation services for the increasingly complex realm of addressing and numbering options available to Internet and telecommunications users. That complexity, however, adds to the challenge of making policy is this area. As judged by the procedures proposed and relative paucity of support from the community (see section 1D), we are not persuaded that the policymaking structure proposed here is up to the challenge of setting policy in this environment.

Especially in light of the very broad reach of the sTLD community and the far-reaching interests implicated in its operation, we consider this policymaking structure simply too narrow and unrepresentative to be a functioning, trusted or effective policy making process. We do not believe that it would be appropriate for ICANN to delegate such broad policy authority to an inherently closed process such as that one described in the Application.

In light of the highly centralized management control over policy making and the limited response to the challenge of representing a very broad community, the applicants have not satisfied the selection criteria.

D. Level of support from the Community

As noted in 1A, the defined community includes all users of the "fixed-line and wireless Internet-Communications namespace." We do not see evidence of support from any organizations representing the breadth of that user community. With a few notable exceptions, the bulk of the support for this proposal comes from researchers and developers in the field, some of whom are under contract with the Telnic organization. Furthermore, a large proportion of the letters of support offered in response to the ET's supplemental queries appear to be based on the same boilerplate text and only offer to "consider" participating in the Policy Advisory Group. This relatively thin support fails to inspire confidence that the larger community to be served will be well-represented by this sTLD should it become operational.

There is little support from the public comment forum. Evidence of support from the Sponsoring Organization is limited to the support from the applicant. In addition, it was very difficult to discern which needs of what community would be met by this service that were not different from the needs of the general Internet community which are served by existing gTLDs.

Based on the lack of broad-based community support for this proposal, we conclude that the application does not meet the selection criteria.

2. COMMUNITY VALUE

A. Addition of new value to the Internet name space

The breadth of the proposed community (section 1A) and the relatively speculative uses proposed for this sTLD cast considerable doubt on the utility of this TLD for the Internet name space.

The argument supporting the view that this sTLD adds value to the Internet name space is offered largely from researchers and advanced service developers (some of whom are under contract with Telnic to develop proof of concept demonstrations). Whilst these consultants have proven that it is possible, in a very narrow testbed environment, to implement services consistent with the application, we believe that these tests are essentially irrelevant to the viability of a .tel sTLD operating at Internet scale with all of the attendant social and community challenges. For example, one support letter reported that their testbed has successfully routed communication to johnsmith.tel. We imagine that there was only one "John Smith" in this testbed. In the real world application of this proposed TLD, however, there are likely to be many more. We see at least as much downside potential for confusion with the addition of this TLD as upside potential for valuable new services. We have no doubt that, as one researcher notes, "the market wants and needs a system to manage communication across all networks and independent of all devices." But we are far from persuaded that a .tel sTLD is either necessary or sufficient to solve these problems.

B. Protecting the rights of others

Applicants promise to "employ and use a procedure that will enable intellectual property owners to protect their valuable property." While we accept this statement at face value, we do not believe that it constitutes full protection for all of the rights that individuals and businesses may require. In particular, individuals who would depend on this TLD for routing personal communications will have distinct needs, separate from those of intellectual property holders. Also, given the involvement of individual naming, we consider the absence of careful treatment of data protection and law enforcement access issues to be a substantial gap in the application. The application does not meet the selection criteria.

C. Assurance of charter-compliant registrations and avoidance of abusive registration practices

The application meets part of the selection criteria with long sunrise periods for certain registrants and adoption of the UDRP.

E. Provision of ICANN-policy compliant WHOIS service

The application meets the selection criteria in that it agrees to provide ICANN policy-compliant WHOIS services.

Recommendation:

In light of all these factors, we believe that .tel (Telnic) does not meet the Sponsorship and Other Issues selection criteria set forth in the RFP.

.travel

Introductory comments

The ET were not persuaded that .travel met sufficient of the selection criteria to warrant the application proceeding to the next stage of negotiations.

The ET thought that the string chosen by the applicants was too broad to enable an adequate definition of a Sponsoring Organization or to identify needs that were not already met by the existing gTLD structure.

While the applicant does a very thorough job of defining a community, we did not believe that the community is consistent in breath with the name string .travel. Rather, the community defined is limited to the commercial providers of travel services. Also, the ET believes that the needs of the very diverse travel community are well met by the existing gTLDs and that this proposal could be integrated as a second level domain name into, for example, .com, .biz or .info, quite easily.

1. SPONSORSHIP INFORMATION

A. Definition of Sponsored TLD Community

This application does a thorough job of defining the commercial travel services community. Commercial travel services appear to come from a well-defined and well-organized community. (As we note below, the scope of the chosen name string is not consistent with the community that is being defined.

B. Evidence of support from the Sponsoring Organization
The application meets the selection criteria insofar as the Sponsoring Organization (The Travel Partnership Corporation) and applicant (Tralliance Corporation) are closely affiliated.

C. Appropriateness of the Sponsoring Organization and the policy formulation environment

We do not believe that the application has defined a policy formulation requirement that is sufficient to justify a separate TLD. The applicant asserts that this sTLD would be the first and only means by which the entire global and regional travel industry and its organizations are able to directly participate in domain policy formation and implementation. While this statement is true, we have not seen any reason why the needs of the travel community require distinctive policy treatment. The main activities they cite -- authentication of bona fide travel organizations, searching in approved travel services directories and promotion of online travel-related services -- are all services that can be accomplished outside the DNS. Both general purpose and industry-specific search tools in existence today demonstrate this fact. We did seek clarification on this point but the

response in the supplemental answers did not offer substantially new information than that which was in the application.

We are pleased to see that, as described by the applicant, the potential constituents of the Sponsoring Organization make up "nearly 100%" of the travel industries associations worldwide. The initial board of directors of the Sponsoring Organization will represent "approximately 70%" of those bodies.

Yet, based on concerns about the breath of implication of the term "travel, we are concerned that even this broad commercial representation does not meet the policy formulation requirements of the far-reaching sTLD that is proposed. Hence, the delegation of the entire sTLD namespace ".travel" by ICANN to this Sponsor would not result in appropriately representative policy formulation. The application therefore does not meet the selection criteria in that it fails to define a policy formulation and delegation environment suitably tailored to the proposed sTLD.

D. Level of support from the Community

The application and supporting material indicate broad support from the travel *industry*, as the text of application makes clear:

> "The .travel TLD will serve a community restricted to businesses, organizations, associations, and private, governmental and non-governmental agencies operating in the portion of the travel industry defined by the eighteen travel sectors"

As noted, these organizations represent a very high percentage of the travel industry globally. However, we are concerned (as described in section 2A) that even this breadth of support is not sufficient to sustain the designation ".travel," which has both commercial and non-commercial aspects.

The application does not meet the selection criteria.

2. COMMUNITY VALUE

A. Addition of new value to the Internet name space

The application has not demonstrated in sufficient detail how a specific .travel sTLD adds new value and diversity to the domain name space. The stated function of the TLD is to serve the global travel industry. However, the implication of the chosen namestring .travel extends well beyond commercial travel services. For example, in answer to supplemental questions posed by the ET, the applicant indicated that individuals with an interest in travel would be excluded from registration, as would providers of travel-related products. While there is reason to consider such potential registrants as outside the scope of the travel services industry, they certainly fall within the general notion of "travel." Hence, though the addition of new travel services could add value to the Internet, the narrow definition of the sponsoring organization and the corresponding

breadth of the namestring appears more likely to add confusion than value. All of the stated advantages listed in the application can be achieved in the existing gTLD structure.

Furthermore, the public comment forum is particularly ambivalent about support for .travel, most notably because of lack of public interest representation and the failure to articulate how .travel would differentiate itself from existing services and whether it is representative of that community.

B. Protecting the rights of others

Screening functions before registration will help assure that new registrations, as well as transfers and renewals, will take into account the rights of others. The application meets the selection criteria.

C. Assurance of charter-compliant registrations and avoidance of abusive registration practices

Strong eligibility and authentication requirements appear to mitigate many of the problems of abusive name registration practices. The application meets the selection criteria.

D. Assurance of adequate dispute-resolution mechanisms

The applicant proposed a range of dispute resolution procedures, including not only the UDRP and CEDRP-like procedures, but also informal review of applications that have been denied by an industry-based panel appointed by the Sponsor. The application meets the selection criteria.

E. Provision of ICANN-policy compliant WHOIS service

The application meets the selection criteria insofar as the applicant has agreed to provide ICANN-policy compliant WHOIS services. .

Recommendation:

In light of all these factors, we believe that .travel does not meet the Sponsorship and Other Issues selection criteria set forth in the RFP

We recommend that the applicants consider narrower strings which would define more tightly the community they wish to serve. Alternatively, they may wish to broaden the definition and representation of the proposed community. In the meantime, they may wish to work with existing gTLDs to integrate their service offerings.

XIII.   .xxx

Introductory comments

The ET does not believe that the .xxx application met the selection criteria.

1. SPONSORSHIP INFORMATION

A. Definition of Sponsored TLD Community

The ET does not believe that the .xxx application represented a clearly defined community.

The proposed sTLD is proposed to serve a community of registrants defined based on the type of content they provide, described by the applicant as "adult-oriented information." In assessing whether the community is well-defined, we rely on the definition in the sTLD RFP. The RFP defines a "clearly defined community" as one that is "precisely defined, so it can readily be determined which persons or entities make up that community." The extreme variability in definitions of what constitutes the content which defines this community makes it difficult to establish which content and associated persons or services would be in or out of that community. The ET began with the assumption that moral and political judgments as to the appropriate public policy response to the availability of 'adult information' vary. Nevertheless, there can be no disagreement about the fact that the definition of such content and the scope of this content category varies considerably depending on one's moral, religious, national, or cultural perspective.

In exploring the questions of the definition of this community, we noted that many individual local communities (cities, nations, and regions) have come to their own conclusions about what type of content to regulate. We also thought that the definition of "adult content" varies considerably from region to region and culture to culture and, as such, there was not a global definition that could be applied here. Given these two factors, the ET questioned whether it could be possible to have a clearly defined community represented in this sTLD. As we had varying degrees of concern about this matter, we asked the applicant for more information regarding the community definition. The responses did not add any additional useful information. In the end, as evaluators, we believe that we should not be drawn into the debate as to the propriety of such content or how best to keep it from those who seek to avoid it, but we must recognize the widely held view that this content category is simply not susceptible to objective, globally-applicable definition.

On balance, the ET thought that the application did not meet the selection criteria.

B. Evidence of support from the Sponsoring Organization

The application meets the selection criteria insofar as the Sponsoring Organization (The International Foundation for Online Responsibility) and applicant (ICM Registry) are closely affiliated.

C. Appropriateness of the Sponsoring Organization and the policy formulation environment

A successful policy formulation environment requires effective coordination of a community that has some common interests and the promise of working together in a cohesive, even if confrontational, style. It is unclear what the interests of this community are. The applicant hypothesizes a set of interests on behalf of a community (whose definitional coherence is in doubt) but little testimony from that community has been provided in support of either its common interests or cohesiveness. As noted in section 1D, there is insufficient supported offered from many of the constituencies (child protection, freedom of expression, privacy, and law enforcement) which the applicant depends upon in its proposal for a well-functioning policy making process.

In addition, observation over time of the global debate about the regulation of obscene, indecent and harmful content suggests that the industry and individuals providing this type of content have not been well organized. There is no indication that this collection of providers has experience operating successfully in a collective policymaking environment. [CONFIDENTIAL INFORMATION REDACTED].

The evidence from the application shows that the group of organizations and individuals listed is not a cohesive community. For example, the co-location of privacy interests and child advocacy interests in the same SO may lead to the dilution of one or the other interests. Child protection may require the ability to track users or registrants, while privacy interests may mitigate toward less identity-based tracking. In the current structure, the board may not receive clear advice on these issues. Organizations representing "public interest" views may not have adequate incentive or resources to participate in the process, assuming the term can be defined clearly in this context.

The ET was not convinced that the responses were sufficient to meet the selection criteria.

D. Level of support from the Community

There was inadequate evidence both in the application and from the supplementary material that the community (even assuming it is clearly defined) seeks the services that the sponsor proposes to offer. There was considerable support from North American representatives of the adult industry. However, virtual no support was available from the rest of the world, or from users or other members of this community. We note, in

particular, the absence of support from major child advocacy organizations and major law enforcement organizations. We also note that there is insufficient support from the freedom of expression community which the applicant also hopes to include as a supporting organization. More information might fill out this picture, but at present neither the application nor the supplemental responses provide evidence of a clear set of community interests.

2. COMMUNITY VALUE

A. Addition of new value to the Internet name space

The ET did not agree that the application added new value to the Internet name space. It is possible that new value can, in this case, perhaps be measured by new "values" which address child protection; filtering and other corralling issues. However, we were not convinced about the global value of a name. It may be that the name is meaningful to many western cultures but it is not clear how those who speak non-western languages with non-western character sets would perceive this. The application did not propose an internationalization strategy.

The ET did not agree that the .xxx had broad significance and global recognition. The ET noted above that the question of clear and lasting value was subjective but that the statistics provided showed that the adult content business is very large; it attracts one in four Internet users and is a very focused market.   The use of an existing TLD (such as .us) could solve the question of content localization which is adapted to national laws or cultures.

The applicant suggests that the benefits to the community include (a) access to a legal defense under a U.S. law, the Misleading Domain Names on the Internet Act, (b) an environment in which adults can purchase adult content safely, and (c) creation of a community of adult content providers who could then organize to better articulate the interests of their industry. The ET found that all of these benefits are available with today's TLDs and none require the creation of a new sTLD. The defense under the law referred to in (a) does not require a new sTLD, only that there be some indication somewhere in the domain name that the content is related to sex or pornography. The current DNS allows this. Creating a better environment for sale of adult content and articulation of the policy priorities of the industry requires the formation of trade associations. To the extent that this has not succeeded in the past, there is no evidence offered that a new sTLD will help.

On balance, the ET has not agreed that the application meets the selection criteria.

B. Protecting the rights of others

The application set out clear intentions and demonstrates the ability to meet the selection criteria.

C. Assurance of charter-compliant registrations and avoidance of abusive registration practices

The application meets the selection criteria.

D. Assurance of adequate dispute-resolution mechanisms

The application meets the selection criteria.

E. Provision of ICANN-policy compliant WHOIS service

The application meets the selection criteria insofar as the applicant has agreed to provide ICANN-policy compliant WHOIS services.

Recommendation:

In light of all these factors, we believe that .xxx does not meet the Sponsorship and Other Issues selection criteria set forth in the RFP.

XIV. CONCLUSION

The Evaluation Team recommends that, from the perspective of the Sponsorship and Other Issues it reviewed, the applications should be grouped into three categories.

The .cat and .post applications fall into Category One, which includes applications that meet all of the selection criteria.

The .asia, .jobs and .travel applications fall into Category Two, which includes applications that do not presently meet all of the selection criteria but, for the reasons described above, merit further discussions with ICANN.

The .mail, .mobi, .tel (Telnic), .tel (Pulver) and .xxx fall into Category Three, which includes applications that do not meet all of the selection criteria and whose deficiencies cannot be remedied within the applicant's proposed framework. We therefore recommend that ICANN not consider these applications further.

We thank ICANN for the opportunity to be a part of the evaluation processes.

APPENDIX – BIOGRAPHICAL INFORMATION

Pierre Ouedraogo

Mr. Ouedraogo has been the Information Society Project Manager at the Francophone Institute for Information and Learning New Technologies (INTIF) since 1998.   INTIF is a subsidiary unit of Agence intergouvernementale de la Francophonie. He is an expert in the fields of Internet governance, free software and human resource development. He has established many networks of IT experts that coordinate African efforts to harness information technologies as tools for development. As a result of his work, the African Free Software Users Association (AAUL) is working to create a unique African resource center focused on bridging the digital divide. ICT training laboratories are now running in ten African countries.

He is a founding member of AFRINIC (the African Internet Registry for IP addresses), the AfTLD (African Internet Top-Level Domain Names Association), AFNOG (African Network Operators Group) and AfrICANN (the African network of participants in the ICANN process). He is also a member of the ccNSO launching group at ICANN and technical contact for .bf ccTLD (Burkina Faso).

Prior to joining INTIF, he worked at ONATEL, Burkina Faso's national telecommunications operator, as head of the Computer Department. The Government of Burkina Faso has appointed him as its IT expert for many international conferences and projects, including development of the National IT strategy and the UNDP Internet Initiative for Africa project in Burkina Faso.

He holds a B.A. in physics and chemistry from the University of Ouagadougou. He also has a business administration degree and a Masters in Information Systems from the Catholic University of Louvain-La-Neuve in Belgium.

Daniel J. Weitzner

Mr. Weitzner is Director of the World Wide Web Consortium's Technology and Society activities. He is responsible for development of technology that enables the Web to address legal and public policy requirements, including the Platform for Privacy Preference (P3P) and XML Security technologies. As a leading figure in the Internet policy community, he was the first to advocate user control technologies such as content filtering to protect children and avoid government censorship. These arguments played a critical role in the landmark Internet First Amendment case, Reno v. ACLU (1997). In 1994, he won legal protections for email and web logs in the Electronic Communications Privacy Act.

As Principal Research Scientist at MIT's Computer Science and Artificial Intelligence Laboratory, Weitzner teaches courses on Internet policy and technology design, and is a founding member of MIT's Center for Information Security and Privacy.

Mr. Weitzner was co-founder and Deputy Director of the Center for Democracy and Technology, and Deputy Policy Director of the Electronic Frontier Foundation.

Weitzner has law degree from Buffalo Law School, and a B.A. in Philosophy from Swarthmore College. His writings have appeared in the Yale Law Review, Global Networks, MIT Press, Computerworld, Wired Magazine, Social Research, Electronic

Networking: Research, Applications & Policy, and The Whole Earth Review." More is on the web at http://www.w3.org/People/Weitzner.html
Dr. Liz Williams (Chair)

Dr. Williams began researching and writing about computers and the Internet in 1992 whilst university teaching in Japan.   She graduated with her doctorate in February 2004 entitled - The Globalisation of Regulation and its Impact on the Domain Name System: Domain Names and the New Regulatory Economy - at the Queensland University of Technology. She also has a Masters in Communication on regulating the Internet and privacy.

She was an elected member of the Board of Directors for the .au Domain Administration in 2001 and 2002.   .auDA is responsible for the management of the .au country code registry, the conduct of registrars in Australia and the development of the domain name industry in Australia. She also served as the Deputy Chair of the Board. Prior to joining the Board, she was an active member of the Competition Model Advisory Panel which provided detailed advice to the Board about the nature of competition in the Australian domain name market.

At an international level, Dr Williams has been active in ICANN's Registrars' Constituency working on diverse issues such as the development of policies for the transfer and deletion of domain names and the development of policy on new registry services. In addition she conducted a comprehensive review of the Registrars' Constituency By-Laws to enable the Constituency to work more effectively.

She has also been involved in the ccTLD constituency as a member of the .auDA Board. She is on the .cx Policy Advisory Board and assisted the DOT CX corporation with their negotiations with the Commonwealth of Australia and ICANN on key re-delegation issues.

Dr Williams has advised the Pacific Island Forum Secretariat on domain name system governance issues and opportunities for Pacific nations to participate more actively in ICANN processes and activities.

She is currently writing an academic textbook on electronic commerce and international regulation and a manuscript on the political history of the Internet in Australia.