Response To Request For Proposal

Volume 2 - Registry Operator's Proposal

Sub Volume 2.1:
Business Capabilities and Plan

Sub Volume 2.2:
Technical Capabilities and Plan

ICM Registry

The Internet Content Management Registry

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October 2000

T able of C ontents:
Volume 2 – Registry Operator's Proposal

S U B   V O L U M E   2 . 1 :   B U S I N E S S   C A P A B I L I T I E S   A N D   P L A N

Introduction

ICM Registry is pleased to provide this response to your Request for Proposal (RFP) for New Top Level Domain Registries.

This Proposal is provided bound in four separate volumes as specified in ICANN's Unsponsored TLD Application Form.

Volume 1 – ICM Registry's Application Transmittal contains two (2) parts:

- Part #1: Unsponsored TLD Application Transmittal form, one hardcopy original plus one (1) CD in MS-Word 97 format and in HTML format.

- Part #2: Statement of Request Confidential treatment of Materials Submitted Form, one original hardcopy.

CD Number	CD Title	Contents
1	The Internet Content Management Registry Response to Request For Proposal New TLD Application	Volume 1 Part#1 Volume 2 and Annexes Volume 3

Volume 2 – Registry Operator's Proposal contains two (2) parts:

- **This volume Sub Volume 2.1: Business Capabilities and Plan**, one hardcopy original and;

- **Sub Volume 2.2: Technical Capabilities and Plan**, one hardcopy original;

Volume 3 – Description of TLD Policies, one hardcopy original;

Volume 4 – Registry Operator's Fitness Disclosure, one hardcopy original.

This volume, Proposal Volume 2, Registry Operator's Proposal includes the signed cover sheet, general information, business capabilities and plan and technical capabilities and plan sections as specified in ICANN's TLD Application: Registry Operator's Proposal dated 15 August 2000. It also includes information on the partnership that has been created, between ICM Registry, The .TV Corporation International, Verisign Global Registry Services and DMR Consulting Group Inc.

SIGNED REGISTRY OPERATOR'S PROPOSAL COVER SHEET

Registry Operator's Proposal

[INSTRUCTION: A Registry Operator's Proposal is to be submitted as part of every new TLD application. In case of applications for unsponsored TLDs, the registry operator will be the applicant and should prepare and submit the proposal as part of the application. In the case of applications for sponsored TLDs, the sponsoring organization (or, where the sponsoring organization has not yet been formed, organization(s) or person(s) proposing to form the sponsoring organization) will be the applicant. The sponsoring organization should select the proposed registry operator, have it prepare the Registry Operator's Proposal, and submit it as part of the application.

Please place the legend "CONFIDENTIAL" on any part of your description that you have listed in item F3.1 of your Statement of Requested Confidential Treatment of Materials Submitted.

The Registry Operator's Proposal should be separately bound (if more than one volume, please sequentially number them) and labeled: "Registry Operator's Proposal." and must cover all topics described below. This page, signed on behalf of the registry operator, should be included at the front of the Registry Operator's Proposal.]

I. GENERAL INFORMATION

D1. The first section of the Registry Operator's Proposal (after the signed copy of this page) should be a listing of the following information about the registry operator. Please key your responses to the designators (D1, D2, D3, etc.) below.

D2. The full legal name, principal address, telephone and fax numbers, and e-mail address of the registry operator.

D3. The addresses and telephone and fax numbers of all other business locations of the registry operator.

D4. The registry operator's type of business entity (e.g., corporation, partnership, etc.) and law (e.g., Denmark) under which it is organized.

D5. URL of registry operator's principal world wide web site.

D6. Dun & Bradstreet D-U-N-S Number (if any) of registry operator.

D7. Number of employees.

D8. Registry operator's total revenue (in US dollars) in the last-ended fiscal year.

D9. Full names and positions of (i) all directors, (ii) all officers, (iii) all relevant managers, and (iv) any persons or entities owning five percent or more of registry operator.

D10. Name, telephone and fax number, and e-mail address of person to contact for additional information regarding this proposal. If there are multiple people, please list all their names,

telephone and fax numbers, and e-mail addresses and describe the areas as to which each should be contacted.

D11. The full legal name, principal address, telephone and fax numbers, e-mail address, and Dun & Bradstreet D-U-N-S Number (if any) of all subcontractors identified in <u>item D15.3</u> below.

II. BUSINESS CAPABILITIES AND PLAN

D12. The second section of the Registry Operator's Proposal (after the "General Information" section) is a description of the registry operator's Business Capabilities and Plan. This section must include a comprehensive, professional-quality business plan that provides detailed, verified business and financial information about the registry operator. The topics listed below are representative of the type of subjects that will be covered in the Business Capabilities and Plan section of the Registry Operator's Proposal. **[INSTRUCTION: ICANN will extensively review and analyze this section of the Registry Operator's Proposal. The content, clarity, and professionalism of this section will be important factors in ICANN's evaluation of applications. We strongly recommend securing professional assistance from financial and management consultants to aid in the formulation of your business plan, in securing the necessary sources of financing, and in preparation of this section.]**

D13. The Business Capabilities and Plan section should consist of at least the following:

D13.1. <u>Detailed description of the registry operator's capabilities</u>. This should describe general capabilities and activities. This description also offers the registry operator an opportunity to demonstrate the extent of its business and managerial expertise in activities relevant to the operation of the proposed registry. The following items should, at a bare minimum, be covered:

D13.1.1. <u>Company information</u>. Date of formation, legal status, primary location, size of staff, formal alliances, references, corporate or other structure, ownership structure.

D13.1.2. <u>Current business operations</u>. Core capabilities, services offered, products offered, duration of provision of services and products.

D13.1.3. <u>Past business operations/entity history</u>. History, date of formation, legal status/type of entity, initial services, duration of provision of services and products.

D13.1.4. <u>Registry/database/Internet related experience and activities</u>. Experience with database operation, Internet service provision.

D13.1.5. <u>Mission</u>. The registry operator's mission and how it relates to expansion into the registry operation field.

D13.1.6. <u>Management</u>. Qualifications and experience of financial and business officers and other relevant employees. Please address/include past experience, resumes, references, biographies.

D13.1.7. <u>Staff/employees</u>. Current staff size, demonstrated ability to expand employee base, hiring policy, employee training, space for additional staff.

D13.1.8. <u>Commercial general liability insurance</u>. Address/include amount of insurance policy, provider of policy, plans for obtaining additional insurance.

D13.2. <u>Business plan for the proposed registry operations</u>. This section should present a comprehensive business plan for the proposed registry operations. In addition to providing basic information concerning the viability of the proposed operations, this section offers the registry operator an opportunity to demonstrate that it has carefully analyzed the financial and operational aspects of the proposal. At a minimum, factors that should be addressed are:

D13.2.1. <u>Services to be provided</u>. A full description of the registry services to be provided.

D13.2.2. <u>Revenue model</u>. A full description of the revenue model, including rates to be charged for various services.

D13.2.3. <u>Market</u>. Market definition, size, demand, accessibility.

D13.2.4. <u>Marketing plan</u>. Advertising, publicity, promotion strategy, advertisement development strategy, relationship with advertising firm. Use of registrars and other marketing channels.

D13.2.5. <u>Estimated demand for registry services in the new TLD</u>. Projected total demand for registry services in the TLD, effect of projected registration fees, competition. Please provide estimates for at least 10%, 50%, and 90% confidence levels.

D13.2.6. <u>Resources required to meet demand</u>. Provide a detailed estimate of all resources (financial, technical, staff, physical plant, customer service, etc.) required to meet the estimated demands, using at least the 10%, 50%, and 90% confidence levels.

D13.2.7. <u>Plans for acquiring necessary systems and facilities</u>. Describe plans for acquiring all necessary systems and facilities for providing the proposed services at each estimated demand level. Provide details as to the scope, cost, and vendor for any significant planned outsourcing.

D13.2.8. <u>Staff size/expansion capability</u>. Plans for obtaining the necessary staff resources, capacity for expansion, hiring policy, employee training, space for additional staff, staffing levels needed for provision of expanded technical, support, escrow, and registry services.

D13.2.9. <u>Availability of additional management personnel</u>. How will management needs be filled?

D13.2.10. <u>Term of registry agreement</u>. State assumptions regarding the term of any registry agreement with ICANN or the sponsoring organization. Note that the .com/.net/.org registry agreement has a basic term of four years.

D13.2.11. <u>Expected costs associated with the operation of the proposed registry</u>. Please break down the total estimated operational costs by the sources of the costs for each estimated demand level. Be sure to consider the TLD's share of ICANN's cost recovery needs. (See <<u>http://www.icann.org/financials/budget-fy00-01-06jun00.htm#IIIB</u>>.)

D13.2.12. <u>Expected revenue associated with the operation of the proposed registry</u>. Please show how expected revenue is computed at each estimated demand level.

D13.2.13. <u>Capital requirements</u>. Quantify capital requirements in amount and timing and describe how the capital will be obtained. Specify in detail all sources of capital and the cost of that capital (interest, etc.). Evidence of firm commitment of projected capital needs will substantially increase the credibility of the registry operator's proposal.

D13.2.14. <u>Business risks and opportunities</u>. Describe upside and downside contingencies you have considered and discuss your plans for addressing them.

D13.2.15. <u>Registry failure provisions</u>. Please describe in detail your plans for dealing with the possibility of registry failure.

D13.3. <u>Pro-forma financial projections</u>. Please provide detailed pro-forma financial projections, consistent with your business plan, for the demand scenarios that you estimate under item D13.2.5. The pro-formas should show revenue and expense estimates broken down by detailed categories and should be broken down into periods no longer than quarterly.

D13.4. <u>Supporting documentation</u>. The following documentation should be provided in support of the Business Capabilities and Plan section:

D13.4.1. <u>Registry operator's organizational documents</u>. Documents of incorporation (or similar documents).

D13.4.2. <u>References</u>. A list of significant trade and credit references.

D13.4.3. <u>Annual report</u>. The registry operator's most recent annual financial report (or similar document). Audited financials are preferred.

D13.4.4. <u>Proof of capital</u>. Provide evidence of existing capital or firm commitments of capital. Demonstrated access to necessary capital will be carefully scrutinized.

D13.4.5. <u>Proof of insurance</u>. Please provide proof of the insurance described in item D13.1.8.

III. TECHNICAL CAPABILITIES AND PLAN

D14. The third section of the Registry Operator's Proposal is a description of the registry operator's Technical Capabilities and Plan. This section must include a comprehensive, professional-quality technical plan that provides a detailed description of the registry operator's current technical capabilities as well as a full description of the operator's proposed technical solution for establishing and operating all aspects of the registry. The technical plan will require detailed, specific information regarding the technical capabilities of the proposed registry. The topics listed below are representative of the type of subjects that will be covered in the Technical Capabilities and Plan section of the Registry Operator's Proposal.

[INSTRUCTION: ICANN will extensively review and analyze this section of the Registry Operator's Proposal. The content, clarity, and professionalism of this section will be important factors in ICANN's evaluation of applications. We strongly recommend that those who are planning to apply secure professional assistance from engineers and/or other technical consultants to aid in the formulation of the technical plan and the preparation of the Technical Capabilities and Plan section of the Registry Operator's Proposal.]

D15. The Technical Capabilities and Plan section should consist of at least the following:

D15.1. Detailed description of the registry operator's technical capabilities. This should provide a detailed description of the registry operator's technical capabilities, including information about key technical personnel (qualifications and experience), size of technical workforce, and access to systems development tools. It should also describe the registry operator's significant past achievements. This description offers the registry operator an opportunity to demonstrate the extent of its technical expertise in activities relevant to the operation of the proposed registry.

D15.2. Technical plan for the proposed registry operations. This should present a comprehensive technical plan for the proposed registry operations. In addition to providing basic information concerning the operator's proposed technical solution (with appropriate diagrams), this section offers the registry operator an opportunity to demonstrate that it has carefully analyzed the technical requirements of registry operation. Factors that should be addressed in the technical plan include:

D15.2.1. General description of proposed facilities and systems. Address all locations of systems. Provide diagrams of all of the systems operating at each location. Address the specific types of systems being used, their capacity, and their interoperability, general availability, and level of security. Describe in detail buildings, hardware, software systems, environmental equipment, Internet connectivity, etc.

D15.2.2. Registry-registrar model and protocol. Please describe in detail.

D15.2.3. Database capabilities. Database size, throughput, scalability, procedures for object creation, editing, and deletion, change notifications, registrar transfer procedures, grace period implementation, reporting capabilities, etc.

D15.2.4. Zone file generation. Procedures for changes, editing by registrars, updates. Address frequency, security, process, interface, user authentication, logging, data back-up.

D15.2.5. Zone file distribution and publication. Locations of nameservers, procedures for and means of distributing zone files to them.

D15.2.6. Billing and collection systems. Technical characteristics, system security, accessibility.

D15.2.7. Data escrow and backup. Frequency and procedures for backup of data. Describe hardware and systems used, data format, identity of escrow agents, procedures for retrieval of data/rebuild of database, etc.

D15.2.8. Publicly accessible look up/Whois service. Address software and hardware, connection speed, search capabilities, coordination with other Whois systems, etc.

D15.2.9. System security. Technical and physical capabilities and procedures to prevent system hacks, break-ins, data tampering, and other disruptions to operations. Physical security.

D15.2.10. Peak capacities. Technical capability for handling a larger-than-projected demand for registration or load. Effects on load on servers, databases, back-up systems, support systems, escrow systems, maintenance, personnel.

D15.2.11. System reliability. Define, analyze, and quantify quality of service.

D15.2.12. System outage prevention. Procedures for problem detection, redundancy of all systems, back up power supply, facility security, technical security, availability of back

up software, operating system, and hardware, system monitoring, technical maintenance staff, server locations.

D15.2.13. <u>System recovery procedures</u>. Procedures for restoring the system to operation in the event of a system outage, both expected and unexpected. Identify redundant/diverse systems for providing service in the event of an outage and describe the process for recovery from various types of failures, the training of technical staff who will perform these tasks, the availability and backup of software and operating systems needed to restore the system to operation, the availability of the hardware needed to restore and run the system, backup electrical power systems, the projected time for restoring the system, the procedures for testing the process of restoring the system to operation in the event of an outage, the documentation kept on system outages and on potential system problems that could result in outages.

D15.2.14. <u>Technical and other support</u>. Support for registrars and for Internet users and registrants. Describe technical help systems, personnel accessibility, web-based, telephone and other support, support services to be offered, time availability of support, and language-availability of support.

D15.3 <u>Subcontractors</u>. If you intend to subcontract any the following:

?? all of the registry operation function;

?? any portion of the registry function accounting for 10% or more of overall costs of the registry function; or

?? any portion of any of the following parts of the registry function accounting for 25% or more of overall costs of the part: database operation, zone file generation, zone file distribution and publication, billing and collection, data escrow and backup, and Whois service

please (a) identify the subcontractor; (b) state the scope and terms of the subcontract; and (c) attach a comprehensive technical proposal from the subcontractor that describes its technical plans and capabilities in a manner similar to that of the Technical Capabilities and Plan section of the Registry Operator's Proposal. In addition, subcontractor proposals should include full information on the subcontractor's technical, financial, and management capabilities and resources.

By signing this Registry Operator's Proposal, the undersigned certifies (a) that he or she has authority to do so on behalf of the registry operator and, on his or her own behalf and on behalf of the registry operator, (b) that all information contained in this proposal, and all documents attached to this proposal, is true and accurate to the best of his/her/its knowledge and information. The undersigned and the registry operator understand that any material misstatement or misrepresentation will reflect negatively on any application of which this proposal is a part and may cause cancellation of any delegation of a top-level domain based on such an application.

_____
Signature

Jason Hendeles
Name (please print)

Founder, President and Chairman
Title

The Internet Content Management Registry (ICM Registry Inc.)
Name of Registry Operator

October 2, 2000
Date

Comments concerning the layout, construction and functionality of this site should be sent to webmaster@icann.org.

Page Updated 15-August-00

ICM REGISTRY CONCEPT FOR TLD REGISTRY SERVICE

The Idea - Proposed Registry Service: .XXX and .KIDS

Internet Content Management Registry Inc. (ICM Registry) is proposing an exciting and unique solution to the problems of the Internet Domain Name System (DNS). We invite the reader to review the Business Plan (Annex 1) for details of the following introduction to our concept, prior to assessing the following proposal for new TLD's.

?? **Advancing ICANN''s Mission –** This 'test-bed' solution responds to ICANN's (Internet Corporation for Assigned Names and Numbers) invitation for proposals and advances their mandate to develop innovative and effective Internet domain name organization, management and expansion.

?? **Internet Maturity Requires Orderly Change and Growth –** The ICM Registry concept will shift Internet management from the systemic problems and ad-hocery within .com TLD, and the other over subscribed quasi-generic TLD's, to an orderly growth pattern with content related domain names. It is time for the next generation of Internet Leadership to offer fresh solutions. ICM Registry does just that.

?? **Legitimate Site Owners -** The DNS as it now operates has created a class of "cybersquatters", those who register and hoard prime demand names and addresses in the hope of selling them for exorbitant charges.

?? **Bold Issue Management** – By boldly addressing the pivotal issue of distinguishing child-friendly from adult oriented material, we propose to operate subject specific TLD's .XXX and .KIDS. The two distinct groups of users are segmented: the adult consumers, and children, with respective TLD's: .XXX and .KIDS. Discussions with eminent children's entertainment and educational organizations are promising extensive investments in the child-friendly domain. In addition, adult content leaders fully back the establishment of these TLD's. The twin TLD's provide a powerful solution to the challenging debate that has circled the content issues.

?? **Social Conscience** – ICM Registry will make charitable donations to children's organizations via the **Child Online Support Foundation** from the non-profit .KIDS operations. Not only are the brand distinctions of .XXX and .KIDS offering easily discernable addresses for consumers, they also provide a clear response to social concerns about how to protect children from inappropriate content. Filtering software has supported this protection to date. However, ICM Registry proposed TLD's offer even clearer choice for particular content. It will be a more effective way for particular content providers to market to their respective audiences - especially to enhance the development of child-friendly content.

?? **Balancing Rights and Freedoms** – By beginning with an often-discussed concern, ICM Registry consciously draws attention to the responsibility of Internet participants to self-manage in a socially conscientious manner. While we must prevent imposition on divergent interests, we must also uphold the public trust. That is to protect children who are our global society's collective future, and simultaneously to continue to protect freedom of expression. Regulation and

censorship are not solutions, as both are unrealistic and unworkable options in the freewheeling environment of digital communication.

?? **Choice –** Our offer is to give the user and content provider communities – communities of interest - discernable choice in selecting sites that profile targeted material which they want, or to avoid that which they do NOT want, much the way film rating systems provide awareness that enables individuals to choose. Our "safe screening service" on .KIDS provides protection for children from harmful content, while .XXX provides a home for adult content.

?? **Leadership -** 34% of Internet traffic features adult-oriented material making .XXX the single TLD most needed by organizations throughout the world, to differentiate it. Since community interest groups and politicians are demanding resolution to the sensitive issue of providing children safe and secure Internet use, ICANN can easily demonstrate leadership by addressing and solving this important issue using our solution.

?? **Voice of Participation** – ICM Registry offers a unique opportunity for the community of interest to form advisory groups to help shape the policies and voluntary standards for operating the new TLD's in a way that enables TLD's to actively pursue their line of business and satisfy the broader user community. They will also respond to legal and public policy concerns on Internet use and content as they arise. This reflects the needs of an increasingly sophisticated audience who are coping with increasingly complex media.

?? **Niche Marketing –** Distinctive subject specific TLD's will enable content providers to market effectively within their specialized niche market, making the overall use of the Internet more streamlined and efficient for information and data retrieval. 'Providers/sellers' and users/buyers will increase the effectiveness of their marketing efforts and their sourcing respectively. Matching supply and demand has been a long sought efficiency in the global trading environment, from ancient times.

?? **Intellectual Property Protection** - ICM Registry improves protection of existing trademark and other intellectual property rights through the Registructure? . This specially designed provides a framework that promotes fairness and transparency in the allocation of addresses on the TLD, protects existing trademark and intellectual property rights, through an auction system that will provide orderly registration of new TLD's.

?? **Innovation and Cooperation** - ICM Registry is an innovative delivery model. The underlying philosophy of the Internet is one of universal access, supported on a platform of shared architectures developed through collaboration. We capitalized on this model by building a coalition of entrepreneurial and established players. Collectively they offer unassailable depth of expertise, security, uniqueness, and reach that deliver powerful technical and operational synergy for the next generation of Internet leadership.

I. GENERAL INFORMATION

D1. Registry Operator Information

> *The first section of the Registry Operator's Proposal (after the signed copy of this page) should be a listing of the following information about the registry operator. Please key your responses to the designators (D1, D2, D3, etc.) below.*

Details follow in sections D2 – D11.

Acronyms in this section and throughout this proposal are listed below for convenience of the evaluation team:

API	Application Programmers Interface
APS	Application Service Provider
ARS	A Technology Company, Inc.'s Registration System
ATECH	A Technology Company, Inc.
ccTLD	International Standards Country Code top-level domain name
CDNR	Coalition of Domain Name Registrars
CIRA	Canadian Internet Registry Authority
CONE	"COM" "NET" & "ORG" Generic Domain Registrations
DNS	Domain Name System
DNSO	Domain Names Supporting Organization
DOC	US Department of Commerce
gTLD	Global top-level domain name
IANA	Internet Assigned Number Authority
IAP	Internet Access Providers
ICANN	Internet Corporation for Assigned Names
ICM Registry	Internet Content Management Registry Inc.

ICMR	ICM Registry, Inc.
IDC	International Data Corporation
IP	Internet Protocol
ISOC	Internet Society
NSI	Network Solutions Inc. renamed VeriSign Global Registry Services on September 14, 2000
RASP	Registry Application Service Provider
RRP	Registry Registrar Protocol
SRS	Shared Registration System
TLD	Top Level Domain
WC3	ICANN Working Committee 3
WIPO	World Intellectual Property Organization

D2. ICM Registry Corporate Headquarter's Location

The full legal name, principal address, telephone and fax numbers, and e-mail address of the registry operator.

Legal Name:	ICM Registry, Inc.
Contact:	Jason Hendeles, Founder, President and Chairman
Principal Address:	2300 Yonge Street, Suite 907 P.O. Box 2326 Toronto, Ontario, Canada, M4P 1E4
Telephone:	(416) 485-3888
FAX:	(416) 485-6195
E-MAIL:	jason@iy.com

With a copy to:

Legal Name:	Holland & Knight LLP
Contact:	Jose I. Rojas, Esquire

Principal Address: 701 Brickell Avenue, Suite 300

Telephone: (305) 789-7799

FAX:

E-MAIL: jrojas@klaw.com

D3. ICM Registry's other Business Locations

The full legal name, principal address, telephone and fax numbers, and e-mail address of all other business locations of the registry operator

There are no other business locations at this time.

D4. ICM Registry's Business Entity

The registry operator's type of business entity (e.g., corporation, partnership, etc.) and law (e.g., Denmark) under which it is organized.

Privately held U.S. Corporation incorporated in the state of Delaware.

D5. ICM Registry's Internet Address

URL of registry operator's principal world wide web site

www.icmregistry.com

D6. ICM Registry's DUNS Number

Dun & Bradstreet D-U-N-S Number (if any) of registry operator

ICM Registry does not hold a DUNS number at this time.

D7. ICM Registry's Staff Complement

Number of employees.

Currently there are two full time principal managers. Advisors, legal counsel and a transition management team, involved in the start up and ongoing operations of the Internet Content Management Registry Inc. will be acquire through alliances, partnerships, various types of agreements and recruitment.

D8. ICM Registry's Revenues

Registry operator's total revenue (in US dollars) in the last-ended fiscal year.

Since ICM Registry was incorporated specifically to undertake registry operator business activities and value –added additional services there is no revenue to date.

D9. ICM Registry's Management Team and Ownership

Full names and positions of (i) all directors, (ii) all officers, (iii) all relevant managers, and (iv) any persons or entities owning five percent or more of registry operator.

Directors

Given that ICM Registry is a new entity a Board of Directors will be appointed at the first Board meeting in October 2000.

Senior Managers

Jason Hendeles	Founder, President
Michael Palage	Chief Policy Officer
David Ulis	Chief Executive Officer
Keith Beard	Chief Information Officer
Jim Mara	Chief Technology Officer
Daniel Schnob	Chief Financial Officer

Persons or Entities owning five per cent or more of registry operator

ICM Registry, Inc. is wholly owned by Chestermere Investments Limited ("CIL"). CIL is a privately held investment holding company owned and operated by the Hendeles family. Chestermere Investments holdings in marketable securities and real estate assets. are in excess $50 M and net shareholders equity is in excess of $30 M. The family is widely respected and recognized for it's philanthropic activities both in the Toronto and International marketplace.

ICM Registry, Inc. continues to negotiate partnerships with the leading North American adult content providers and Internet companies. ICM Registry proposes to distribute 30% of it's equity to a consortium of 5 or more of the adult content industry's leading service providers and an additional 30% to other strategic partners under the terms and conditions of agreements that continue to be negotiated.

D10. ICM Registry's Contact

Name, telephone and fax number, and e-mail address of person to contact for additional information regarding this proposal. If there are multiple people, please list all their names, telephone and fax numbers, and e-mail addresses and describe the areas as to which each should be contacted

The following representative at the management level may be contacted regarding technical and administrative queries:

Jason Hendeles
President and Chairman
The Internet Content Management Registry
2300 Yonge Street, Suite 907,
P.O. Box 2326
Toronto, Ontario
Canada, M4P 1E4

Tel. (416) 485-3888
Fax. (416) 485-6195
E-mail. jason@iy.com

D11. Partnership / subcontractors

The full legal name, principal address, telephone and fax numbers, e-mail address, and Dun & Bradstreet D-U-N-S Number (if any) of all subcontractors

ICM Registry, as Prime, has developed an extremely strong team to provide Registry Applications Services to the registration service providers, volume registrants, registrars and country based registries.

ICM Registry has entered into Agreements with the following U.S and Canadian companies:

- The .TV Corporation International
- Verisign Global Registry Services Inc.;
- and DMR Consulting Group Inc.

The ICM Registry team is strong both individually and collectively. At the same time, ICM Registry remains fully responsible and accountable for the success of the contract with ICANN as these resources will remain under the direction of ICM Registry - the Prime.

Legal Name:	The .TV Corporation International
Contact:	Anthony Bishop
Principal Address:	130 West Union Street Pasadena, CA
Telephone:	626-685-4982
FAX:	(626) 535-2701
E-MAIL:	a@www.tv

VeriSign Global Registry Services (NSI)

Legal Name:	Verisign Global Registry Services Inc.
Contact:	Lori Whitted
Principal Address:	505 Huntmar Park Drive Herndon, VA 20170
Telephone:	(703) 742-0400
FAX:	
E-MAIL:	whitted@netsol.com

DMR Consulting

Legal Name:	DMR Consulting Group Inc.
Contact:	Greg McIntyre, Client Manager
Principal Address:	Constitution Square 360 Albert Street, Suite 600 Ottawa, Ontario, Canada, K1R 7X7
Telephone:	(613) 238-2697
FAX:	(613) 238-2802
E-MAIL:	greg_mcintyre@dmr.com
DUNS Number	13-049-3794

II.   B U S I N E S S   C A P A B I L I T I E S   A N D   P L A N

D12. ICM Registry's Business Plan

The second section of the Registry Operator's Proposal (after the "General Information" section) is a description of the registry operator's Business Capabilities and Plan. This section must include a comprehensive, professional-quality business plan that provides detailed, verified business and financial information about the registry operator. The topics listed below are representative of the type of subjects that will be covered in the Business Capabilities and Plan section of the Registry Operator's Proposal. [INSTRUCTION: ICANN will extensively review and analyze this section of the Registry Operator's Proposal. The content, clarity, and professionalism of this section will be important factors in ICANN's evaluation of applications. We strongly recommend securing professional assistance from financial and management consultants to aid in the formulation of your business plan, in securing the necessary sources of financing, and in preparation of this section.]

Created on the 28th day of June, 1999 as a Delaware corporation, ICM Registry has the business capabilities and experience to undertake the operation of a registry service. The company was founded to own and operate ".XXX" as a for-profit, unsponsored, chartered Top Level Domain registry. ICM Registry proposes to also offer to operate ".KIDS" as a non-profit, unsponsored chartered TLD registry for charity. This section describes the company background, history, mission, its management strengths, formal alliances, the services it plans to provide and the financial business model it expects will result in a stable and sustainable registry service.

It should be noted that ICM Registry's strengths derive from the long time experience of its management team and its involvement in the Internet and communications industries coupled with Founders Jason Hendeles and Michael Palage strengths in building coalitions of powerful business and community interests. ICM Registry has set up key business partnerships to undertake the running a registry service.

ICM Registry Business Plan is found in Annex #1 and it is suggested that this document be read first since it provides a full overview of the issues of concern to ICANN that the firm wishes to address as well as its solution, benefits to be derived, market assessment and financial figures of importance to this project.

D13. The Business Capabilities and Plan

The sections D13.1 to D13.4.5, which follow, describe the company's business capabilities and plan.

D13.1 ICM Registry's capabilities

Detailed description of the registry operator's capabilities. This should describe general capabilities and activities. This description also offers the registry operator an opportunity to demonstrate the extent of its business and managerial expertise in activities relevant to the operation of the proposed registry. The following items should, at a bare minimum, be covered

ICM Registry capabilities are based on its own inherent capabilities and experience and that of its senior management team. Its capabilities are also augmented by the strengths

of its partners which through their established reputations in the Internet business community places them in the ranks of the very best on the planet.

The following sections D13.1.1 to D13.1.8 describe these capabilities in detail.

D13.1.1 Company information

Date of formation, legal status, primary location, size of staff, formal alliances, references, corporate or other structure, ownership structure.

Legal Status of ICM Registry

ICM Registry is a private corporation incorporated in the State of Delaware in June, 1999. Its corporate headquarters are in Toronto, Canada and it has an initial staff of four principal managers and nine senior advisors. It currently operates in a virtual mode and has recently been working in close collaboration with its associated partners who are participating in this proposal.

The company is wholly owned by Chestermere Investments Limited and run by Jason Hendeles, founder, and long time participant in developing Internet infrastructure and standardization processes within ICANN and the Internet community. The success of the Company is currently dependent upon the ability of Mr. Hendeles and the ICM Registry team to formulate business plans, to negotiate service contracts with affiliates, and maintain ICM Registry's position as a potential owner and registry operator of key domain name extensions.

Mr. Hendeles has had the foresight and understanding of the evolution of the Internet to firstly assist in establishing his technical credentials with participation in ICANN working groups, secondly to receive accreditation and experience in running a Registrar service and is now planning to establish a Registry service. This will be followed by developing value added software products and services which will be beneficial to the Internet content providers, Registrars and users of the Internet.

From 1995-1998, he acted as senior business architect and founder to several Internet and telecommunications companies, including Skyscape Communications, Inc., the National Moving Network and the Digital Broadcasting Network. Mr. Hendeles is recognized by ICANN for his contributions to: developing technical solutions for the service level agreement between the registrars and Verisign; active participation in the International Forum on the White Paper; supporting the activities of the Coalition of Domain Registrars ("CDNR") and the Registrar constituency within ICANN. He is an acting member of the Board of Directors of O&Y Properties, and was recently nominated to the Board of St. Louis based Broadband Investments Group "BIG".

Jason Hendeles is also founder and owner of A Technology Company Inc. (ATECH), which was one of the first registrars accredited by ICANN to offer registration services (www.identifyourself.com). Identifyourself.com is a sub-registrar of AWRegistry (an ICANN accredited registrar).

Formal Alliances

The firm's greatest strength is in recognizing opportunities for sustainable business ventures, identifying key business requirements and building a coalition of business firms that together provide the technical, financial and managerial components of a successful venture. Mr. Hendeles has successfully formed such joint venture consortia in the past and has done so for the purposes of this proposal.

The firm has established formal alliances with several key partners, whose contributions will result in the best opportunity to launch our proposed restricted .XXX and .KIDS registry services and, especially in the near term, provide stable and high quality service on a worldwide basis.

These alliances include:

The .TV Corporation International

ICM Registry has reached an agreement with The .TV Corporation International ("dotTV") to provide a stable and high quality registry system infrastructure in support of this proposal.

dotTV will provide ICM Registry with several key components of its registry service. Firstly, dotTV will provide its Registrar service and its well established registrar network which will promote access to both .XXX and .KIDS to the public. Furthermore, it will provide its dotTV registry infrastructure including its computer server infrastructure, telecommunications network infrastructure, operational management, registry data storage, contingency systems, application development services and customer help support.

There is a strong congruency between ICM Registry and dotTV in forming alliances to accomplish BIG missions. ICM Registry is pleased that dotTV is prepared to participate in this proposal (see Annex - 2 for our agreement).

dotTV will act as ICM Registry's technical infrastructure support service for our registry operation. dotTV (www.tv) is the exclusive worldwide registry for second-level domain names in the .tv top-level domain through an agreement with the Country of Tuvalu. The company is dedicated to creating the premier TLD so that companies, organizations and individuals can create the Internet brands and identities of the future. ICM Registry will work with dotTV to ensure that equal service levels and on-going support are provided to registrants and registrars associated with the .XXX and .KIDS domains.

Further information on dotTV is attached in Annex - 3.

VeriSign Global Registry Services

ICM Registry is also partnering with VeriSign Inc., VeriSign Global Registry Services Division, formerly known as Network Solutions Inc. (NSI). VeriSign will provide the registry service infrastructure for our proposed .KIDS domain including primary infrastructure operations of the NOC, DNS and WHOIS servers, and the Name Servers and Zone file maintenance processes as is currently performed for .COM.

VeriSign, Inc. is the leading provider of trusted infrastructure services to Web sites, enterprises, electronic commerce service providers and individuals. The company's domain name, digital certificate and payment services provide the critical web identity, authentication and transaction infrastructure that online businesses need to conduct secure e-commerce and communications.

The VeriSign Global Registry Services division is responsible for maintaining the Internet Domain Name System (DNS) that resolves domain name look ups for the .com, .net, and .org top-level domains. This system resides on a worldwide constellation of 12 name servers, owned and maintained by the Global Registry Services division. Additionally, the Global Registry Services also maintains the authoritative repository for registration of all the 19 million *.com*, *.org*, and *.net* domain names.

Currently, the SRS serves 46 registrars in the Internet identity marketplace in 13 countries. Since its debut the NSI Registry has developed a myriad of new services such as the Registry WHOIS and has increased efficiencies to better serve the accredited Registrar community. Currently, the Internet Corporation for Assigned Names and Numbers (ICANN) has accredited 118 registrars to register domain names and the NSI Registry is working closely to bring the additional Registrars online as quickly and securely as possible.

Further information on VeriSign is provided in Annex 4.

DMR Consulting

ICM Registry has selected DMR Consulting to assist in the startup of the Company and supplement a transition management team.

DMR Consulting Group Inc. is a large, well-established and financially sound Canadian-based firm operating world-wide. DMR Consulting Group Inc. is incorporated under the laws of Canada.

DMR Consulting Group Inc. is a leading international provider of management consulting and information technology (IT) services to businesses and public enterprises, with more than 60 offices in the United States, Canada, Europe and Asia-Pacific. With annual revenues of $US920 million for 1999 and a global base of close to 9,000 professionals worldwide, DMR Consulting is known for providing integrated business and IT solutions that enable clients to improve their competitive position, market share and productivity.

Further information on DMR Consulting is provided in Annex 5.

D13.1.2 Current business operations

Core capabilities, services offered, products offered, duration of provision of services and products

Since ICM Registry was incorporated specifically to undertake a new TLDs registry operation there is no product or services offered at this time. Registry product and services offered by our strategic partners dotTV and Verisign Global Registry Services can be found in annex 3 and 4.

ICM Registry's Founder, Jason Hendeles is currently operating "A Technology Company Inc.", (ATECH), an ICANN accredited provider of registrar services. ATECH the precursor firm to ICM Registry, was also founded by Jason Hendeles, who is the sole shareholder of ATECH, previously known as 1206506 Ontario Inc.

Jason Hendeles and the Hendeles family are recognized as prominent philanthropists in the Toronto business community and have a reputation for professional conduct. ICM Registry is the natural corporate follow-on to ATECH, building on the core management skill base and experience established at ATECH.

Further information on ATECH's registry operation is contained in Annex 6 which includes a copy of ATECH's successful submission to ICANN to become an accredited registrar.

D13.1.3 ICM Registry's history

Past business operations/entity history. History, date of formation, legal status/type of entity, initial services, duration of provision of services and products.

Since ICM Registry was incorporated specifically to undertake a new TLDs registry operation there is no past business operation or history. Historical information and company profile of our strategic partners The .TV Corporation International, Verisign Global Registry Services and DMR Consulting Group can be found in annex 3, 4 and 5.

D13.1.4 Registry/database/Internet related experience and activities:

Registry/database/Internet related experience and activities. Experience with database operation, Internet service provision.

ICM Registry and its strategic partners The .TV Corporation International, DMR Consulting and Verisign combine to create an indomitable set of experience and expertise in Internet operations and infrastructure development which exceed the basic requirements for registry operation. Individually and together, they are outstanding leaders in the research and development, operational management and innovation of Internet products and services.

Please refer to annex 1 and to the historical information and company profile of our strategic partners .TV, Verisign Global Registry Services and DMR Consulting Group in annex 3, 4 and 5.

D13.1.5 Mission

The registry operator's mission and how it relates to expansion into the registry operation field.

ICM Registry will concentrate on becoming a premier registration application service provider, and develop enhanced value added services.

ICM Registry's vision is to develop services and products that improve the quality of the Internet and support the protection of children from adult-oriented content.

ICM Registry's mission is to work co-operatively with strategic partners to create winning solutions for Internet oriented businesses, organizations and advocacy groups.

ICM Registry's strategy is to collaborate with leaders in Internet technologies, and content service providers to orderly expand Internet capacity through new Charter TLDs.

The firm's initial focus is to launch a stable and reliable registry system in two new TLDs - .XXX and .KIDS – to provide "proof of concept" of its Registructure model of registration, trademark protection and auction services.   While ICM Registry is submitting to be accredited as the ".XXX" Registry, the company is proposing to fund and operate ".KIDS" as a non-profit entity for the benefit of the greater Internet community.

D13.1.6 Management

"Qualifications and experience of financial and business officers and other relevant employees. Please address/include past experience, resumes, references, biographies."

Management Team

The ICM Registry Management Team will consist of two groups. The first group will be the founding partners of the company.

Jason Hendeles   President

Michael Palage   Chief Policy Officer

The second group will be a transition team provided by DMR Consulting. This group will fill senior management positions for the initial start up phase of the enterprise. The team will include the following personnel:

David Ulis   Chief Executive Officer

Keith Beard   Chief Information Officer

Jim Mara   Chief Technology Officer

Daniel Schnob   Chief Financial Officer

Other positions can be filled with DMR Consulting personnel as necessary.

Resumes for each member of the Management Team are provided in Annex 7.

At the present time, ICM Registry's management and technical expertise, and our reputation and acceptance by the Internet community, positions us to successfully launch a highly profitable Internet Registry business for .XXX and render an important community service with .KIDS. The capabilities and reputations of our Strategic Partners will serve to strengthen our capability.

D13.1.7 Staff/employees

"Current staff size, demonstrated ability to expand employee base, hiring policy, employee training, space for additional staff."

ICM Registry recognized the importance of maintaining a loyal, highly qualified and reliable staff complement in its administration and operations. The stability, efficiency, rigor and quality of service of a registry service is largely dependent on the recruitment of professionals of highest competency, loyalty, dependability and responsibility.

Furthermore, employees need to be provided with the best training possible in ensure that operations run smoothly.

Staff Size & Ability to Expand Employee Base

Our employee base today is noted in section D7. Upon ICM Registry successful award by ICANN as a new TLD registry, our organisational strategy will unfold as follows:

?? DMR and the founding partners will form the executive of ICM Registry.

?? ICM Registry will serve as the governing body for a coalition of strategically selected partners that best reflect the Internet companies, organizations and advocacy groups influenced by this proposal.

?? ICM Registry's Team will have overall accountability for performance to ICANN standards.

?? ICM Registry's strategic partners will hold minority equity positions that oblige them to deliver leading-edge technology and client services.

?? As experts in their respective fields, our strategic partners will acquire any additional personnel required to maintain the highest level of technical and client service standards.

?? An executive search will be undertaken to fill the transition team positions with permanent people while the management team establishes the company

ICM Registry and our third party service providers will share mutual accountability for enterprise performance and results, and through an equity participation formula will share in the risks and benefits associated with carrying out our mandate for ICANN.

Hiring Policy

ICM Registry's hiring strategy, in conjunction with our Strategic Partners is to:

?? Comply with all federal, state, provincial and other applicable legislation

?? Be an equal opportunity employer

?? Adhere to employment equity principles

?? Engage proven talent to deliver top quality and reliable services to clients both within and outside ICM Registry

?? Promote recruitment through employee referral programs

?? Provide internship and co-operative education programs

?? Invitational recruiting with senior students from applicable programs

?? Use the most widely accessed and successful electronic job search system, "Workopolis"

Employee Training

ICM Registry will work together with its Strategic Partners to develop comprehensive needs analysis based on competency models, design, and implementation of specialized training to ensure the performance of its "REGISTRUCTURE".

Specialized training will be essential for the personnel verifying the .KIDS applications to ensure they meet the rigorous security requirements for these domain name holders. Computer-based training will be applicable for practice and effectiveness verification of the technical aspects, and recorded audits will enable facilitators to verify performance and coach for improvements.

Space for Additional Staff

As of Mid-November, The .TV International Corporation will be operating from a brand-new 25,000 square foot facility in Pasadena, California that provides the latest in communications connections and security features. This move will allow dotTV to best serve the growing list of accredited registrars, registrants and the registry service related elements as proposed by ICM Registry.

As of September 18, Verisign will be operating from a brand-new 100,000 square foot facility in northern Virginia that provides the latest in communications connections and security features. The Registry's state-of-the-art facility will house not only the SRS, (the master database of all *.com*, *.net* and *.org* domain names), but also will house the Root Server, the top of the hierarchical chain of the Internet. This move will allow for both technological upgrades and personnel support as required to best serve the growing list of accredited registrars and further TLDs as proposed by ICM Registry.

Furthermore, ICM Registry's physical accommodations are well handled by a strategic partnership with O&Y Properties, commercial landlords with extensive real estate holdings across Canada. Growth patterns for its Strategic Partners will also be supported through the O&Y partnership if they need assistance.

D13.1.8 Commercial general liability insurance

Upon ICANN award, ICM Registry will procure the necessary general commercial liability insurance as a safeguard against litigation. ICM Registry is cognizant of the potential for litigation as a result of assigning trademarked names or inappropriately screening applicants for entry into .XXX or .KIDS.

As is described in Volume 3: Description of TLD Policies ICM Registry will operate in as neutral and transparent manner as is possible. All TLD policies will be established by Policy Advisory Boards with membership drawn from a cross-section of communities of interest. It is expected that all issues related to appropriate registry operations and criteria for issuance of domain names will be resolved. Hence ICM Registry does not expect that as organization it will be held accountable for the policy decisions of the Policy Advisory Board .

D13.2 Business Plan for the proposed registry operations

The business plan is found in Annex – 1.

D13.2.1 Services to be provided

A full description of the registry services to be provided.

ICM Registry through its Registry Partners, will provide similar services as is currently available except in the context of the following functions:

?? The registry will provide a secure <u>auction system</u> for domain name registrants to bid on domain names during the initial roll-out phase of the new top level domain and in connection with expired domains. This auction system is designed to serve several functions: preventing a land rush phenomenon during the initial roll-out that might compromise the stability of the registry infrastructure; maximizing intellectual property protection; and providing all Internet users the ability to obtain expired domain names on an equal basis.

?? The registry will provide an escrow service to the registrars. This escrow service will be part of a registry-based WHOIS. This registry-based WHOIS will have adequate measures and safeguards to protect individual privacy, while allowing law enforcement and intellectual property owners the ability to conduct proper investigations in appropriate circumstances. Additional details of the policy and technical aspects of this registry-based WHOIS are described in detail in section E7.

In addition, ICM REGISTRY will continue to provide value and enhance the utility of TLD domain registries through its commitment to research and development.

ICM Registry is targeting ICANN accredited registrars to provide registrar services for the .XXX and the proposed .KIDS registries. It is not ICM REGISTRY's aim to sell services directly to registrants; the registry is merely providing a service that registrars resell to their customers. There are certain circumstances, however, that will require registry interaction with the domain name registrant: during the initial domain name auction process; in connection with investigating and enforcing charter violations, and; during the auctioning of expired domain names.

Registry Services

Mark Protection Services

One of the key concerns raised by ICANN has been the protection of intellectual property rights. ICM Registry has developed relationships with leading intellectual property protection organizations to develop a variety of intellectual-property protection programs. Some of these strategies include:

?? The use of a "Sunrise Program" to allow qualifying trademark owners the ability to pre-register its trademark as a domain name; this program is described in more detail below

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?? Posting all registrations for a minimum 30 day review period, during which time, trademark holders will have an opportunity to notify a domain name registrant of their intention to file a UDRP;

?? Adoption of the Domain-Name Dispute-Resolution Policy ("UDRP") as defined by ICANN;

?? Offering a registration watch service for free to qualifying trademark owners to protect their brands from abuse; and

?? Providing a WHOIS data watch service to notify domain name registrants when any information contained in the WHOIS fields has changed. This service will be provided by a third party contractor for resale by the registrar to the domain name registrant.

It is important to note that famous mark owners will receive no preferential rights or treatments with respect to the registry of domain names aside from the free watch service.

The Sunrise Program

ICM Registry will permit the following organizations the ability to pre-register domain names prior to the new top-level domain going live:

?? Qualified trademark owners; and

?? Qualified Adult-Content Providers who currently operate Web Sites.

Sunrise Program for Qualified Trademark Owners

ICM Registry will permit allowed qualified trademark owners the ability to pre-register their trademark as a domain name prior to the new top-level domain going live.

Eligibility to Participate in Sunrise Period

The owner of any valid national registered trademark or service mark registration would be eligible to register that mark, and that mark alone, as a domain name during the Sunrise Period, provided that the national registration for that mark issued prior to October 2, 2000. The domain name registration would be confined to a single registration corresponding to a trademark. The Sunrise Program domain name registrations have to be identical to the material textual element of the registered trademark, excluding disclaimed words associated with design marks.

Overview

ICM Registry will allow qualified trademark owners the ability to pre-register their trademark as a domain name prior to the new top-level domain going live. The Sunrise Program is broken down into the following three periods

Announcement Period: At least ninety (90) days prior to the TLDS being added to the root server system, the Registry in coordination with the intellectual property community will make a general public announcement with the estimated go live date. This Announcement Period will last for a minimum of 30 days, although it can be extended depending upon the commencement of the general public announcement. However, under

no circumstance will the Registration Period begin until the trademark community has had at least 30 days public notice.

Registration Period: Following the Announcement Period and at least sixty (60) days prior to the TLDS being added to the root, the Registry will begin the Registration Period where it will begin processing domain name registrations among eligible trademark owners through ICANN accredited registrars. This registration period is scheduled to last for a minimum of thirty (30) days.

There will be two types of domain name registration requests that will be processed, black list registrations and use registrations. Black list registration is the registration of a domain name by a trademark owner with no primary or secondary DNS (i.e. it will not appear it the zone files, but it cannot be registered by a third party). Use registration is the registration of a commercial domain name by a trademark owner. The priority of how to resolve disputes between trademark owners with conflicting claims is explained below in more detail.

Cooling Off Period: After the Registration Period, there will be at least a minimum thirty (30) day cooling off period in which trademark owners will have the opportunity to investigate any fraud by domain name registrants and initiate a challenge (see below). This Cooling Off Period will provide the Registry with the opportunity to make any necessary enhancements to the registry software prior to registration by the general public.

Required Additional WHOIS Data

In order to register a domain name during this Sunrise Period, a registrant must electronically acknowledge that it is the owner of a valid, national trademark registration issued prior to October 2, 2000. In addition, the registrant must supply the following: the name of the trademark; date of registration; country of registration, and registration number. Neither the registrar nor the registry will be required to verify any information provided by the registrant prior to registering the domain name. These additional data elements will be maintained in a modified Whois database to provide the public at large with the ability to investigate any domain names registered during this Sunrise Program. This is to afford potentially aggrieved trademark owners with the ability to independently verify the veracity of the information provided by the registrant.

Priority During Registration Period

During the Sunrise Program Registration Period there will be two types of trademark applicants submitting domain name registration requests and the following scenarios.

Scenario Number One: A trademark owner requests a black list registration, and there are no other requests matching this domain name received during the Sunrise Program.

Outcome Number One: Upon the remittance of the registry processing fee that domain name will be entered into the registry database, but will not appear in the zone files. The length of this black list registration will last five years, the estimated length of the initial contract with ICANN. A third party may wish to challenge a black list registration at any time during the registration period. It is not conceived that this challenge would be used

against arbitrary or fanciful trademarks, but in situations where the owner of a trademark sought to black list a mark that is descriptive or generic in nature.

For example, if Xerox Corp. submits a black list registration for the mark XEROX, there is little possibility that any third party would be able to establish a legitimate use to register the domain name XEROX. However, there could be a situation where a trademark registration encompasses a descriptive or generic mark. For example, one need only reference the concierge.com UDRP decision (FA0093547). In this case, there were competing trademark claims between the parties over the domain name which two panelist stated was a generic word. Obviously, this policy recognizes that there are competing interests with regard to trademark rights and the ability to use a generic or descriptive word as a domain name. It is believed that this challenge process will guarantee that trademark owners are not granted a monopoly over the use of the trademark in commerce, while at the same time preventing use of a trademark by a third party in a confusing manner. ICM Registry will work with the ICANN staff and the currently accredited dispute providers to modify the language associated with the UDRP to handle these types of challenges.

Scenario Number Two: A plurality of trademark owners request black list registration during the Sunrise Program for the same domain name.

Outcome Number Two: Each trademark owner will have to submit a registry processing fee , however, the domain name will be black listed as soon as the first trademark owners submits the required fee. The method and duration of the black list registration is the same as outlined in Scenario One. The reason that each trademark owner will be required to submit a registry processing fee, is so that in the case of a third party challenge ALL trademark owners can be notified to collectively oppose the challenge procedure as outlined in Scenario One.

Scenario Number Three: A plurality of trademark owners submit competing registration requests for both black list and use registrations for the same domain name.

Outcome Number Three: If there is a single trademark owner requesting a use registration, then that registration request will be processed. Because this domain name will be active in the zone files, this domain name registrant will have to pay a recurring annual registry fee. The trademark owner(s) that requested a black list registration will have the opportunity to file a UDRP proceeding to challenge the use registration. As referenced above ICM Registry will work with ICANN and the Dispute Providers in modifying the existing UDRP rules to handle these types of challenges. If there are multiple trademark owners seeking to register a domain name during the Sunrise Program, then an auction system will be employed to determine who is entitled to the registration.

Challenges

Any trademark owner or third party may challenge the basis of a domain name registration taking place during the Sunrise Program. If a trademark owner independently verifies the information provided by the domain name registrant and believes it to be erroneous, it may file a challenge with the registrar for that domain name along with the submission of a challenge fee. The registrar will then undertake the responsibility to request from the domain name registrant proof of its valid national trademark

registration. If the domain name registrant is unable to provide evidence of a valid national trademark registered prior to October 2, 2000, the registrar will cancel the domain name registration with no refund to the original domain name registrant and promptly return domain name to the available pool. However, if the information provided by the domain name registrant is accurate the challenging party will forfeit the challenging fee.

Should a particular registrar decide that it does not wish to undertake a determination of what is or is not a valid national trademark, that registrar may designate a third party to undertake this responsibility. If that registrar is unable to find a suitable third party, the Registry will by default undertake this responsibility.

Sunrise Program for Qualified Internet Adult-Content Providers

ICM Registry will permit Qualified Internet Adult-Content Providers the ability to pre-register their existing domain names prior to the new top-level domain going live.

Auction Services

ICM Registry is planning to use an auction-based system for the first six months of operation. This auction system is designed to minimize domain name speculation and the land rush phenomena associated with the roll-out of the new top level domain. To provide the required security for this auction system, while guaranteeing that the auction system remains open and transparent, this auction system will be centralized. Although potential domain name registrants will be dealing with an ICM Registry's contractor during this phase, the domain name registrant will have to designate a ICANN accredited registrar prior to placing its first bid. Should the domain name registrant prevail in the auction, the designated registrar will register the name with the registry on behalf of its customer.

During the initial roll-out phase a contemplated auction process will require each domain name registration to undergo a thirty (30) auction period that will provide the intellectual property community the ability to police their marks.

For previously registered domain names that have expired, ICM Registry proposes that these domain names be pooled for auction. If there are no offers tendered for certain domain names during the auction system, those domain names will be deleted at an announced date and time, in excess of thirty (30) days to put all domain name registrants on equally footing to secure that domain name.

Post Roll Out Domain Name Registration Services

Following the initial roll-out phase, ICM Registry will shift to a first come first served model for domain name registrations as is currently employed by the SRS.

WHOIS Services

ICM Registry will provide an interactive web page and a port 43 Whois service providing free public query-based access to up-to-date registry database data that, in response to input of the SLD name, will report the required elements in response to queries. However, unlike the current NSI whois query interface, ICM Registry will provide the

user generating the query with all the non-redacted whois information associated with that record. There will be no need for the user to then query the appropriate registrar to get the necessary whois data that they seek.

This registry-based whois will have adequate measures and safeguards to protect individual privacy, while allowing law enforcement and intellectual property owners the ability to conduct proper investigations in appropriate circumstances.

ICM Registry contemplates providing a subscription service that will allow subscribers the ability to run complex queries across multiple fields.

ICM Registry will also provide a whois data watch service to notify a domain name registrant of any changes in the whois data fields. This feature is particularly useful in light of the current sex.com litigation in which a domain name was allegedly transferred from a domain name registrant without its authority.

DNS Services

ICM Registry will manage the DNS services through the services and facilities provided by its partners, in the following manner.

Company	Roles	Costs
DotTV	Supplies the existing dot.TV infrastructure to support the .XXX gTLD. In this capacity, this firm provides Primary Whois services, full DNS services, Auction services, Registry/Registrar protocol, Billing and Payment service, Registrar API development, Registrar Customer service, Reserved Names and Registry Database Management, Web Services.	Transaction fee of $6.00 per domain name
VeriSign	Provides primary infrastructure operations for the .KIDS gTLD consistent with the existing infrastructure supporting the .com, .net & .org gTLDs. That includes, but is not limited to: supplying Name Server services, Zone file maintenance and WHOIS Services. Provides data escrow and registry failure services, hosts accounting, dispute mediation, reserved names and content policy setting applications. Develops mark protection, RRP enhancements and API's for the Registrar Services.	Transaction fee of $6.00 per domain name

Registry Research and Development

ICM Registry will spearhead the research and development of tools and techniques to address key issues related to domain name registry, to support not only the responsible operation of the .XXX registry but also the responsible operation of domain name registries in general.

ICM Registry will focus initially on the following as a means to address the immediate concerns of the domain name registry world.

WHOIS Data Consolidation

The current architecture of the Internet's domain name system has each country code Top Level Domain registry with a separate WHOIS database (approximately 130 separate WHOIS databases). This fragmentation of a primary source of statistical and ownership information has been further exacerbated by the recent break-up of the gTLD registry function, once served solely by NSI, into some 46 individual registries, each with their own WHOIS databases. ICM Registry intends to research and develop an effective means to aggregate this information, thus providing an effective tool, for statistical analysis and, particularly in the short term, for supporting investigation of domain names for trademark infringement. The .XXX registry will be a test bed for the proof of concept of the means for consolidating the WHOIS data.

Domain Name and Intellectual Property Protection

Most trademark search vendors have added to their U.S. searches a domain name section, identifying similar domain names registered through NSI. To date, none of these vendors has developed or is offering a web search beyond domains or a search of domains registered by entities other than NSI.

ICM REGISTRY intends to research and develop a means to support the identification of trademark infringement through two routes: first, through sophisticated algorithms for the identification of character strings within domain names which could be seen to potentially violate rights to a trademark, and, second, **through the identification of famous marks 'general single marks'**.

Filtering Technologies

One of the major draws of the Internet is the ease and speed with which anyone who has access can find information, pictures and sounds and videos on virtually any topic. This is also one of its drawbacks: the world wide web is not content zoned; the content is not always appropriate for every audience, particularly we mean children. This is the main impetus behind the establishment of the .XXX registry.

The aim of the .XXX registry is to create a responsible means to identify and group adult content materials so that they will reach their intended audience. ICM REGISTRY intends to develop identify superior means that can be used to identify and filter out Internet sites meeting criteria which identifies them as adult content sites. Two routes are under investigation: filtering at the domain name server, and IP filtering.

Proprietary DNS Filtering

Additional information can be provided to ICANN upon request.

IP Filtering

An alternate means which ICM Registry intends to explore, is IP filtering. Packet filtering involves examining the IP address of where the content has come from. **Packet**

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filtering takes place on a router. Routers are special purpose computers that steer packets through the Internet from source to destination: they form the backbone of the Internet. Whilst top-of-the-range routers can implement packet filtering without performance degradation, the main problem is its granularity: packet filtering is particularly coarse. An IP address represents a particular computer – not a Web site – and therefore, attempting to filter an Internet site by using its IP number blocks a large number of legitimate sites hosted on the same computer. However, it has been found that a significant number of adult content web-sites emanate from a few IP addresses. ICM REGISTRY intends to investigate the efficacy of using packet identification as a means of filtering adult content.

ICM Registry is negotiating with I-dns International, Inc. on the details of a sub-contract to jointly develop the abovementioned technology solutions.

i-DNS.net International is the company behind the Internationalized Domain Name System (iDNS) - technology that allows people to use the language of their choice for their Internet Domain Name.   They are headquartered in the United States at Silicon Valley and currently has regional offices in Singapore, Taiwan, Hong Kong, China, Japan and India.

Established in October 1999 with long-term financial backing from US-based General Atlantic Partners LLC. iDNS is the result of over two years of intense research and development at the National University of Singapore conducted under the auspices of the Asia Pacific Networking Group (APNG). It continues to be jointly developed in the United States and Singapore today.

The mission of i-DNS.net International is to enable multilingual access to the Internet for everyone, everywhere. By pioneering the global deployment of iDNS technology and championing the use of multilingual domain names, i-DNS.net International seeks to bridge the gap that has hindered Internet access for non-native English speakers of the world.

i-DNS.net International's global strategy is to work closely with valued partners located in every country in the world. This includes collaboration with government bodies, local Internet authorities, Internet Service Providers, amongst others, to jointly promote the iDNS back-end technology in the indigenous cultural context.

i-DNS.net International strongly believes in the necessity and demand for this technology and looks forward to sharing its vision with the world.

D13.2.2 Revenue Model

A full description of the revenue model, including rates to be charged for various services

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Revenue will be generated from a variety of sources: registration fees, name auction fees, WHOIS database inquiries & statistic provisions, banner advertising on its web-site, trademark and famous name protection services, and filtering & DNS security services.

Registration Fees:

Each name that is submitted for registration will require a fee of $28.00 US. It is expected that the first year's growth rate will be 85%, 85% in year 2, 33% in year 3, and 22% in year 4.

Auction Fees:

Each request for a name will be, after being qualified as a legitimate request, submitted to an online auction process to allow anyone else who might be interested in also using the name to bid for it. After 30 days, the highest bidder will receive the rights to the name. The average revenue expected per name in the first year of the auction process is $250.00, dropping to $50 in year 2, $37.50 in year 3, and $28.13 in year 4. Because of the pent-up demand that currently exists for registrations, it is expected that there will be a high volume of auctions occurring in year 1. This demand will taper off drastically after the first year; in fact, most of the volume in the following years will occur from domain names that are not renewed and which will be put up for auction for a 30-day period. After this expiry period, expired domains will be available for anyone to register.

Other Services:

ICM Registry intends to provide a number of other services that are complementary to the registry function. Some of these other services include:

- Filtering: identification of particular words or character strings that are in domain naming systems and in World Wide Web documents in order to block unwanted materials, or to identify desirable material.

- DNS filtering: the identification of domain naming systems that identify trade names protected by some authority and that are possibly being used illegally.

- Proprietary Domain Name Content Management Services (additional information can be made available upon request).

- WHOIS Data Watch: a service to notify domain name registrants when any information contained in the whois field has changed. It will also do special statistical data mining for legitimate requests in the WHOIS database.

- Banner Advertising: offering banner ad design capabilities that will appear prominently on each page of the registry web site.

- Intellectual Property Protection Services: a service to help protect famous marks or substrings from undesirable usage in domain naming. Also, a service to assist owners of trade marks in identifying web-site naming conventions that might be considered illegal use of the mark, derogatory or uncomplementary use of trade marks, famous marks, or strings that contain such marks.

D13.2.3 Market

Market definition, size, demand, accessibility

Market Definition:

Entering the 21st century, the Internet is poised to become the primary tool for acquiring information and conducting business. Over the past three years, all predictions of growth in Internet usage have been dwarfed by the actual results. That trend will continue, and the estimated 220 million people currently accessing the Internet worldwide is expected to exceed 500 million by 2004. Business conducted on the Internet is predicted to reach $1.3 trillion by 2003.

There are an estimated 300,000 adult-oriented websites, accounting for approximately 3 per cent of all domain addresses. These sites, however, account for 34 per cent of Internet traffic. Analysts estimate that the online adult website market is a $2B industry capturing almost 20% of the total pornography industry, which is expected to be more than $10 B per year in revenues this year. This represents from 5-10% of total consumer purchases on-line at the present time.

A new .XXX domain will appeal to those adult sites wishing to be instantly recognized as such, and those interested in accessing new addresses that are currently restricted or unavailable on existing TLDs. The new .XXX domain offers an opportunity for enhanced product branding in the adult entertainment industry for those who want it. Initial discussions with operators of adult content sites indicates that more than 50 per cent would be interested in converting to the new domain in its first year of operation.

With respect to the proposed .KIDS domain, the availability of a new TLD exclusively devoted to providing content appropriate to children under 12 will appeal to a wide range of existing providers of website services. The ICM Registry proposal to set up Public Advisory Boards and a mechanism for the voluntary rating and listing of content means that parents can be confident that sites on .KIDS enjoy "a seal of approval," a significant value added to those potential registrants addressing that audience. ICM Registry anticipates that demand for addresses on the new .KIDS domain will mirror general growth rates for the Internet.

Overall, demand for registration on the two new TLDs is expected to be 3 per cent of the total demand for new TLDs, with .XXX accounting for the majority of registrations in the initial years of operation but greater growth in registrations for .KIDS in subsequent years. ICM Registry projects that the market for registrations on these new TLDs would reach 165,000 in the first year, climbing to 485,000 in 2003.

By offering a .XXX domain, adult sites wishing to be recognized as adult content sites will be able to switch to this new one. It will open up more site naming conventions that currently are restricted and unavailable on the .COM domain because names are already registered, or taken by "cybersquatters". The .XXX domain also offers product branding to those seeking to distinguish their site.

Conversely, families are concerned about the potential harm their children are vulnerable to if they are subjected to the "XXX" adult content, as it violates a child's experience of the world as safe and secure. They need both protection form the adult sites as well as

child friendly sites where they can safely surf with impunity. For this market of children twelve and under there is a whole world of children, and while many do not yet have Internet access, there are millions still vulnerable to its reach. .KIDS is the answer for them – a safe and secure set of sites on which to work and play.

Size of the Internet Adult Content Market:

According to Forrester Research, revenue in the United States from value-added Internet services, such as electronic commerce and security services will grow 34% annually from approximately $3.0 billion in 1998 to $12.9 billion in 2003. Forrester Research has estimated that the market for managed Web site hosting in the United States will grow from less than $1.0 billion in 1998 to over $14.0 billion in 2003. Dataquest predicts Europe will experience similar strong growth, with corporate Internet access revenue increasing 40% annually from approximately $1.7 billion in 1998 to $9.1 billion in 2003. International Data Corporation estimates that the user base for the Internet will grow to 502 million people by the end of 2004. Consistent with that growth, Forrester Research estimates that the international e-commerce market will grow from $43 billion in 1998 to more than $1.3 trillion by 2003. Thus, demand for registry services, directly linked to the demand for domain registrations, is expected to show substantial growth in the next 5 years.

The Internet's growth is unabated. International Data Corporation ("IDC") estimates that there are currently 84 million Internet users in the U.S. That number is expected to grow to 136 million by the end of 2002. Projections for worldwide growth on the Internet show that the 170 million current users will grow to 320 million by 2002. According to Datamonitor, consumer spending in the adult Internet industry generated approximately $1.0 billion in sales in 1999, and is expected to generate $3.12 billion by 2003. In addition, Datamonitor estimates that adult entertainment accounts for the majority of spending for online content (including subscription and pay-on-demand services).

In the early stages of the Internet, it was clear there was a great deal of unmet consumer demand for adult entertainment and it was relatively easy for operators to open up an adult storefront. With few hurdles to overcome online, including city licensing, leasing, taxes, and objecting neighbors, many new independent adult web sites were born, creating a highly fragmented environment. As more competition emerged, operators were determined to create ways in which to distinguish themselves. They developed more distinctive products and methods of organizing content, and they developed technologies to improve ease-of-use and increased speeds of content delivery. With more independent operators opening up shop, reselling content and providing outsourced services became the means by which some of the more innovative and sophisticated operators could grow their businesses. This allowed for the evolution of a business-to-business market in addition to the large business-to-consumer market.

Today, the adult Internet industry is dominated by less than ten companies, of which only one is part of a publicly traded company. Over the last 10 years, companies like this established themselves as leaders in the adult Internet industry by creating traffic flow among thousands of adult webmasters. Those adult webmasters subsequently generated traffic from other sources including search engines, "vanity" domain names (i.e. nude.com) and opt-in email programs.

Currently, one key adult provider generates more than two million visits per day. According to Media Metrix, several adult web sites are included among the top 25 adult destinations on the Internet.

Traffic to web sites is generated through three primary sources. The first,"type-in" traffic, is generated when a consumer types the name of one of a specific site or one of its (average) 1,300 domain names into their browser address bar. The second is generated by affiliates' marketing programs via banner ads, hypertext, or graphic links. The webmaster is compensated for the referred visitor. The third source, search engine traffic, is generated from listings of adult web sites in search engines and directories. Through HitWerks, adult sites can use discreet and proprietary technology to position (optimize) sites so that visitors using a search engine to look for certain types of content have a higher chance of finding what they want. In combination, these three methods generate over two million Internet visits each day to one adult provider's business-to-consumer and business-to-business sites, or over 60 million visits per month. How many are unintended is unknown.

Demand:

Demand for new domain names is expected to experience very high growth over the next few years. One key driver is the growth of e-commerce - a domain name becomes an Internet address. US small businesses, which account for 50% of GDP and 98% of all businesses in America, have yet to join the Internet revolution, with fewer than 20% having an active web address today. When these become active enormous demand will surface.

Furthermore, individuals have yet to begin registering themselves on the Web; current industry estimates (IDC, McKinsey) suggest that about 85% of domain name registration are for corporate entities. Some estimates calculate that only 4% to 6% of the market for domain names has been penetrated.

As of September 26, 2000, there were about 29.4 million domain names registered worldwide, of which about 18 million were .com domains, 3 million were .net domains, 1.8 million were .org domains, and 6.4 were ISO and other country level domains (DomainStat/NetNames Domain Name Information Services, September 26, 2000). Of the 23 million non-ISO and country domain names, about 58% are US owners. By the year 2004, over 380 million domain names are expected. A significant portion the new demand is expected from areas of the world outside of North America, as they gain access to the Internet.

Accessibility:

Accessibility to the .XXX domain names will be through ICANN accredited registrars. Registrars will submit the applicant requests to the ICM Registry, who will in turn make them public through an auction mechanism for anyone to bid on the names. Once the winning bidder has been determined, the registry will be notified and updated, and the name with its IP address will be made available to web users.

The same basic process will apply to .KIDS, with one key exception. The exception is that prior to being approved to operate in the .KIDS domain all applicants will be screened for suitability to provide the safe and secure child-friendly site they purport to

operate. A careful watch will be in place, based on the policies of the user community that will act through the Advisory

D13.2.4 Marketing Plan

Advertising, publicity, promotion strategy, advertisement development strategy, relationship with advertising firm. Use of registrars and other marketing channels

Marketing Strategy

The existence of a specialty domain clearly identified as adult-oriented will provide the adult entertainment industry with an opportunity to enhance its branding to directly reach its target audience. It also provides the industry with an opportunity to take the lead in proactively addressing the concerns surrounding their products and their availability on a public medium like the Internet. Once ICM Registry wins the right to operate a new .XXX TLD it will undertake an extensive marketing campaign within the adult entertainment industry to inform them of the advantages and the availability of the new domain. Already key adult content providers are spearheading a supportive initiative to work with ICM Registry to garner affiliation throughout the sector.

The target audience for ICM Registry is the adult content webmaster, and registrant trademark holders. The ICM Registry proposal creates a new TLD, which provides adult entertainment businesses with a domain within which they can organize themselves into a self-managing industry sector. They can respond professionally and collectively with accountability to challenges from any critics. Providers will be in a solid position to counter the social and political forces worldwide. Concerned parties previously demanded that the unmanaged distribution of adult content be addressed. Any marketing strategy must recognize the controversial nature of that industry, the depth of emotional response it triggers in some audiences and cultures, and the sensitivities involved in balancing an adult's right to access any material, against a parent's right to ensure children are not exposed to harmful material.

In reaching that audience however, ICM Registry will ensure that it enhances its own brand reputation as a premier registry operator providing a neutral service that serves a range of public "communities of interest".

Marketing Plan

ICM Registry's plan envisages the use of an extensive public relations campaign, direct mail to target audiences, use of promotional strategies, media, and participation in speaking engagements, organization meetings and trade shows. ICM Registry also recognizes that marketing for both .XXX and .KIDS ultimately depends on its relationship with registrars and the adult content industry as equal partners. Registrars will be the primary points of contact with potential domain operators on these TLDs, so ICM Registry will utilize the channels already developed with registrars by its partners VeriSign and dotTV. The adult content industry will work to the service and the value added benefits of using the ".XXX" brand.

Because of the sensitivities surrounding the very different but linked issues which lead to the creation of .XXX and .KIDS, ICM Registry will continually hone it's solid

promotional and public relations strategies to deal with public communities of interest beyond its target business audience. ICM Registry has secured The Gable Group to develop a North American promotional strategy and assist it to create public awareness for the brands. As a leader in Internet communications, The Gable Group will enable ICM Registry to establish .XXX in North America, and develop support for the brand internationally through a campaign that respects differences between cultures. We expect .KIDS to be enthusiastically embraced throughout all sectors as it is profiled by communities of interest, political interests, the adult content providers, and ISP's who can offer another valuable service to a wide range of customers. Naturally, children's organizations will be the primary focus of our attention in our marketing initiatives, be they educational, entertainment or health and welfare oriented groups.

Promotional Strategy

Initially ICM Registry will begin to integrate the registrars and the adult content community through on-line media (banner advertising, website links), as well as traditional media, especially journals and newsletters of the target organizations for .XXX and .KIDS. This campaign is designed to create awareness of the domain within the North American marketplace in the first two quarters of Year 1, when we will spend $554,000 on public relations, on-line content development, media packages, tradeshows, public speaking and research.

Advertisement Development, Strategy & Relationship with Advertising Firm

ICM Registry will develop co-operative advertising with all ICANN accredited registrars as service ramps for the initial domain name auctions. Registrars are ICM Registry's retail channel, and the exclusive distributor of its registration services for the new TLDs. ICM Registry will establish a cooperative marketing fund with its registrar partners who will contribute $2.00 per registration and 15% per sunrise registration auction to support the drive for registrations on the new TLDs, resulting in an anticipated $1.3 M in 2001 spent on that targeted marketing, along with investments by ICM Registry.

In order to heighten awareness of the upcoming name auctions, ICM Registry will undertake direct mail, print advertising, specialty television channels, and establishing a presence at key trade shows to notify adult content registrants and trademark holders of the auctions, the opportunity they present, and establish how they can participate.

Sensitivity

ICM Registry believes it must establish its brand first in North America prior to extensively marketing internationally. While significant demand for registration on the new domain exists overseas, introduction must be gradual to reduce the potential for adverse social or political reactions.

The .XXX domain is a distinctive brand and service. Its existence goes a long way to reducing some of the fears, and answering many of the criticisms leveled at the adult entertainment industry. Creating this new and unique domain name however, poses significant challenges to ICM Registry, particularly with respect the interrelation of .XXX and .KIDS. We think we have a good grasp of how they can counterbalance each other, in the public interest, while preserving freedom of expression.

ICM Registry will promote its "non-profit" plans for .KIDS services and the creation of positive brand support for it worldwide. At the same time, ICM Registry's position is one of providing a neutral platform for information providers, but in a way that enables those providers to conduct business in a socially responsible way.

Key to ICM Registry's "branding" of its own role in providing these new services are the following values:

> ? .XXX provides adult content providers with choice: it is not a mechanism to force the industry to abandon existing domain name marks;

? While adult content should be available to non-minors who choose to access it, ICM Registry believes that the Internet community has a responsibility to protect children and provide a safe and welcoming home for them on the Internet.

> ? ICM Registry will contribute profits for the creation of the .KIDS Child Online Support Foundation (see details in Volume 3, Sections E 23 and 25), to support the operation of the .KIDS registry, develop research on children's programming, protect children from exposure to adult-oriented content and provide children with tools to go on-line;

> ? It is not ICM Registry's role to address public policy issues, but to respond to policy created by the Public Advisory Boards that will be established for both .XXX and .KIDS. In doing so, ICM Registry will ensure that these Boards fairly represent the range of relevant stakeholders within the Internet community.

Public Relations Strategy

ICM Registry's public relations strategy leverages the demand for adult content within the North American marketplace in order to support the protection of children, from that content.

ICM Registry will be most successful by undertaking a dynamic communications strategy with clear and consistent messages to the Internet community. These will convey the responsiveness of the ICM Registry to the concerns and interests of adult webmasters, as well as the broader Internet community. Our public relations strategy will target, and balance the many diverse groups who are interested in and seek to influence this unique service. The Gable Group will co-ordinate these services.

To establish its brand and position in this policy area, ICM Registry will focus on strategic announcements with its partners to build interest in and support for its groundbreaking TLDs. In Year 1, these will focus on the approval of a .XXX domain, the announcement of joint marketing agreements with the leading adult content players internationally, and the creation of the Policy Advisory Board of leading Internet representatives to start building consensus-drive solutions to the Internet's adult content issues.

Strategy for Partners

The success of ICM Registry's marketing efforts depends on the strength of its relationships with partners, and the success of joint marketing efforts with those partners.

To build those partnerships, ICM Registry must establish brand awareness, and develop broader relationships that generate additional goodwill among other stakeholders: These include:

- ?? Internet leaders
- ?? advocacy and industry groups
- ?? regulatory bodies
- ?? adult content trade organizations
- ?? Opinion leaders and analysts.

ICM Registry will measure the success of its marketing initiatives, and the participation of registrars in them. ICM Registry will set registration targets and co-operatively work with registrars to achieve them. ICM Registry will monitor and evaluate levels of marketing activity in both electronic and traditional media, and awareness levels this media was able to generate across the registrar website

The Policy Advisory Board

The Public Advisory Boards are a mechanism for balancing interests and building consensus to resolve long-standing problems. To succeed they must constitute a fair representation of the stakeholders in the adult content management arena, motivated to identify consensus-driven solutions.

Public Policy Involvement

ICM Registry will provide a forum to facilitate a dialogue for Internet users to participate in the development of policy and procedure for services related to both .XXX and .KIDS. In particularly, ICM Registry will:

- ?? distribute regular communications (policy and general)
- ?? invite registrants to communicate their concerns

Establishing Brand Credibility

ICM Registry will:

- ?? establish its presence at all the major adult content shows to assist in branding .XXX, educate, and facilitate the building of consensus on .XXX within the industry;
- ?? secure speaking engagements and presence in media which establishes visibility, trust and credibility on the issue;
- ?? protect trademark holders through notification related to name auctions on the new TLDs;

✍ Target adult content providers with information about the service and the benefits of participating in a self-identified, self-regulated .XXX site.

Use of Registrars and other Marketing Channels

Entering the 21st century, the Internet is poised to become the primary tool for acquiring information and conducting business. Over the past three years, all predictions of growth in Internet usage have been dwarfed by the actual results. That trend will continue, and the estimated 220 million people currently accessing the Internet world-wide is expected to exceed 500 million by 2004. Business conducted on the Internet is predicted to reach $1.3 trillion by 2003.

Management estimates that there are greater than 800,000 adult-oriented registrations world-wide, accounting for less than 3 per cent of all web addresses. These sites are estimated to account for 34 per cent of all North American Internet traffic (MediaMetrix). Analysts estimate that the online adult website market is a $2B industry capturing almost 20% of the total pornography industry, which is expected to be more than $10 B per year in revenues this year. This represents from 5-10% of total consumer purchases on-line at the present time.

A new .XXX domain will appeal to those adult sites wishing to be instantly recognized as such, and those interested in accessing new addresses that are currently restricted or unavailable on existing TLDs. The new .XXX domain offers an opportunity for enhanced product branding in the adult entertainment industry for those who want it. Initial discussions with operators of adult content sites indicates that more than 50 per cent would be interested in converting to the new domain in its first year of operation.

With respect to the proposed .KIDS domain, the availability of a new TLD exclusively devoted to providing content appropriate to children under 12 will appeal to a wide range of existing providers of website services. The ICM Registry proposal to set up Public Advisory Boards and a mechanism for the voluntary rating and listing of content means that parents can be confident that sites on .KIDS enjoy "a seal of approval," a significant value added to those potential registrants addressing that audience. ICM Registry anticipates that demand for addresses on the new .KIDS domain will mirror general growth rates for the Internet.

Overall, demand for registration on the two new TLDs is expected to be 3 per cent of the total demand for new TLDs, with .XXX accounting for the majority of registrations in the initial years of operation but greater growth in registrations for .KIDS in subsequent years. ICM Registry projects that the market for registrations on these new TLDs would reach 170,000 in the first year, climbing to 419,000 in 2003.

Product Strategy

In the initial years of operation, the creation of new TLDs places focus primarily on registration, and the growth of services tied directly to it such as name auctions. The ICM Registry plan envisages the development of new, value-added features as the new TLDs mature. While registration and auctions will remain a key element of ICM Registry's business, they will be supplemented by an increasing focus on the provision of a complete range of services to enable its customer users to grow their e-commerce. These include:

? filtering, through the identification of particular words or character strings in the TLD system, to identify desirable materials or to block unwanted content

? Enhanced protection of trademark and other intellectual-property rights by extending the processes of checking domain naming to include a broader range of cases. These would include, for example, cases where a proposed name potentially constitutes illegal use of a mark, derogates from the mark, or constitutes a "substring" containing the registered mark

? the generation of statistical data for legitimate requests from the new WHOIS data bases

? tools for account management

? digital certificates to ensure that under-age users are denied access to specific categories of Internet content

? enhanced search engine and listing services

? advanced tracking and monitoring tools for customers

The majority of these services would be offered through ICM Registry's strategic partnerships with registrars.

Partnerships

As domain registration growth is anticipated to be greater internationally than in North America, ICM Registry is actively working to secure international partnerships. As the majority of these customers are sensitive to price, ICM Registry is well positioned to capture significant market share as the lowest cost provider. In addition, we are working to enable a multi-currency, multi-language web-site that will be flexible to at least seven languages including French, Spanish, Japanese, Chinese, Hebrew, and Korean.

Once ICM Registry wins the right to provide registry services for the .XXX (and hopefully a .KIDS TLD), it will begin a heavy public relations campaign in cooperatively with it's partners to induce all current adult content web-sites to convert to the .XXX domain. Its main vehicle for this will be the registrars around the world, and also through advertising in trade publications promoting their services. Industry trade shows will also be a major marketing effort. There will also be a well-managed program of targeted mail and e-mail messages to current and potential owners of adult content sites, some fax broadcasting to interested parties, along with some lobbying and work with trademark holders. Finally, there will be a joint marketing campaign with international scope with ICM Registry's investors and sponsors.

Summary

The launch of this specialized domain will be a significant, worldwide media event. ICM Registry's public relations campaign will generate interest and reactions from hundreds of thousands of Internet users worldwide.

Success in launching these services hinges on providing all media with a clear and consistent message. To this end we will engage senior political, social and business

leaders in building consensus and endorsing the solutions available through the new TLDs. We are committed to at all time performing in a culturally sensitive way, with integrity founded on our core values, to ultimately build the new TLDs as truly international services.

Success in positioning these new services, and attracting public interest in these unique new domains will ultimately heighten awareness and drive demand for and use of the .XXX and .KIDS TLDs.

D13.2.5 Estimated Demand for registry services in the new TLD

Projected total demand for registry services in the TLD, effect of projected registration fees, competition. Please provide estimates for at least 10%, 50%, and 90% confidence levels.

The following table represents the anticipated volume of domain name registrations in the chartered .XXX TLD:

New .XXX Domain Name Registrations			
Time Period	*10% Confidence*	*50% Confidence Level*	*90% Confidence Level*
Year 1 (2001)	255,000	170,000	110,000
Year 2 (2002)	525,000	315,000	240,000
Year 3 (2003)	630,000	420,000	264,000
Year 4 (2004)	717,000	512,000	264,000

Level of Confidence Definitions:

?? 90% Confidence Level: Optimistic registration volume scenario

?? 50% Confidence Level: Anticipated registration volume scenario

?? 10% Confidence Level: Pessimistic registration volume scenario

Registration Volume As a % Total Registrations Year 1:

Jun-01	Jul-01	Aug-01	Sep-01	Oct-01	Nov-01	Dec-01	Dec-01 2001
37,538	30,713	25,594	22,181	20,475	18,769	15,356	170,625
22%	18%	15%	13%	12%	11%	9%	100%

These projections assume that 20% percentage of registrations will not renew their annual registrations. Expiring domains enter into a 30-day auction period where they can be bid upon by interested registrants. In the event no registrant expresses interest, the domain name expires and is available to be registered at ICM Registry's $28 registration rate. ICM Registry anticipates that registration volume will significantly reduce as the supply of alternative TLD registry services is expanded to better satisfy current demand.

As for other registry services, the Company plans to offer: WHOIS database and related services; banner advertising; intellectual property protection services; and proprietary domain name filtering services which will significantly enhance our current registry service offering (please contact us for additional information). The majority of these services will be offered through it's strategic relationship with the adult content industry and with the ICANN accredited registrars.

Demand for .XXX domains could be materially be influenced under the following situations:

- ?? The lack of acceptance of the brand by adult webmasters as a result of: poor marketing and promotional efforts; fear of being adult designated; imposing policies or processes that are too restrictive or too complicated.

- ?? New technologies could provide alternative content designation solutions

- ?? Country code registry and new gTLD registry competition could dilute demand for .XXX registrations

- ?? An event where ICANN were to accredit more than one adult content chartered TLD designation would significantly dilute the .XXX registration service and brand

D13.2.6 Resources required to meet demand.

ICM Registry will leverage the strength of its industry leading partnerships, investors and alliances to fulfill its financial, technical and human resources needs.

Financial

At this time, ICM Registry has secured the necessary capital in order to meet any immediate or long-term requirements (see section D13.2.13). Chestermere Investments Limited has provided the company with $2.5 M US in equity financing. In addition, upon accreditation by ICANN, the company has an additional $2.5 M US line of credit arrangement with The .TV Corporation International. The company continues to negotiate strategic equity relationships with industry leading adult content providers and investors. ICM Registry is confident that it will secure additional capital and other forms of investments in the coming weeks with the intent of creating a diversity of partnerships best suited to meet the distinctive policy requirements this new TLD envisions.

Technical

All technical requirements are addressed in our agreements with our Registry Partners (annex 2).

Human Resources

ICM REGISTRY will initially require 4 senior managers. These resources are being provided through an agreement with DMR Consulting (see Annex 2). DMR Consulting has also agreed to provide supplemental staff as required.

D13.2.7 Plans for acquiring necessary systems and facilities.

Plans for acquiring all necessary systems and facilities for providing the proposing services at each estimated demand level.

Provide details as to the scope, costs, and vendor for any significant planned outsourcing.

ICM Registry does not foresee any differences in its acquisition plan based on the estimated demand levels. ICM Registry is outsourcing from the beginning all necessary systems and facilities to two existing registry operators. This will guarantee a high level of service from the start. The following tables define the contribution of each vendor:

?? The first table defines the role of each participant and their costs; and

?? The second table lists the services that each company will provide.

Company	Roles	Costs
DotTV	Supplies the existing dot.TV infrastructure to support the .XXX gTLD. In this capacity, this firm provides Primary Whois services, full DNS services, Auction services, Registry/Registrar protocol, Billing and Payment service, Registrar API development, Registrar Customer service, Reserved Names and Registry Database Management, Web Services.	Transaction fee of $6.00 per domain name
VeriSign	Provides primary infrastructure operations for the .KIDS gTLD consistent with the existing infrastructure supporting the .com, .net & .org gTLDs. That includes, but is not limited to: supplying Name Server services, Zone file maintenance and WHOIS Services. Provides data escrow and registry failure services, hosts accounting, dispute mediation, reserved names and content policy setting applications. Develops mark protection, RRP enhancements and API's for the Registrar Services.	Transaction fee of $6.00 per domain name

Company	Services
	1. Facilities Management / Operational Services ?? Service Level Management ?? Change Management ?? Problem Management

Company	Services
dotTV	?? Computer Job Scheduling ?? Computer Operation ?? Output Distribution ?? Data Storage Management ?? Technical and Operational Support ?? System Software Maintenance ?? Hardware Support ?? Performance Management and Capacity Planning ?? Network Support ?? Contingency Hotsite **2. Application Development, Conversion, Migration and Implementation Services for Auction System and Registry/Registrar integration** ?? Project Management ?? Application Maintenance & Enhancement ?? Testing ?? Application Development ?? Help Desk Support ?? Application Architecture/Portfolio Management ?? Process Engineering Services **3. Telecommunications Management Services** ?? Network Infrastructure Management Services ?? Network Systems Programming ?? Network Security
VeriSign	**1. Facilities Management / Operational Services** ?? Data Storage Management ?? DNS and Whois Technical and Operational Support ?? System Software Maintenance ?? Hardware Support ?? Performance Management and Capacity Planning ?? Network Support ?? Contingency Hotsite **2. Registrar Integration and Implementation Services** ?? Project Management ?? Help Desk Support ?? Process Engineering Services **3. Telecommunications Management Services** ?? Network Infrastructure Management Services ?? Network Security **4. Research & Development** ?? Content Rating Services ?? Trademark Reservation services

D13.2.8 Staff size/expansion capability.

"Plans for obtaining the necessary staff resources, capacity for expansion, hiring policy, employee training, space for additional staff, staffing levels needed for provision of expanded technical, support, escrow, and registry services."

Recruitment Strategy & Staffing Model

ICM Registry will ensure scalability in its operations, as customer demand will fluctuate throughout the start up and mature states of the business. Our staffing model will be composed of:

?? a core staff of permanent full time employees,

?? a "flying squad" of trained and ready part-time employees; and

?? the personnel available through our strategic partners.

Capacity for Expansion

Through the use of contracts and third party resources which is common practice in the high technology sectors, and recruitment, ICM Registry has the capacity to expand significantly over the coming 4 years. Hiring policy and space for additional staff are described in section D13.1.7.

Employee Training

We consider Employee Training & Development a critical success factor in this endeavor. Our employee training and development strategy will be based on the following principals:

?? Intrinsic Motivation: The first priority will *be to design jobs that provide the intrinsic motivators that need to exist if employees are to be committed to giving their best efforts*, including their creativity and passion when that is what it takes to delight customers. Most employers design jobs that grossly under-utilise the talents of their people. ICM Registry won't make that mistake.

?? Competency Modelling: Once jobs are properly designed, we will use the competency modelling process to ensure that we have a clear sense of what skills and attributes we are recruiting for and training to.

?? ICM Registry are exploring engaging INTELLINEX? , an e-learning venture of Ernst & Young International, to undertake the design and delivery of our training programs. INTELLINEX? would employ its electronic delivery 'LEAP'? platform for the design and delivery of our curriculum. Training would be available to our employees anywhere at any time, delivered over their computer.

?? All of our suppliers of hardware and software will be asked to partner with us to design and deliver employee training. Partnering with us and INTELLINEX? to develop our curriculum, will ensure that all of our people have an indepth understanding of the technologies they will be working with.

?? To be certified to take up a position in ICM Registry each employee will be tested to ensure they can demonstrate the knowledge and skills set out in the relevant competency model.

?? Any change to operating systems or processes will not be implemented until employee retaining and re-certification have occurred.

?? Those who hold leadership positi6ons in ICM Registry or our partner organizations will be required to complete a comprehensive Leadership Strategies Program. As a consequence they will demonstrate a consistent and effective leadership style throughout the organizaition. This highly acclaimed program will enhance the employees relationships – on teams, and in all dimensions of their work, creating highest quality service and products to strengthen customer satisfaction. It will be delivered by D.R. Simmonds & Associates Inc. recognized for their abilities to turn managers into leaders, and an affiliate of the Ernst and Young, Global Leadership Institute (Harvard).

Competency Modelling

In preceding section we stated our commitment to competency modelling. It is a key to overall employee recruitment, development & retention strategies.

Competencies in technical, leadership and customer relations skills will dominate the training requirements. Competencies for upgrading technical skills will be benchmarked against competitive technology applications firms, while competencies for leadership and customer relations skills will be benchmarked against leading edge service firms.

Staffing levels needed for provision of expanded technical, support escrow and registry services

Expansion of technical, support, escrow and registry services will happen. However, initial demand for "dot XXX" and "dotKIDS" domain names will be very high within the initial months of operation so we expect to launch with a robust staff level to ensure high quality service without interruption. The demand for new "dot XXX" names will be managed through a competitive on-line auction process that will require payment authentication from a service provider, who will also be accountable for bringing the appropriate staff to the partnership with ICM Registry for services.

Retention Strategy

We have developed a retention strategy that has three key elements, which are described next:

1) A Leadership Culture That Breeds Competence & Commitment

We know that employers can no longer manage the types of employees ICM Registry needs to be a success, in the way we might have once managed. In fact, the men and women we need to ensure we achieve the needed results, will be looking more for

leadership than management. Therefore, we intend to develop an organisation culture that is

?? values-based, and

?? relationship driven.

We will go against the conventional wisdom in business today, and put the employee first! We are convinced that by doing so the customer will consistently receive the highest quality service. It has always been a myth that you could not, at one and the same time, give full attention to both your employees and your customers. Our "employee first" approach will be our best guarantee of being able to attract and retain the best and the brightest, when that is what the job requires.

Key characteristics of our organisational culture will include:

?? empowerment matched by accountability, a two way street;

?? a collaborative and synergistic working environment; and

?? all participants being valued for their technical, interpersonal relationship and communications skills.

2) Innovative Employee Reward & Recognition Programs

Turnover costs are staggering, and the high technology companies are suffering for it. ICM Registry will not only meet or exceed competitive industry standards in compensation, we will develop innovative compensation arrangements customised to each employee group's situation. We will not have a one-size-fits-all model.

For example, we expect we will want to attract students to fill permanent part time positions. Many of them will not intend to stay with us for years and years, but will be aiming to continue with their post secondary education. For them we will offer an incentive program modelled after Canadian Tire's IGNITION Program. This program sees the employee receive a cash payment at the time they resign to attend school, with that bonus payment being applied directly to their tuition.

3) Competency-Based Recruitment, Selection & Training Protocols

As described previously, our recruitment & selection protocols will be underpinned by our competency modelling approach. Research has shown that a competency modelling approach ensures "best fit" between employee's qualifications and the work to be done. As a consequence, employees are likely to be successful and satisfied in their work. It follows that employee retention will be high.

To conclude, we believe that, in combination, the organisational environment we provide, our approach to leadership, and our innovative reward, recognition, selection and training protocols will provide employees with such a satisfying quality of work life that they will not only stay, but also recruit additional qualified people for us. Sharing the benefits of our success is part of our philosophy, so that we create winners in every aspect of our business.

D13.2.9 Availability of additional management personnel.

"How will management needs be filled?"

Additional management personnel will be hired to meet demands of growth based on quarterly milestone assessment points. Leadership qualities and their ability to sustain and grow the values-based culture at ICM Registry. The company will offer a quality of work life and organizational culture that make it highly competitive as a desirable work environment, with an attractive compensation package. ICM Registry is determined to create a new approach to doing business:

? one that is inclusive, and

? collaborative in creating a spirit of working with valued colleagues.

Strong leaders are not easy to recruit at any time, but ICM Registry will use the executive search capabilities of D.R. Simmonds & Associates which, has been successfully filling select leadership positions in executive ranks, boards of directors and public and private sector leadership roles for 25 years.

D13.2.10 Term of registry agreement

State assumptions regarding the term of any registry agreement with ICANN or the sponsoring organization. Note that the .com/.net/.org registry agreement has a basic term of four years.

ICM Registry is requesting that the initial term of the registry agreement be for <u>four years</u>.

ICM Registry also requests that ICANN accept the premise that the proposed restricted TLDs that we wish to operate pose unique challenges and greater difficulties than would be expected in generic TLDs or other restricted TLDs. We expect greater difficulties in launching the intended service, to foster the emergence of a vibrant and supportive set of sponsors (there cannot be a single organization that acts as sponsor) and to deal with the somewhat controversial nature of the proposed TLD assignments.

ICM Registry is basing its marketing and business plan and financial analysis on the assumption that it will receive an initial accreditation for a four year period as a minimum.

In order to encourage private sector, stable and sustainable registry services a reasonable period of time must be respected whereby the registry operator is permitted some resource latitude in ensuring that the service is well planned and where extra costs can be incurred to put in place systems which are both technically and administratively more robust than might otherwise be possible where heavy competition exists.

The following areas of concern all require a strong commitment by both ICANN and ICM Registry to the registry operation:

Technical stability and system redundancy:

Greater resources, both human and IT systems, are required to ensure that the IT registration system works as intended. The design and implementation, as described in

Section III. Technical Capabilities and Plan, will require a lot of effort on building in stability into the architecture, that comprehensive and multi-level back ups are supported, both in hardware redundancy and data redundancy. Design specifications will be set very high. All these precautions require a much higher resource investment in design, implementation, infrastructure and operations.

Security:

Both system security and physical security will need to be ensured. Firewalls and the highest levels of virus protection will be implemented. Physical security will demand 24 hour security personnel, reinforced wall and door systems, security cameras, redundant backup power supplies and redundant access to telecommunications networks.

Operational Rigor:

High quality and highly responsible staff will be retained to ensure operational rigor and minimization of errors and system failure because of human error. Thorough training and testing will be necessary to ensure sufficient competency to minimize service failures. Worst case scenario preparation, training and testing will be necessary to also ensure that staff can cope with emergencies and rapidly determine the nature of problems and resolve them.

Rapid Response to technical difficulties or system outages:

As we have done with our existing registrar service, we will develop specific and comprehensive rapid response and worst case plans to recover from system failures including emergency data recovery and data backup.

Innovative and untested nature of the proposed registry model:

In this proposal ICM Registry is proposing a unique, innovative and complex registry operation that requires very rigorous attention to the details of the operation. This will involve a greater investment than the standard registry service.

Applying screening criteria to the pair of TLDs proposed, .XXX and .KIDS.:

Operation of the .XXX and .KIDS TLDs has the additional complexity of dealing with screening applicants against criteria set up by their respective Policy Advisory Boards.

Orderly and reliable assignment of domain names during the initial period of TLD operation:

It is expected that when the pair of .XXX and .KIDS domains are initially opened to registrants, there will be massive demand for names. ICM Registry must be prepared for the onslaught of demand where registrations may be higher in the first year than in the second year. We cannot afford the luxury of starting the service slowly and develop our capabilities through experience.

Resource and budget allocation:

In meeting this multiplicity of requirements expected by ICANN, ICM Registry will need to dedicate a much higher level of resources from Day One where incremental financing (pay as you go) will not work in providing the service. Furthermore, initially simpler but safer solutions will need to be developed to ensure stability. Later, especially after the end of the initial flood of registrations over the first 18 months to two years, ICM Registry design and administration staff would then incrementally introduce improvements, features and efficiencies into the system (both technically and operationally). This is essential so as to reduce costs and increase margins, which would otherwise be under threat as the number of registrations decrease after the best had been taken.

Investment community backing:

The investment community will regard the expectations of the quality of service as an inflexible and much higher risk proposition for the profitable running of the firm. Less latitude will be available for cost cutting should margins be less than expected.

Investors would be naturally concerned that non-renewal of the TLD accreditation by ICANN because of possible failure to meet the stringent stability and reliability criteria would leave the potential long-term revenues in jeopardy.

From ICM Registry's experience in discussion with potential investors not only is a four year term essential from their point of view, but an almost automatic renewal for a further four year period would be expected (barring unacceptable performance).

They have suggested that if there are problems in meeting the full criteria imposed by ICANN, then ICANN should agree to short term extensions of say one year at a time to permit ICM Registry to rectify outstanding issues and regain their full accreditation.

Financial stability:

In spite of the level of financial commitment our investment partners have provided, the firm will take additional steps to protect the registry system in the event of insolvency or bankruptcy. We will plan advance procedures should the firm fail including procedures for transferring domain names and services rapidly to an escrow agent and ICANN representatives.

Competitive Forces:

At the end of the first four-year period we would welcome the accreditation of further registry operators. This will bring immediate benefits in that in anticipation of possible competition ICM Registry will be pressed to focus on designing and deploying a high quality, reliable, efficient and user friendly service well before the end of the first four year term.

D13.2.11 Expected costs associated with the operation of the proposed registry.

Break down of the total estimated operational costs at each estimated demand level

Generally, ICM Registry's cost of sales will vary with the level of registration demand, while operating expenses are not as flexible as there are a number of fixed and long-term expenses that the company must provide in order to facilitate registry services.

Cost of Sales Assumptions Summary	
dotTV Registry Operator Fees	$6
.KIDS Corporation Fees	$6
Legal & Policy Fees	$4
Notices	$1
Sub-Total	**$17**

As a result of the dynamic outsourcing agreements ICM Registry has developed with The .TV Corporation International and Verisign Global Registry Services, the company expects with a 90% confidence level that it's costs of sales will represent 36.7% of our gross registration revenue in Year 1 and 47.3% of gross registration revenue Year 2. Circumstances that could effect this variable from remaining constant include:

?? An event where policy or legal expenses were to significantly exceed ICM Registry expectations.

?? ICANN were to recommend material changes to the ICM Registry submission. These changes could force significant restructuring of the teaming agreements established between ICM Registry and The .TV International Corporation and Verisign Global Registry Services.

The following are the best estimates of operating costs at different confidence levels for the first 4 years. Generally, the operating expenses are not so variable as there are a number of fixed and long-term variable expenses. The following are the best estimates of costs for the first 4 years:

Operating Cost Sensitivity at Different Confidence Levels			
Time Period	*@ 10% Revenue Confidence*	*@ 50% Revenue Confidence Level*	*@ 90% Revenue Confidence Level*
Year 1 (2001)	$6,270	$5,700	$2,850
Year 2 (2002)	$9,740	$8,855	$4,427
Year 3 (2003)	$10,156	$9,233	$4,616
Year 4 (2004)	$10,949	$9,954	$4,977

As the majority of ICM registry's costs depend on registration transaction volume, in the event registrations were significantly lower than projected, the company is confident that it could within 2 fiscal quarters take proactive measures to proportionately reduce operating costs without effecting the operation of the service. In the event project

revenue were to significantly exceed revenue expectations, there would be minimal additional operating costs to support this type of increase as the company anticipates benefiting from the many economies of scale offered by a shared registry system.

D13.2.12 Expected revenue associated with the operation of the proposed registry.

Computation of expected revenue at each estimated demand level

The following is the expected revenue at various demand levels, in $000 US:

Registration Revenue Sensitivity at Different Confidence Levels			
Time Period	*10% Confidence*	*50% Confidence Level*	*90% Confidence Level*
Year 1 (2001)	$ 7,140	$ 4,760	$ 3,080
Year 2 (2002)	$ 14,700	$ 8,820	$ 6,720
Year 3 (2003)	$ 17,640	$ 11,760	$ 7,392
Year 4 (2004)	$ 20,076	$ 14,336	$ 7,392

ICM Registry projects with a 50% confidence level that revenues from registrations during the first year will be $4,760.

Auction Revenue Sensitivity at Different Confidence Levels			
Time Period	*10% Confidence*	*50% Confidence Level*	*90% Confidence Level*
Year 1 (2001)	$9,597	$6,398	$3,199
Year 2 (2002)	$6,388	$5,111	$2,556
Year 3 (2003)	$5,118	$4,095	$2,048
Year 4 (2004)	$4,095	$3,276	$1,638

Additional Revenue Sources at Different Confidence Levels			
Time Period	*10% Confidence*	*50% Confidence Level*	*90% Confidence Level*
Year 1 (2001)	$1,411	$941	$188
Year 2 (2002)	$1,440	$960	$192

Year 3 (2003)	$1,953	$1,302	$260
Year 4 (2004)	$2185	$1,457	$291

Additional revenue sources includes: banner ad revenues; proprietary domain name service; intellectual property protection services and WHOIS database and statistics services. In light of the significant risk associated with developing new services and technology, ICM Registry expectations at the 90% confidence level are significantly lower than our 50% confidence level.

ICM Registry has provided detailed financials at the 50% confidence levels in Section D13.3 Pro-forma financial projections section which clearly identify the revenue expectations and costs associated with operating the .XXX registry for the four years of the ICANN accreditation. ICM Registry can make available detailed sensitivity analysis upon request.

D13.2.13 Capital requirements.

Capital requirements by amount and timing, source, cost

Amount:

An equity investment of $2.5 million has been lined up from Chestermere Investments Ltd. that will be contributed upon startup. This will more than adequately meet the requirements of the Corporation. In addition, dotTV who will initially run our registry will also provide a $2.5 M US line of debt credit to be drawn upon only when needed.

As a result, it is projected that with $5 M US in financing the Company will have adequate startup funding to meet the initial cash demands, and will accumulate after that sufficient funds to meet all requirements for at least the four year term of the accreditation. ICM Registry continues to negotiate equity financing relationships with more than five industry leading adult content providers and four Internet companies. ICM Registry appreciates that while the company currently has adequate capital to support the business independently, due to the nature of the chartered top level domain name being proposing management believes that the company should represent the diversity of companies, advocacy groups and organisations that could be influenced by this submission.

Source:

See Above

Cost:

Any equity financing given to the Company by the consortium will be for the purchase of treasury shares of the Company by the contributors. The line of credit will be at prime plus 4% interest on any amounts drawn down. Projections show that the line of credit is not expected to be needed as the Company expects to generate sufficient working capital

beginning in Q3 and Q4 of the first year to meet its needs for the next few years. Therefore there should be no cost of financing.

D13.2.14 Business risks and opportunities

Upside and downside contingencies

The following are potential upside opportunities:

?? **Successful Auction:**

Demand for adult registrations could drive the rates per auctioned registration during the sunrise period to a higher level than the our current 10% confidence level. However, management believes that it is the only fair process to distribute these services. The company continues to take extraordinary measures to ensure that the auction systems will be capable of supporting this increase in demand and to ensure that the auction process is operated by a third party and is open and transparent.

?? **Excessive Demand for Registrations:**

Demand for adult registrations could also exceed our current 10% confidence level. ICM Registry systems and business architecture ensure that we are scaleable to meet demand even at levels significantly higher than even our current 10% confidence level.

The following are any notable risks, and management's best assessment of the risk:

?? **Regulatory:**

To date, government regulations in most jurisdictions have not materially restricted the use of the Internet. The legal and regulatory environment pertaining to the Internet, however, is uncertain and may change. Both new and existing laws may be applied to the Internet by regional, federal or foreign governments, covering issues that may include: sales and other taxes; user privacy; pricing controls; characteristics and quality of products and services; consumer protection; and cross-border commerce. Regulatory changes may have a material impact on our business. Management believes that the risk of this happening is low, but the impact would be medium.

?? **Financing**

We currently believe that the initial capital inflow, together with cash from operations and balance management, will be sufficient to fund our working capital and capital expenditure requirements for at least the next 36 months. In the event that we have underestimated our cash needs, our business may be adversely effected, depending on the balance of the line of credit at the particular time. Management believes that the risk of this happening is low-medium, but the impact would be medium to high.

?? **Potential Competitors**

Although we are competitively positioned in a unique market niche, our potential competitors in the wholesale domain name registration industry may include companies with strong brand recognition and Internet industry experience, such as major telecommunications firms, cable companies.

?? Domain name litigation

As a registrar of domain names, we may be subject to various claims, including claims from third parties, asserting that their rights have been infringed by certain domain names that have been registered or websites hosted on behalf of other parties. ICM Registry is setting aside a portion of revenues as a legal contingency fund to defray any costs of litigation. With the relationship of the Company with the trademark industry and its offer to help protect any infringements, management believes that litigation is not very likely to take place, but its impact could be medium depending on the amount and validity of the claim.

?? Key Employees

The success of the Company is dependent upon the ability of Mr. Palage and Mr. Hendeles to formulate business plans to negotiate service contracts with affiliates, and maintain ICM Registry's position as a potential owner of key domain name extensions. Initially, should Mr. Palage and Mr. Hendeles' talents not be available, the impact on the Company would be high. However, as time progresses, the organization will be adding competent high-level staff who would be able to assume the senior position in the Company and move it forward successfully, although possibly at a slower pace. Succession planning will have some priority in the Company.

?? Accreditation

Our ability to provide domain name registry services depends upon regulatory approval every four years by ICANN. We believe that ICM Registry's technology exceeds the technical standards expected, that the services provided will be regarded by customers and competitors as being superior, and that the Company's neutrality and its setting up of an advisory board will result in meeting or exceeding all requirements for license renewal. Therefore, management regards this to be of minimal risk.

?? Technological Change

Significant technological changes could render the Company's existing technology or other products and services obsolete. However, it is planned that upgrades to any products and services will be ongoing, thus minimising any large risk of obsolescence. Management intends to hire highly competent and knowledge-current technical staff.

?? Systems

Our customers, advertisers and strategic alliances may be dissatisfied with our products and services due to interruptions in service. We intend to mitigate this exposure with software solutions, firewalls, regular backups, distributed processing, and industry relationships that would help us out during interruption periods. We believe that we will be no worse off than other registries offering similar services.

?? **Growth of Internet Advertising**

The Internet advertising market cannot yet be compared with traditional advertising media to gauge its effectiveness. As a result, demand for and market acceptance of Internet advertising solutions are uncertain. Our future success depends, in part, on an increase in the use of the Internet as an advertising and marketing medium. Management believes that Internet advertising will continue to grow, and develop new methods of reaching Internet users. Therefore we consider the likelihood of a drop-off of demand through the Internet as being low.

D13.2.15 Registry failure provisions

"What are the provisions in the event of registry failure?"

Software – Hardware Failure Provisions

?? Back-up systems will be in place for all the REGISTRUCTURE? operations

?? Back-ups will be separated in location to ensure security of venue, and options for recovery.

?? We consider these to be non-trivial operating systems for which high degree of security and failsafe contingencies must be in place.

?? All Registry transactions and data bases will be backed up regularly and backups disks will be stored in a separate secure location

?? Recovery software will be designed to recapture any data not already stored on disk

More details on software and hardware failure provisions are found in section III technical capabilities and plan.

Organizational Failure Provisions

?? IMCR's Strategic Partnerships are with well established service providers with strong and stable business histories

?? ICM REGISTRY has made tacit arrangements with escrow service providers which will be formalized when the ICANN negotiations give the go-ahead for operating the ".XXX" and ".KIDS" TLDs

?? The escrow service providers will adopt the TLDs operations in the unlikely event of ICM REGISTRY's failure, until such time as ICANN wished to reassign the management of these TLDs

P RO - FORMA F INANCIAL PROJECTIONS (D13.3)

D13.3 Pro-forma financial projections

Pro-forma financial projections

Pro-forma financial statement – Income Statement, Balance Sheet, Cash Flow Statement
are found on the following pages.

S UPPORTING D OCUMENTATION (D13.4)

D13.4.1 Registry Operator's organizational documents

Documents of incorporation (or similar documents).

ICM Registry's incorporation document is attached.

D13.4.2 References

A list of significant trade and credit references

References are attached.

D13.4.3 Annual Report

The registry operator's most recent annual financial report (or similar document). Audited financials are preferred

Since ICM Registry was recently formed to respond to the ICANN request for proposals, no annual report is available.

D13.4.4 Proof of Capital

Provide evidence of existing capital or firm commitments of capital. Demonstrated access to necessary capital will be carefully scrutinized.

Proof of Capital is found on the following pages.

D13.4.5 Proof of insurance

Please provide proof of the insurance described in item D13.1.8

Required insurance will be procured upon ICANN award.

S UB V OLUME 2.2:   T ECHNICAL C APABILITIES AND P LAN

D.14 Proposed Technical Solution Overview

THIS SECTION IS CONFIDENTIAL

D15.1 Detailed Description of the Registry operator's technical capabilities.

This should provide a detailed description of the registry operator's technical capabilities, including information about key technical personnel (qualifications and experience), size of technical workforce, and access to systems development tools. It should also describe the registry operator's significant past achievements. This description offers the registry operator an opportunity to demonstrate the extent of its technical expertise in activities relevant to the operation of the proposed registry.

See annex 10 dotTV technical proposal and annex 11 Verisign technical proposal

D15.2 Technical plan for the proposed registry operations

This should present a comprehensive technical plan for the proposed registry operations. In addition to providing basic information concerning the operator's proposed technical solution (with appropriate diagrams), this section offers the registry operator an opportunity to demonstrate that it has carefully analyzed the technical requirements of registry operation. Factors that should be addressed in the technical plan include

See annex 10 dotTV technical proposal and annex 11 Verisign technical proposal

D15.2.1 General description of proposed facilities and systems

This Address all locations of systems. Provide diagrams of all of the systems operating at each location. Address the specific types of systems being used, their capacity, and their interoperability, general availability, and level of security. Describe in detail buildings, hardware, software systems, environmental equipment, Internet connectivity, etc.

See annex 10 dotTV technical proposal and annex 11 Verisign technical proposal

D15.2.2 Registry-registrar model and protocol

Please describe in detail.

See annex 10 dotTV technical proposal and annex 11 Verisign technical proposal

D15.2.3 Database capabilities

Database size, throughput, scalability, procedures for object creation, editing, and deletion, change notifications, registrar transfer procedures, grace period implementation, reporting capabilities, etc.

See annex 10 dotTV technical proposal and annex 11 Verisign technical proposal

D15.2.4 Zone file generation

Procedures for changes, editing by registrars, updates. Address frequency, security, process, interface, user authentication, logging, data back-up.

See annex 10 dotTV technical proposal and annex 11 Verisign technical proposal

D15.2.5 Zone file distribution and publication

Locations of nameservers, procedures for and means of distributing zone files to them.

See annex 10 dotTV technical proposal and annex 11 Verisign technical proposal

D15.2.6 Billing and collection systems

Technical characteristics, system security, accessibility.

See annex 10 dotTV technical proposal and annex 11 Verisign technical proposal

D15.2.7 Data escrow and backup

Frequency and procedures for backup of data. Describe hardware and systems used, data format, identity of escrow agents, procedures for retrieval of data/rebuild of database, etc.

See annex 10 dotTV technical proposal and annex 11 Verisign technical proposal

D15.2.8 Publicly accessible look up/Whois service

Address software and hardware, connection speed, search capabilities, coordination with other Whois systems, etc.

See annex 10 dotTV technical proposal and annex 11 Verisign technical proposal

D15.2.9 System security

Technical and physical capabilities and procedures to prevent system hacks, break-ins, data tampering, and other disruptions to operations. Physical security.

See annex 10 dotTV technical proposal and annex 11 Verisign technical proposal

D15.2.10 Peak capacities

Technical capability for handling a larger-than-projected demand for registration or load. Effects on load on servers, databases, back-up systems, support systems, escrow systems, maintenance, personnel.

See annex 10 dotTV technical proposal and annex 11 Verisign technical proposal

D15.2.11 System reliability

Define, analyze, and quantify quality of service.

See annex 10 dotTV technical proposal and annex 11 Verisign technical proposal

D15.2.12 System outage prevention

Procedures for problem detection, redundancy of all systems, back up power supply, facility security, technical security, availability of back up software, operating system, and hardware, system monitoring, technical maintenance staff, server locations.

See annex 10 dotTV technical proposal and annex 11 Verisign technical proposal

D15.2.13 System recovery procedures

Procedures for restoring the system to operation in the event of a system outage, both expected and unexpected. Identify redundant/diverse systems for providing service in the event of an outage and describe the process for recovery from various types of failures, the training of technical staff who will perform these tasks, the availability and backup of software and operating systems needed to restore the system to operation, the availability of the hardware needed to restore and run the system, backup electrical power systems, the projected time for restoring the system, the procedures for testing the process of restoring the system to operation in the event of an outage, the documentation kept on system outages and on potential system problems that could result in outages

See annex 10 dotTV technical proposal and annex 11 Verisign technical proposal

D15.2.14 Technical and other support

Support for registrars and for Internet users and registrants. Describe technical help systems, personnel accessibility, web-based, telephone and other support, support services to be offered, time availability of support, and language-availability of support.

See annex 10 dotTV technical proposal and annex 11 Verisign technical proposal

D15.3 Subcontractors

If you intend to subcontract any the following:

all of the registry operation function; any portion of the registry function accounting for 10% or more of overall costs of the registry function; or any portion of any of the following parts of the registry function

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accounting for 25% or more of overall costs of the part: database operation, zone file generation, zone file distribution and publication, billing and collection, data escrow and backup, and Whois service please

(a) identify the subcontractor;

(b) state the scope and terms of the subcontract; and

(c) attach a comprehensive technical proposal from the subcontractor that describes its technical plans and capabilities in a manner similar to that of the Technical Capabilities and Plan section of the Registry Operator's Proposal. In addition, subcontractor proposals should include full information on the subcontractor's technical, financial, and management capabilities and resources.

ICM Registry is sub-contracting the majority of the registries operations.

?? Registry sub-contractors include The .TV Corporation International and Verisign Global Registry Services.

?? Scope and term s of the agreements are found in annex 2.

?? Annex 10 includes dotTV's technical proposal and annex 11includes Verisign's technical proposal. Details on company information are found in annex 3 and 4 respectively.

ANNEX 1: ICM REGISTRY'S BUSINESS PLAN

A NNEX 2 : A GREEMENTS

A N N E X 3 : D O T T V C O M P A N Y I N F O R M A T I O N

ANNEX 4: VERISIGN GLOBAL SERVICES COMPANY INFORMATION

A NNEX 5: DMR C ONSULTING C OMPANY I NFORMATION

ANNEX 6: ATC REGISTRAR SUBMISSION

A N N E X 7 : ICM R E G I S T R Y M A N A G E M E N T R E S U M E S

ANNEX 8:   RESUME OF KEY TECHNICAL PERSONNEL

ANNEX 9: SUBCONTRACTORS MANAGEMENT INFORMATION

A NNEX 10: DOT TV T ECHNICAL P ROPOSAL

ANNEX 11: VERISIGN TECHNICAL PROPOSAL