

ICANN Registry Request Service**Ticket ID: X7H5N-5U8A6****Registry Name: NeuStar, Inc.****gTLD: .BIZ****Status: ICANN Review****Status Date: 2008-10-31 05:46:50****Print Date: 2008-10-31 05:47:06****.BIZ 1 and 2 Character Marketing Proposal****Proposed Service**

Name of Proposed Service: .BIZ 1 and 2 Character Marketing Proposal

Technical Description of Proposed Service:

Appendix 6 of the existing .BIZ agreement between ICANN and NeuStar (dated December 8, 2006) located at <http://www.icann.org/tlds/agreements/biz/appendix-06-08dec06.htm> includes a list of second-level .BIZ domain names to be reserved from registration, including:

- All single-character labels.
- All two-character labels shall be initially reserved.

NeuStar now proposes to amend this contractual language and implement a phased allocation program that will permit introduction of one- and two-character .BIZ domains to the marketplace, not to include two-letter domains that correspond to the two-letter country code names found on the ISO-3166 list.

NeuStar's implementation will have 3 main components, to be introduced in the following order:

1. An RFP round to invite interested registrants to propose specific plans for use and promotion;
2. An auction round that offers domains not allocated during the RFP round; and
3. A first-come, first-served (FCFS) release of any domains not allocated during the RFP or auction rounds.

This allocation program will secure usage and promotion commitments resulting in increased awareness of the .BIZ domain, which will in turn enhance NeuStar's ability to compete on more even terms with TLDs that already have one- and/or two-character domains resolving on the Internet.

Consultation

Please describe with specificity your consultations with the community, experts and or others. What were the quantity, nature and content of the consultations?

See below.

a. If the registry is a sponsored TLD, what were the nature and content of these consultations with the sponsored TLD community?

Not Applicable

b. Were consultations with gTLD registrars or the registrar constituency appropriate? Which registrars were consulted? What were the nature and content of the consultation?

Because there is no impact on registrars under our proposed implementation, NeuStar has not consulted with gTLD registrars or the registrar constituency. At each phase of our implementation, allocated domains will be first registered by NeuStar in a temporary registry holding account. Successful registrants will be required to select an accredited .BIZ registrar and establish a registrant account. Once they have done so, NeuStar will transfer the domain to the selected registrar under the new registrant's account and all normal business rules will apply.

c. Were consultations with other constituency groups appropriate? Which groups were consulted? What were the nature and content of these consultations?

NeuStar has not consulted directly with other constituency groups, but NeuStar participated extensively in the gTLD Registry Constituency's discussions on the release of one- and two-character domains.

d. Were consultations with end users appropriate? Which groups were consulted? What were the nature and content of these consultations?

NeuStar has not consulted directly with end users, but regularly receives inquiries from would-be registrants regarding the availability of .BIZ reserved names including one- and two-character names. Many express surprise that one- and two-character .BIZ names are reserved when comparable names in other gTLDs are already registered and resolving.

e. Who would endorse the introduction of this service? What were the nature and content of these consultations?

The release of two-character domains has been addressed in detail from the technical perspective in several previously approved Service Requests. For example, the RSTEP report on GNR's two-character name proposal

(<http://www.icann.org/registries/rsep/RSTEP-GNR-proposal-review-team-report.pdf>) provides an exhaustive review of the issues and addresses them in a positive manner.

The GNSO Council approved the recommendations recently sent to the ICANN Board for the introduction of new gTLDs, including endorsement of the recommendations of the Reserved Names Working Group set forth in the RN-WG Report, which included the following recommendations: (i) single character domain names not be reserved at the second level in the future gTLDs; (ii) those currently reserved in existing gTLDs be released; (iii) registries be permitted to release any combination of two letter and/or digit strings provided that measures to avoid confusion with any corresponding country codes are implemented. All GNSO constituencies supported the registration of single character domain names. The RN-WG Report can be found at <http://gns0.icann.org/issues/new-gtlds/final-report-rn-wg-23may07.htm>.

Further, the gTLD Registry Constituency (RyC) is in support of the release of single character domains names provided the implementation is appropriate and permitted to be unique for each

registry. The RyC statement can be found at <http://www.gTLDregistries.org/pdf/RyC-SingleCharacter2ndNames-ConstituencyStatement.pdf> .

Also, importantly, businesses with names that can reasonably be represented by one- or two-character strings and who are interested in promoting their products and services using a .BIZ gTLD have expressed interest in the release of such domains.

f. Who would object the introduction of this service? What were(or would be) the nature and content of these consultations?

NeuStar is unaware of any opposition to the introduction of this service. NeuStar looks forward to reviewing any concerns raised during the public comment period once this proposal is posted.

Timeline

Please describe the timeline for implementation of the proposed new registry service.

NeuStar proposes the following time line for approval in connection with this registry service.

[Day 1] - Posting of Funnel Request;

[Day 1 thru Day 15] – Review and initial approval by ICANN Staff that the proposed registry service raises no security, stability or competition concerns;

[Day 16 thru Day 46] – Public comment period in connection with proposed contractual changes.

[Day 47] – Preparation by ICANN staff of necessary Board documentation for approval by the ICANN Board.

Following approval by the ICANN Board, NeuStar would implement the service as soon as operationally feasible.

Business Description

Describe how the proposed service will be offered

NeuStar's three-part allocation process is designed first and foremost to secure usage and marketing commitments from potential registrants, which in turn will raise awareness of the .BIZ gTLD.

Through the initial RFP round, we will identify candidates with the most beneficial and meaningful combination of quality, innovation, brand recognition, financial commitment to the domain name, and ability to deliver in a timely manner.

Once the RFP round is concluded, NeuStar will conduct an auction of any remaining names, with 100% of the proceeds being used by NeuStar to promote awareness, usage and uptake of the .BIZ gTLD, including rebate programs that will encourage registrars to aggressively market the domain while passing savings on to new .BIZ registrants.

For any names not allocated during either the RFP or auction rounds, NeuStar will announce a release date and allow open, first-come, first-served registration where all normal business rules apply.

Our proposed implementation will identify businesses that are willing and able to commit resources to promote their brand using a .BIZ domain, which will help raise awareness of the value of .BIZ and promote more healthy competition in the domain name marketplace.

NeuStar will introduce the proposed service using the following phased approach:

Phase 1: Request for Proposals

NeuStar will issue a Request for Proposals (RFP) inviting potential .BIZ registrants to submit proposals explaining how they would use and promote a particular one- or two-character domain name. Each proposal will require an application fee and prior acknowledgment and acceptance of the .BIZ Registration Agreement. The domain will initially be registered through a temporary NeuStar holding account before transferring to a registrar (accredited and in good standing) of their own choosing.

Evaluation criteria will take into account the applicant's business and technical capabilities, marketing expertise, business plan and the manner and purposes for which the proposed site would be operated.

The successful applicant will:

1. Commit to using the one- or two-character .BIZ domain as their primary web address or for a specific marketing campaign;
2. Demonstrate a financial commitment to promoting their web address resulting in increased awareness of the .BIZ gTLD;
3. Meet or exceed commitments made by any competing applicants.
4. Meet minimum standards of decency and morality and be deemed by NeuStar to be a positive representative of the .BIZ gTLD.

Phase 2: Auction

For the one- and two-character .BIZ domain not allocated during Phase 1 (RFP), NeuStar will conduct an online auction. NeuStar proposes to allocate one- and two-character domains using an English-style auction with a reserved price set and a finite ending date. The winner of the auction will be determined when no increasing bid has been made within a set period of time, prior to the announced end date.

Receipt of payment in the amount of the winning bid will result in a one year registration. Upon payment of the auction fee in full by the winning registrant, NeuStar will allow the transfer of the domain to the winning registrant's registrar of choice with a creation date in synch with the date that the payment in full was received by NeuStar.

NeuStar will either run the auction directly or select a third party auction provider from a group of established and known vendors. If applicable, fees for those services will be paid from the minimum reserved price fees or as a percentage of the winning bid.

Phase 3: First-Come, First-Served (FCFS)

Following completion of the RFP and Auction rounds, NeuStar will announce a date and time where all remaining one- and two-character .BIZ domains will be released on a first-come, first-served basis. All normal second-level .BIZ registration processes will apply, including the standard registry fee.

Describe quality assurance plan or testing of Proposed Service

NeuStar will conduct all necessary testing with any vendor or contractor to implement the Phase 2 auction.

Please list any relevant RFCs or White Papers on the proposed service and explain how those papers are relevant.

Not Applicable

Contractual Provisions

List the relevant contractual provisions impacted by the Proposed Service

.BIZ Registry Agreement (dated December 8, 2006) Appendix 6 Section B, located at:

<http://www.icann.org/tlds/agreements/biz/appendix-06-08dec06.htm>

What effect, if any, will the Proposed Service have on the reporting of data to ICANN

None

What effect, if any, will the Proposed Service have on the Whois?

None

What effect, if any, will the proposed service have on the price of a domain name registration?

None. The annual registration fee remains unchanged.

Contract Amendments

Please describe or provide the necessary contractual amendments for the proposed service

[old text]

B. Additional Second-Level Reservations. In addition, the following names shall be reserved at the second level:

- All single-character labels.
- All two-character labels shall be initially reserved.

[new text]

B. Additional Second-Level Reservations. In addition, the following names shall be reserved at the second level:

- All two-character labels that correspond to the two-letter country code names found on the ISO-3166 list at the time of contract modification.

Service Benefits

Describe the benefits of the proposed service

NeuStar believes that the proposed service offers the following benefits:

1. Enhanced competition among gTLD registry operators
2. Increased choice for registrants
3. Increased usage, marketing, promotion, and awareness of the .BIZ gTLD
4. Increased revenue and marketing resources, including registrar rebate programs to return a portion of the proceeds to the user community.

Competition

Do you believe your proposed new Registry Service would have any positive or negative effects on competition? If so, please explain.

NeuStar believes that the proposed service will help address the current competitive imbalance in the gTLD marketplace, where some gTLDs currently have one- and two-characters resolving but .BIZ does not. NeuStar's ability to conduct an RFP phase to identify interested registrants that are willing and able to commit resources to promote their brand using a .BIZ domain names will help to show there are alternatives to the .COM brand and the registry operator that still commands over 85% of the TLD market.

How would you define the markets in which your proposed Registry Service would compete?

The .BIZ gTLD competes in the marketplace with both gTLDs and ccTLDs. In that .BIZ is clearly a domain name geared towards business, our most obvious competitor is the .COM gTLD. NeuStar currently pays ICANN a higher per-domain transaction fee than does the registry operator for .COM, despite NeuStar having less than 2% the domains under management. NeuStar needs the ability to leverage the legitimate interests of potential registrants to help build greater awareness of the .BIZ brand. NeuStar is not interested in simply auctioning off one- and two-character .BIZ domains to a registrant that will not use it as their main web address; we need to be able to identify and work with companies that will use it and promote it.

What companies/entities provide services or products that are similar in substance or effect to your proposed Registry Service?

The following existing gTLD registry operators currently offer or have applied to offer one- and two-character second level domain registrations:

DotCooperation, LLC	(.COOP)
EmployMedia, LLC	(.JOBS)
mTLD, Ltd	(.MOBI)
VeriSign, Inc.	(.COM/.NET)

In view of your status as a registry operator, would the introduction of your proposed Registry Service potentially impair the ability of other companies/entities that provide similar products or services to compete?

No.

Do you propose to work with a vendor or contractor to provide the proposed Registry Service? If so, what is the name of the vendor/contractor, and describe the nature of the services the vendor/contractor would provide.

NeuStar is likely to work with a vendor or contractor to implement the auction portion of our proposal. We have not yet finalized the choice of the vendor/contractor.

Have you communicated with any of the entities whose products or services might be affected by the introduction of your proposed Registry Service? If so, please describe the communications.

NeuStar is unaware of any entities whose products or services might be affected by the introduction of our service.

Do you have any documents that address the possible effects on competition of your proposed Registry Service? If so, please submit them with your application. (ICANN will keep the documents confidential).

Once approved, NeuStar's proposed service will help improve competition in the TLD marketplace.

Security and Stability

Does the proposed service alter the storage and input of Registry Data?

No. NeuStar anticipates no change in the storage and/or input of Registry Data.

Please explain how the proposed service will affect the throughput, response time, consistency or coherence of responses to Internet servers or end systems

NeuStar anticipates no adverse impact on the throughput, response time, and consistency of coherence of responses to Internet servers or end systems.

Have technical concerns been raised about the proposed service, and if so, how do you intend to address those concerns?

NeuStar is not aware of any technical concerns regarding the proposed service.

Other Issues

Are there any Intellectual Property considerations raised by the Proposed Service?

Any Intellectual Property considerations raised by the proposed service are addressed by established, existing processes (UDRP).

Does the proposed service contain intellectual property exclusive to your gTLD registry?

No.

List Disclaimers provided to potential customers regarding the Proposed Service

Not Applicable.

Any other relevant information to include with this request

None.