

13 June 2018

RE: your letter of 14 May 2018

Mr. Normand Fortier  
Director/Founder  
PointQuébec  
111-355 rue Peel  
Montréal, Québec, Canada

Dear Mr. Fortier,

Thank you for your letter of 14 May 2018. Your letter has been posted to the ICANN correspondence page (<https://www.icann.org/en/system/files/correspondence/fortier-to-namazi-14may18-en.pdf>).

We note your comments regarding the fee provisions contained in the New gTLD Program's base registry agreement. As you are likely aware, we have been in dialogue with members of the gTLD Registries Stakeholder Group (RySG) regarding this topic, including the group's proposal for a reduction of the minimum fee level in the registry agreement.<sup>1</sup>

At its 13 May 2018 meeting, ICANN's Board of Directors [approved a refund](#) of USD5,000 per TLD for gTLD registries that have paid the one-time RPM access fee as defined in Section 6.4 of the RA, from the remaining New gTLD Program funds. The Board noted that the New gTLD Program is largely complete, and there is increasing clarity surrounding the availability of New gTLD Program funds, although it could take several additional years before all risks and liabilities are fully known and quantified.<sup>2</sup> The Board considered that refunding these fees is consistent with the approach used to fund other operational services in support of the New gTLD Program, as it would be using application fees to cover the cost of the TMCH for registries. While this does not fulfill all RySG requests for updates to the agreement's fee structure, we hope this refund will be regarded as a positive step.

---

<sup>1</sup> See for reference:

Letter from RySG to ICANN – March 2017:

<https://www.icann.org/en/system/files/correspondence/diaz-to-atallah-et-al-14mar17-en.pdf>

Letter from Akram Atallah to RySG – August 2017:

<https://www.icann.org/en/system/files/correspondence/atallah-to-diaz-29aug17-en.pdf>

Letter from RySG to ICANN – October 2017:

<https://www.icann.org/en/system/files/correspondence/diaz-to-atallah-03oct17-en.pdf>

Letter from Akram Atallah to RySG – December 2017:

<https://www.icann.org/en/system/files/correspondence/atallah-to-diaz-22dec17-en.pdf>

<sup>2</sup> For background, you may also wish to refer to ICANN's recently adopted [FY2019 Budget and Operating Plan](#), which includes a financial summary and variance analysis for the New gTLD Program.

Your letter also highlights a concern about variant TLD strings for .quebec TLD. As you noted, the Applicant Guidebook provided new gTLD applicants the option to declare variant strings, while specifying that the declaration is informative only and does not imply any right or claim to the declared variant strings. The ICANN Board [directed](#) that work be pursued on variant management in its resolution on 25 September 2010. Since that time, ICANN org has been working with the community to develop a set of Root Zone Label Generation Rules (RZ-LGR) to provide a mechanism to determine valid IDN TLDs and their variant labels. We invite you to review [this work](#) and participate as you find appropriate. If you would like to participate, please email [IDNProgram@icann.org](mailto:IDNProgram@icann.org).

Finally, in regard to the letter of credit termination, as this is a matter of registry financials, we have responded directly to you via the Global Support case mechanism.

We hope this information is useful and addresses your questions. Thank you for your communication and we look forward to your continued participation in the ICANN multistakeholder model.

Regards,



Cyrus Namazi  
Vice President, Domain Name Services & Industry Engagement  
Global Domains Division