Status Report on the sTLD Application Process

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I. Overview

Background

There are several types of TLDs within the DNS, including TLDs with three or more characters referred to as "generic" TLDs, or "gTLDs." They can be subdivided into two types, "sponsored" TLDs (sTLDs) and "unsponsored" TLDs, as described in more detail below.

Generally speaking, an unsponsored TLD operates under policies established by the global Internet community directly through the ICANN process, while a sponsored TLD is a specialized TLD that has a sponsor representing the narrower community that is most affected by the TLD. The sponsor thus carries out delegated policy-formulation responsibilities over many matters concerning the TLD.

A Sponsor is an organization to which is delegated some defined ongoing policy-formulation authority regarding the manner in which a particular sponsored TLD is operated. The sponsored TLD has a Charter, which defines the purpose for which the sponsored TLD has been created and will be operated. The Sponsor is responsible for developing policies on the delegated topics so that the TLD is operated for the benefit of a defined group of stakeholders, known as the Sponsored TLD Community, that are most directly interested in the operation of the TLD. The Sponsor is also responsible for selecting the registry operator and, to varying degrees, establishing the roles played by registrars and their relationship with the registry operator. The Sponsor must exercise its delegated authority according to fairness standards and in a manner that is representative of the Sponsored TLD Community.

The extent to which policy-formulation responsibilities are appropriately delegated to a Sponsor depends upon the characteristics of the organization that may make such delegation appropriate. These characteristics may include the mechanisms the organization uses to formulate policies, its mission, its guarantees of independence from the registry operator and registrars, who will be permitted to participate in the Sponsor's policy-development efforts and in what way, and the Sponsor's degree and type of accountability to the Sponsored TLD Community.

The first round of expansion of the DNS namespace had taken place in November 2000, when ICANN's Board of Directors selected seven proposals for new gTLDs. Those selected were: .aero, .biz, .coop, .info, .museum, .name and .pro. This was the first effort

to expand the domain name system (DNS) since the 1980s, other than by adding "country code top-level domains" that correspond to particular countries or territories. At the time, ICANN received over 40 applications for new gTLDs, but it had determined that, as a "proof-of-concept," it would select far fewer. Among those who applied but were not selected were applicants for POST, TEL-Pulver, TEL-Telnic, TRAVEL and XXX (see http://www.icann.org/tlds/report/report-appb-09nov00.htm).

sTLD Application Process

On 26 June 2003, at the ICANN Board meeting in Montreal, the Board directed ICANN staff to invite public comment on a draft request for proposals for sTLDs posted on 24 June 2003, and in particular on the question of whether the RFP should be limited to applicants that had proposed sponsored TLDs in November 2000. The public comments are available at ICANN's website at http://forum.icann.org/mtg-cmts/stld-rfp-comments/general/index.html.

In parallel with the public comments, the ICANN Board discussed at length the topic of how, and within what timeframe, ICANN should proceed with the creation of new gTLDs, including sTLDs. On 29 October 2003, the GNSO called upon the Board to go forward with the process for an interim round of sTLDs.

Following various community discussions, including input by experts and interested parties through the GNSO, and from users both directly and through the ALAC, at its meeting in Carthage, Tunisia, on 31 October 2003, the ICANN Board directed the ICANN President to finalize and post no later than 15 December 2003 an open Request for Proposals, not restricted to prior applicants, for a limited number of new sTLDs. The final RFP was to be based on the points of agreement indicated above and the comments received concerning the posted draft

In response to this direction, on 15 December 2003, ICANN announced and released the request for proposals (RFP) for sTLDs. The RFP was divided into six parts, see http://www.icann.org/tlds/new-stld-rfp/new-stld-application-parta-15dec03.htm. The first part provided applicants with explanatory notes on the process as well as an indication of the type of information requested by ICANN. The remaining parts constituted the application itself.

The RFP's explanatory notes described the selection criteria, which are included in Appendix A of this Report. In brief:

- The technical standards included "evidence of ability to ensure stable registry operation," "evidence of ability to ensure that the registry conforms with best practice technical standards for registry operations, "evidence of a full range of

registry services," and "assurance of continuity of registry operation in the event of business failure of the proposed registry."

- The business plan had to "demonstrate the applicant's methodology for introducing a new sTLD and the ability of the organization to implement a robust and appropriately resourced organization." The financial model had to "outline the financial, technical and operational capabilities of the organization."
- The sponsorship information had to include a "definition of sponsored TLD community," "evidence of support from the Sponsoring Organization," "appropriateness of the Sponsoring Organization and the policy formulation environment," and "level of support from the Community." In addition, the criteria of "community value" had to be demonstrated by the "addition of new value to the Internet name space," protections for "the rights of others," "assurance of charter-compliant registrations and avoidance of abusive registration practices," "assurance of adequate dispute-resolution mechanisms," and "provision of ICANN-policy compliant WHOIS service."

ICANN received 10 applications for new sTLDs before close of the application period on 16 March 2004. Applications were received for the following 9 sTLD strings: ASIA, CAT, JOBS, MAIL, MOBI, POST, TEL, TRAVEL, and XXX. (Two different applicants submitted applications for TEL.) The public parts of the ten applications were posted on the ICANN website at http://www.icann.org/tlds/stld-apps-19mar04/stld-public-comments.htm for public comment. Dozens of public comments were received and posted.

ICANN performed an initial review of the applications for completeness. Subsequently, ICANN sought the assistance of an outside Project Manager, Summit Strategies International, LLC, to coordinate the evaluation and limit direct contact between ICANN staff and the evaluators, and between the evaluators and the applicants.

An independent panel of experts with substantial knowledge of relevant technical, business/financial and policy areas convened to review and evaluate the applications. The evaluation panel was divided into three internationally diverse teams, with each one focused on technical, business/financial or policy areas. The technical team was chaired by Ólafur Guðmundsson and included Patrik Fältström and Nii Quaynor. The business/financial team was chaired by Maureen Cubberley and included Fernando Silveira Galban and Jeffrey Lissack. The sponsorship/community value team was chaired by Liz Williams and included Pierre Ouédraogo and Daniel Weitzner. (Biographical data about these persons may be found at the conclusion of each report in Appendix D.) The identities of the evaluators were kept confidential until conclusion of the evaluation phases of the process, and publication of this Report.

The three teams began their work in May 2004 and completed their reports in July 2004. During that period, each team met formally six to eight times by teleconference. Between formal meetings, the teams worked diligently and thoroughly to discuss the selection criteria, analyze the applications, review public comments and assess the extent to which each proposal satisfied the different parts of the RFP. Additionally, the teams

posed a series of questions to each applicant in an effort to amplify points that were unclear and to seek other clarifications (see Appendix B).

At every step, the applications were evaluated on their own merits, in an objective and fair manner. The independent review procedures ensured that all communications involving the evaluations were made through the Project Manager and as such, the review was blind between the teams and ICANN staff and between the teams and the applicants.

Each team provided a separate report to ICANN through the Project Manager, which assessed the information in the applications against the established RFP criteria – technical, business/financial and sponsorship/community value – that they had been asked to evaluate. These reports were transmitted to ICANN on 12 July 2004 and are included in Appendix D. In the case where an applicant passed all three sets of criteria and there were no other issues associated with the application, it proceeded to technical and commercial negotiations designed to establish a new sTLD. One application – POST – was in this category. In cases where an evaluation team indicated that a set of criteria was not met, or there were other issues to be examined, ICANN decided to give each applicant an opportunity to submit clarifying or additional documentation. The other nine applications were in this category.

The extent to which to which clarification or other information was requested depended on the nature of each proposal and the feedback from the evaluators. For this reason, ICANN decided to allow each proposal to progress on its own timetable. ICANN informed all applicants that the evaluation reports would be released publicly as soon as all applicants had concluded the process, in order to enhance transparency and understanding of the sTLD selection process.

All ten applicants have now either completed the process, or are expected to receive an answer on their application soon. Accordingly, ICANN is providing this Status Report on the sTLD Application Process.

II. Status of Applications

ASIA

The applicant, proposed registry operator and proposed Sponsoring Organization (SO) for ASIA is DotAsia Organisation Limited, a not-for-profit organization based in the Hong Kong Special Administrative Region ("DotAsia"). DotAsia selected Afilias Limited ("Afilias") to provide registry services.

Each of the three evaluation teams described above reviewed the ASIA application. The technical evaluation team found that ASIA met the technical selection criteria set forth in the RFP, and accordingly recommended that it be approved on technical grounds.

The business/financial evaluation team found that the respective selection criteria set forth in the RFP had been met, and recommended that, from a business/financial perspective, the application be approved.

The sponsorship/community value evaluation team found that the proposal did "not define a sponsored TLD community clearly enough," that there was "inadequate evidence of widespread support for the application across the broadly identified region," and that there were remaining "questions about how a .asia sTLD would have broad recognition across such a wide region that includes both the Middle East and the South Pacific." The team's comments included, inter alia, questions about the "policy formulation environment." The team "thought that the application might be a useful starting point for the consideration of a sTLD which reflects specific geographic regions, but that the application had failed to demonstrate how it would be implemented and managed in this instance." The team suggested that the applicant might "consider participating in a broader round of generic top level domains at a later date."

On 31 July 2004, ICANN notified DotAsia of the evaluators' recommendations (see Appendix E). ICANN also reminded the applicant that "the Governmental Advisory Committee (GAC) had asked it to "avoid, in the creation of new generic TLDs, well known and famous country, territory or place names; well known and famous country, territory or regional language or people descriptions; or ISO 639 Codes for representation of languages *unless in agreement with the relevant governments or public authorities*" (see section 8.3 of the "Principles for the Delegation and Administration of Country Code Top Level Domains, at http://www.icann.org/committees/gac/gac-cctldprinciples-23feb00.htm)(emphasis added). Accordingly, ICANN invited the applicant to submit any information indicating agreement for such a new sTLD from the appropriate Ministers or Heads of Agencies of the Governments of the countries in the region constituting the community to be represented.

On 15 September 2004, DotAsia responded with "Clarifications and Response on: Principles for Delegation and Administration of ccTLD Principles Presented by GAC," in which it stated that it does not represent, nor intend to, a country, territory, place, language or people. On the same date, DotAsia also provided its "Response & Clarifications on Sponsorship and Other Issues." In that document, the applicant stated that its proposed community was precisely defined, that "Asia" was a unifying term and concept, and that the support of 16 ccTLDs in the region (now 20), in addition to the support of many others, provided sufficient evidence on both points. The applicant also described the adequacy of its proposed policy formulation process. This document, and the submissions described below, may be found in Appendix E.

On 26 October 2004, DotAsia provided supplemental information for the ICANN Board (see Appendix E). These documents included an Executive Summary, "Clarifications and Response on: Principles for Delegation and Administration of ccTLDs Presented by GAC," and "Further Discussions on Appropriateness and Representativeness of the DotAsia Framework." These documents described DotAsia as a "membership-based not-for-profit initiative" with a mission to, among other things, establish "an Internet

namespace with global recognition and regional significance, dedicated to the needs of the Pan-Asia and Asia Pacific Internet community" and reinvest surpluses in regional initiatives. The ASIA sTLD would "embrace a community-based bottom-up governance structure." The documents also suggested that the GAC Principles "have not been formally adopted as an ICANN policy" and, in any case, do "not apply to the context of the DotAsia proposal." DotAsia believes the principles were drafted for a different purpose, and that nothing in its proposal would "challenge the sovereignty of any nation, country, economy or jurisdiction."

On 10 December 2004, DotAsia provided additional information to the ICANN Board on "Mitigating Concerns Regarding GAC ccTLD Principles." This letter informed the Board that two additional ccTLDs had joined DotAsia. While disagreeing that the GAC Principles applied to its proposal, it offered to address any Board concerns by establishing a "Waiting Period to allow governments [within the region] to register their objections, if any, via the GAC."

On 24 January 2005, DotAsia provided additional Letters of Intent from five ccTLDs and other Support Letters for its organization.

On 24 January 2005, DotAsia provided an Update Letter to the ICANN Board outlining the extent of support for ASIA.

On 18 February 2005, ICANN's Board of Directors discussed extensively the ASIA application, and "in particular whether the applicant had demonstrated the sponsored community requirements" (see http://www.icann.org/minutes/minutes-18feb05.htm). A motion to deny the application was put to a vote and did not pass.

On 8 March 2005, DotAsia provided ICANN with a short summary of its proposal, which highlighted that the "boundaries of the DotAsia community are clearly defined" and that the Asia Pacific Internet community has seen "many successful bottom up community based collaborative initiatives."

On 19 April 2005, DotAsia provided a clarifying letter that emphasized (1) it was a member-based, not-for-profit organization, and not a "joint venture;" and (2) it was "open to eligible organisations within the community on an inclusive and voluntary basis."

On 3 May 2005, the ICANN Board of Directors discussed the ASIA application further (see http://www.icann.org/minutes/minutes-03may05.htm. The Board decided to request ICANN Staff to obtain from DotAsia "additional detailed information regarding the applicant's compliance with Section 8.3 of the 'Principles for Delegation and Administration of ccTLDs Presented by Governmental Advisory Committee' or otherwise report back to the board within 90 days."

On 6 June 2005, DotAsia wrote to GAC Members to invite their "thoughts and participation" in the initiative. The letter noted that DotAsia had begun an informal dialogue with GAC Members from the region, with the assistance of the GAC Chair, in

April at the Mar del Plata ICANN Meeting, and sought to include all GAC Members from the region.

On 5 August 2005, DotAsia provided an update report for the Board in response to its May resolution. The report indicated that a second informal meeting had taken place during the July Luxembourg ICANN Meeting, where "there was a consensus around the room that it is an appropriate channel for [DotAsia] to communicate with governments through GAC representatives in the region and that it is a suitable forum to continue to hold these communication meetings . . . ." The report also indicated that the resolution and information about DotAsia had been sent to GAC members encouraging them to register their objections "should there be strong concerns from any government." It noted that no "objection from any GAC member had been received.

On 2 August, Howard C. Dickson, the GAC Representative for the Hong Kong SAR, sent a letter to Che-Hoo Cheng, the Interim CEO of DotAsia. Mr. Dickson's letter stated that (1) we "think that ICANN and DotAsia should address the issues and considerations before governments could take a definitive view on the support or otherwise for the proposal;" and (2) we have "reservation for a private company to oversee and administer a regional TLD in general." The letter continues that "[h]aving said that, we do not have sufficient grounds to respond to the format as DotAsia proposed, that is support, have no objection, or object to, the Proposal."

On 11 August 2005, Mr. Cheng responded to Mr. Dickson that DotAsia "believes in continuing this constructive discussion with yourself and other government representatives around the region . . . ." Mr. Cheng also described the membership structure and not-for-profit status of the organization, which would not include shareholders. Mr. Cheng also indicated that "it is good for us to understand that you are neutral to the initiative" and that ongoing contact would "allow you to feel comfortable that your concerns from the HKSAR Government perspective are being addressed appropriately."

DotAsia's application to operate an ASIA sTLD will be considered again by the Board. Any decision taken by the Board's will be published on the ICANN website.

CAT

The applicant, registry operator and Sponsoring Organiazation (SO) for the CAT sTLD is Fundació puntCAT, Fundació Privada, a Catalonia private foundation ("puntCAT"). The registry operator selected CORE Internet Council of Registrars (CORE) to provide registry services.

Each of the three evaluation teams described above reviewed the CAT application and found that it met the respective selection criteria set forth in the RFP. The technical evaluation team noted that the application "was a rather innovative proposal. It ties a domain name to a language and culture, which has not been done before. The proposal is clear that this is an experiment. As such, it lays out a clear exit plan if the experiment fails, including provisions for the return of the TLD to ICANN. The proposal sets preconditions before registrations can go live, and monitors registrants for compliance with TLD policies."

The business/financial team noted that the "business plan is clearly defined and demonstrates an in-depth knowledge of the registrant market to be addressed. The methodology is solid and well structured. The financial plan is credible and solid. Contingency plans are appropriate to keep the domain operational in case of failure. The budget seems realistic and appropriately scaled to the tasks outlined in the business plan. The model shows good judgment in building low initial overhead until the revenue base is secured."

The sponsorship/community value team found that CAT met the selection criteria set forth in the RFP. It noted that the "community was well defined and the policy formulation environment was properly articulated. The application showed that there is a clearly defined set of needs around the provision of Internet services that are culturally and/or linguistically associated with the Catalan language or region."

On 31 July 2004, ICANN notified puntCAT of the evaluators' recommendations (see Appendices D and E). ICANN also reminded the applicant that the GAC had asked it to "avoid, in the creation of new generic TLDs, well known and famous country, territory or place names; well known and famous country, territory or regional language or people descriptions; or ISO 639 Codes for representation of languages *unless in agreement with the relevant governments or public authorities*" (see section 8.3 of the "Principles for the Delegation and Administration of Country Code Top Level Domains, at http://www.icann.org/committees/gac/gac-cctldprinciples-23feb00.htm)(emphasis added). ICANN noted its understanding from the application that Catalan is spoken predominantly in Spain, and that it is also the sole official language of Andorra. Accordingly, ICANN requested that puntCAT obtain letters from the Government of Spain and the Government of Andorra indicating whether they agree with the designation of an sTLD for the "Catalan Linguistic and Cultural Community."

On 5 October 2004, ICANN wrote to the Government of Spain to explain the sTLD application process (see Appendix E). The letter indicated that the CAT application "was found to have successfully met the baseline criteria," and that took the "guidance of the GAC seriously. As a result, the letter indicated that "a formal letter stating from your government that there is not opposition or reservations regarding the creation of the new TLD .cat is important." We would request that you provide your position, in agreement or in objection, opposition, or concern . . . ."

On 22 October 2004, ICANN sent a similar letter to the Government of Andorra (see Appendix E).

On 15 November 2004, Sr. Daniel Bastida, Director del Department de la Societat de la Informació, Projectes Estrategics, Govern d'Andorra, replied that the Government did "not have any objection to grant the TLD .cat domain to use it for the Catalan linguistic and cultural community.

On 24 November 2004, Excmo. Sr. D. Francisco Ros Peran, Secretary of State, Telecommuncations with the Information Society, Communications Center replied indicating a lack of objections on the part of the government of Spain to the creation of a .cat TLD.

On 18 February 2005, the ICANN Board of Directors reviewed the CAT application materials, the evaluator's responses and the applicant's supplemental materials. After extensive board discussion regarding the application, the Board authorized the beginning of negotiations relating to proposed commercial and technical terms for the CAT sTLD, "in conjunction with consultation with the appropriate governmental authorities" (see http://www.icann.org/minutes/minutes-18feb05.htm).

On 9 August 2005, the proposed CAT sTLD registry agreement was posted on the ICANN website (at http://www.icann.org/tlds/agreements/cat/proposed-cat-agmt-09aug05.pdf) and submitted to the ICANN Board for approval.

On 16 August 2005, the ICANN Board discussed and then deferred consideration of the CAT sTLD request until its 15 September 2005 Meeting in order to "allow for further clarification regarding selected terms of the (http://www.icann.org/minutes/resolutions-16aug05.htm).

On 15 September 2005, the Board approved the CAT Sponsored Top-Level Domain Registry Agreement (see http://www.icann.org/minutes/resolutions-15sep05.htm).

On 9 October 2005, ICANN and puntCAT signed the Registry Agreement.

JOBS

The applicant and registry operator for the JOBS sTLD is Employ Media LLC, a Delaware limited liability company ("Employ Media"). The Sponsoring Organization (SO) for the application is The Society for Human Resource Management (SHRM), a human resource management association. The registry operator selected VeriSign Naming and Directory Services (VNDS) to provide registry services.

Each of the three evaluation teams described above reviewed the JOBS application. The technical evaluation team found that the application met the criteria of demonstrating an ability to ensure stable registry operation, consistent with best practice technical standards for registry operations. With respect to evidence of a full range of registry services, the team was "concerned about the validation criteria for registrants from

outside North America, and whether the applicant understood the complexities of creating a reserved list for job categories that span many languages." The team concluded that JOBS did not at that time meet the technical selection criteria set forth in the RFP.

The business/financial evaluation team reviewed the JOBS applicant's business and financial plans. It concluded that the relevant selection criteria had been met.

The sponsorship/community value evaluation team found that "employment is a very broad category that has substantial overlap with other existing classes of content and services . . . the global jobs and careers market was well served by existing search capabilities and that the application as presented would not add significant new value to the name space." It questioned "how appropriate the [Sponsoring Organization (SO) is to the proposed policy formulation environment," and whether "there was sufficient evidence for support from the SO to meet the selection criteria." It concluded that the JOBS application "did not, on balance, meet the selection criteria."

On 31 July 2004, ICANN notified Employ Media of the evaluators' recommendations (see Appendices D and E).

On 22 September 2004, JOBS responded to the reports of the technical and sponsorship evaluation teams (see Appendix E). In response to the technical team's concerns, JOBS explained its system for validating whether an employer was bona fide in greater detail. In response to the sponsorship/community value team's concerns, it provided more information about the JOBS "community" and the international presence of the SO, among other issues.

On 14 October 2004, JOBS, the technical team and ICANN held a teleconference to discuss the concerns raised about validation and other technical issues. The minutes of this teleconference are included in Appendix D. The applicant agreed to specify in writing how it will address the question of validation of employers on a global basis, including, for example, small and medium enterprises from the developing world. It also agreed to clarify in writing precisely how it will communicate with applicants, and specify the level of security for all such channels, and the "hard timers" that it will use to deter abuse of the validation system. It also agreed to provide more information about how it would reach out to the global community to determine how best to develop a list of reserved names to propose to ICANN.

On 10 November 2004, the applicant provided the follow-up information requested by the technical team.

On 26 November, the technical team indicated its view that the JOBS application was now complete and sufficient from a technical standpoint (see Appendix E). It recommended that the remaining technical issue –requiring the external validator to use bi-directional EPP to communicate with the registry – could be handled during contract negotiations. VeriSign is currently implementing bi-directional EPP.

On 13 December 2004, after review of the above-mentioned information and materials, ICANN's Board of Directors authorized the entry of commercial and technical

negotiations with the JOBS applicant (http://www.icann.org/minutes/resolutions-13dec04.htm).

On 24 March 2005, ICANN announced the completion of those negotiations and posted the proposed JOBS Sponsored TLD Registry Agreement (http://www.icann.org/announcements/announcement-24mar05.htm) prior to Board consideration. The agreement was discussed briefly at the ICANN Public Forum in Mar del Plata, Argentina, on 7 April 2005. ICANN did not receive other comments on the agreement.

The agreement was then submitted to the ICANN Board for review at its meeting in Mar del Plata on 8 April 2005. The Board noted that the "applicant has provided satisfactory details as to the broad-based mechanism for policy-making for the sponsored community, and how this sTLD would be differentiated in the name space," and that "delegation of a .JOBS sponsored top-level domain to Employ Media would be beneficial for ICANN and the Internet community." The Board approved the agreement, subject to the taking of appropriate steps to address the registration of "names of countries and distinct economies," and directed the President of ICANN to implement its decision (http://www.icann.org/minutes/minutes-08apr05.htm).

On 5 May 2005, ICANN and Employ Media signed the Registry Agreement.

On 10 June 2005, Employ Media submitted a delegation template to IANA, which lists itself as the requested Sponsoring Organization. Mr. Ray Fassett is listed as the designated Administrative Contact and VeriSign Global Registry Services is listed as the designated Technical Contact. Completion of the template while VeriSign and Employ Media worked out several technical issues associated with launch.

IANA approved the proposed delegation on 7 September 2005. On 9 September 2005, JOBS was added to the root.

MAIL

The registry operator and Sponsoring Organization (SO) for the MAIL sTLD is The Anti-Spam Community Registry, founded by the Spamhaus Project, an international non-profit organization based in the United Kingdom. The registry operator selected VeriSign, Inc. to provide registry services and eNom, Inc. to provide "extra services" (XO), including authority over all DNS records for delegations.

Each of the three evaluation teams described above reviewed the MAIL application. The evaluators concluded that the MAIL application did not satisfy the business/financial or sponsorship/other criteria of the RFP, and that additional review would be necessary before it could be determined whether the proposal meets the technical criteria. More specifically, the technical evaluation team found the proposal "innovative by trying to

create a more trusted TLD that would reserve a namespace for non-spamming email application." It concluded that given "the complexity and unsettled nature of the behavior in the area this proposal is attempting to address, it is hard to evaluate it. Approving this TLD offers high risk and possible high benefit. Accordingly, the Team does not take a position on .mail, but recommends a review by the ICANN Security & Stability Advisory Committee."

The business/financial team found the proposal's goal of "adding another feature to the Spamhaus war on spam . . . interesting, and even laudable, yet the methodology as presented in the business plan appears inadequate to give the Team confidence that it will achieve this objective." It recommended that the application not be approved because of major weaknesses it identified, including (1) "insufficient evidence and documentation to support the revenue projections;" (2) "insufficient capital to support ongoing operations if revenues are short of projections;" and (3) little evidence of "support (and therefore of market demand) from the affected community, which the applicant describes as large senders or recipients of e-mail." The team summarized its review by stating that there "is little in the business plan, or in the responses to our supplementary questions, to provide confidence that the applicant will have sufficient staying power to see this TLD through start up and early growth stages. There is even less to instill confidence if it encounters any setbacks; this application lacks sufficient resources to have the necessary staying power for the delays and problems inherent in a start-up business."

The sponsorship/community value team found the sponsored community to be "a very amorphous category of users – essentially anyone who does not want to receive spam." It did not believe that .mail met the RFP selection criteria. It noted that this decision "does not imply that we consider spam either a solved or unimportant problem. To the contrary, we believe that it is a vital issue to address but that it requires broad-based Internet community involvement. We recommend that the applicant work closely with the existing gTLD and ccTLD registries to implement their spam management ideas."

On 31 July 2004, ICANN notified Spamhaus of the evaluators' recommendations (see Appendices D and E).

On 16 December 2004, Spamhaus responded to the evaluators' reports, indicating that (1) the zones are no more complex than others in other TLDs" and, in any case, will be run by the Sponsoring Organization through eNom and VeriSign; (2) "the price per domain, and the funding and resources provided by eNom and VeriSign, are more than enough to keep the SO funded at even the lowest levels of domain uptake. We have also been able to obtain further insurances from eNom and VeriSign that the funding concerns expressed will not be an issue; (3) should the SO fail, board members, eNom and VeriSign have said they will be able to keep the .mail system going for the "current set of validated users;" (4) the proposed sTLD "gives a large value added service to the user;" and (5) the "ability of the system to change one of the largest concerns of internet users; deliverability of their email, will almost enable .mail to market itself."

The business/financial evaluation team re-convened to review the response and additional information provided by Spamhaus. On 28 February 2005, the team posed several

supplementary questions to the applicant about the information (see Appendix E) about capital to sustain the operation; management commitment and capabilities; demand for the domain; and pricing and revenue projections.

In January 2005, the Project Manager and ICANN alerted ICANN's Security and Stability Advisory Committee (SSAC) that there may be a need for further review of technical issues associated with the application.

On 19 March 2005, Spamhaus provided answers to the questions posed by the business/financial team (see Appendix E).

On 22 April 2005, the business/financial team completed its review of the supplementary information, in conjunction with previous submissions. It found that while "the new information reflects a strong desire by the applicant to launch a .mail sTLD, there is still insufficient indication that, from a business and financial perspective, this applicant is fully capable of operating a new sTLD. Many of our questions were only partially answered and many of the responses lack clarity or were deemed insufficient to address the underlying concern." The team had significant outstanding concerns in three areas: (1) financials: capital to sustain the operation and pricing and revenue projections; (2) management commitment and capabilities; and (3) demand. It found that the proposal "for a .mail TLD is not financially viable and that the business plans are not sound." The team therefore indicated that the "application does not meet the selection criteria set forth in the RFP."

On 31 July 2004, ICANN informed the applicant of this conclusion. Because the business/financial team had found that the applicant did not satisfy the relevant criteria, there was no need for further review of technical issues by SSAC at that time.

MOBI

The registry operator and Sponsoring Organization (SO) for the MOBI sTLD is DotMobi, Ltd, an Irish limited liability company ("DotMobi"). The MOBI application for the TLD was submitted by Nokia Corporation, Vodafone Group Services Limited and Microsoft. The registry operator selected Afilias Limited to provide registry services.

Each of the three evaluation teams described above reviewed the MOBI application. The technical evaluation team found that the application did not meet all relevant criteria. It noted concerns about (1) "the disruptive behavior of servers and clients that just assume the use of .mobi TLD for small device content, rather than use content delivery protocol negotiation mechanisms"; (2) "namespace fragmentation if mobile devices use search strings that try <domain-name>.mobi before <domain-name>" because "such a practice would force content providers to register in .mobi to defend their interests in other TLDs"; and (3) users getting "locked-into services that become available only in .mobi by connection providers." It also noted concern about "registrations . . . being open to abuse, as there is no explicit verification mechanism whether, for example, websites

actually follow some specific requirement for either small devices or devices connected over slow bandwidth."

The business/financial evaluation team reviewed the MOBI applicant's business and financial plans and concluded that the relevant selection criteria had been met.

The sponsorship/community value evaluation team found that the application did not meet all relevant criteria. The team indicated that it "is not clear that it is possible, especially over time, to establish the membership of this community. It also did not "believe that the application articulated the most appropriate policy formulation environment for a highly commercial and exclusive organisation," noting "concerns about bias on behalf of the financial backers of the JV [Joint Venture partners]." The team was "not persuaded that the joint venture partners could implement a cohesive policy formulation environment that aligned with ICANN policy setting priorities" because the "perception of bias would discourage the broader community from participating and cast doubt on the fairness of the resulting decisions." In addition, the team indicated it was "not clear whether the Policy Advisory Group (PAG) and the Membership Advisory Group (MAG) were self-selecting on the basis of financial capability which would be an excluding element in their organisation. It was thought that whilst the policymaking process takes input from a variety of advisory organizations, decisions are made by the board of directors, chosen from amongst those that invest in the venture. This may not be the best scenario for the board to take the larger community input into account."

On 31 July 2004, ICANN notified DotMobi of the evaluators' recommendations (see Appendices D and E).

On 3 September 2004, MOBI responded to the report of the technical evaluation team (see Appendix E for this and subsequent documents). In response to that team's concerns, MOBI suggested that they were not relevant to the question of whether the four technical criteria of the RFP had been satisfied, which it believed had occurred. MOBI indicated that (1) it would "utilize existing Internet standards, such as content negotiation, and will promote their use within the .mobi style guide and other publications"; (2) the diversity of participants in the "policy making structure will discourage unilateral and non-user friendly imposition of "mobi-only" Internet browsing on mobile devices or policies posing restrictions for .mobi users to access the Internet"; and (3) "its management and agenda will not be "driven by any mobile manufacturer, operator or content providers with an intent to lock-in users to the .mobi domain." MOBI also suggested that concerns about defensive registrations were not grounds for disapproval.

On 13 September 2004, MOBI responded to the report of the sponsorship/community value evaluation team. In response to that team's concerns, MOBI explained that (1) "policy requirements, which cannot reasonably be met in existing TLDs at the second level or in new generic TLDs, can be enforced by way of a charter with ICANN for the benefit of consumers," notwithstanding the size of the anticipated sponsored community, or changes in the community; (2) there is a need for a "clearly recognizable designation for enhanced services [for mobile devices] that can be implemented today and easily understood" by customers, particularly in the developing world; (3) the policy

mechanism "permits total flexibility"; and (4) although the policy boards are advisory, the MOBI Board will be "accountable to the MAG and PAB, to ICANN itself, and to competition authorities around the world."

On 4 and 15 October 2004, ICANN, the technical team and MOBI held teleconferences to discuss the concerns raised about validation, content negotiation and mobile device restrictions. The minutes of these teleconferences are included in Appendix E. The applicant (1) agreed to specify in writing the validation and enforcement procedures that it would use; (2) explained why it believed protocol negotiation protocols now in effect to be insufficient; and (3) stated that MOBI TLDs would be available to any device, and that anyone on a mobile device can get to any TLD (i.e., it would be up to the user, and not the device, i.e., there would be no "lock-in" or exclusion). It agreed, in particular, to provide "a detailed technical description of the validation and enforcement process it will use, including means of communication between parties, process for bringing registrants into compliance with the style guide, rights of registrants, and other specific steps, as well as confirm whether the processes are supported by the current business plan."

On 21, 28 and 29 October 2004, the applicant provided follow-up information requested by the technical team, including answers to specific questions and a description of the ".mobi Style Verification Process." These documents are included in Appendix E.

On 26 November 2004, the technical team indicated its view that MOBI "has not been able to convince us of the technical merit of its application beyond the criteria specified in the RFP" because of "significant concerns about deployment of a TLD for content negotiation reasons" (see Appendix G). The team found there was an absence of technical arguments to support MOBI's belief that "currently mobile devices are not well served by standard content sites," and that "the best way to address this issue is to create a new TLD." The team felt it was " unclear what happens if the content negotiation in the protocol is violating the style guide regarding mobile content and the domain name used is in the .MOBI TLD, and that in any case it would not be possible to guarantee that "the style guide would not override the protocol negotiations." The technical team noted that MOBI did amend its application to satisfy concerns about validation with two additions: (1) "a registrant must sign an agreement to comply with the .MOBI style guide . . . and understand that [it] will be revoked" for non-adherence; and (2) there would be a "compliance checking process" put in place, including how a registrant will be contacted when not in compliance.

On 10 December 2004, MOBI responded to the technical team's Comments (see Appendix E). The response emphasized that the technical team had concluded that the application met the "technical requirements of the RFP," and suggested that MOBI did not have to prove that the proposed TLD was required for technical reasons. MOBI indicated that concerns about fragmentation of the Internet were unfounded, and that the style guides and content negotiation are "complementary rather than in conflict."

On 13 December 2004, after review of the above-mentioned information and materials, ICANN's Board of Directors authorized the entry of commercial and technical

negotiations with the MOBI applicant (http://www.icann.org/minutes/resolutions-13dec04.htm). The Board requested that, in the process of negotiations, "special consideration be taken as to confirm the sTLD applicant's proposed community of content providers for mobile phones users, and confirmation that the sTLD applicant's approach will not conflict with the current telephone numbering systems."

On 3 June 2005, ICANN announced the completion of those negotiations and posted the proposed MOBI Sponsored TLD Registry Agreement prior to Board consideration (http://www.icann.org/announcements/announcement-03jun05.htm).

On 28 June 2005, the agreement was then submitted to the ICANN Board for review (http://icann.org/minutes/resolutions-28jun05.htm). The Board noted that "the applicant has provided satisfactory details as to the proposed community of content providers for mobile phones users, and confirmation that the applicant's approach will not conflict with the current telephone numbering systems." It found that "delegation of a .MOBI sponsored top-level domain to DotMobi, Ltd. would be beneficial for ICANN and the Internet community." The Board approved the agreement and directed the President of ICANN to implement its decision.

On 11 July 2005, ICANN and DotMobi signed the Registry Agreement.

On 9 September 2005, DotMobi submitted a delegation template to IANA, which lists mTLD, Limited as the requested Sponsoring Organization. The designated Administrative Contact and Technical Contact roles will be shared by mTLD Limited and Afilias, Limited.

IANA approved the proposed delegation on 17 October 2005. On 20 October 2005, MOBI was added to the root.

POST

The applicant, registry operator and Sponsoring Organization (SO) for the POST sTLD is the Universal Postal Union (UPU), an international organization headquartered in Berne, Switzerland. The registry operator selected the Swiss Academic and Research Council (SWITCH) to perform all technical registry functions under its supervision.

Each of the three evaluation teams described above reviewed the POST application. They found that the POST application satisfied all criteria -- technical, business/financial and sponsorship/community value -- specified in the RFP.

On 31 July 2004, ICANN informed the applicant that, as a result of the evaluations, it was ready to begin technical and commercial negotiations with the intention of designating POST as a new sTLD. ICANN indicated that after the successful conclusion of such negotiations, its Board of Directors would be requested to authorize the ICANN

President and General Counsel to conclude and implement the Registry Agreement that had been negotiated.

TEL (PULVER)

The applicant and registry operator for this TEL sTLD application is NetNumber, Inc, a company doing business in Massachusetts ("Netnumber"). The Sponsoring Organization (SO) is Pulver.com, a company doing business in New York ("Pulver"). For purposes of this report, both entities shall be referred to as "Pulver."

Each of the three evaluation teams described above reviewed this TEL application, and none recommended approval. The technical evaluation team expressed concern that an effort to "create a public ENUM-like service that is only open for registration by 'VoIP providers'" would "cause major problems for global ENUM deployment." It was "also concerned that this proposal is focused entirely on North America." The team also noted that "this is a new operator of an EPP registry that has not demonstrated an ability to operate it, even though the description in the application suggests that it has the chance of being a success. Nonetheless, there is a high risk of technical problems when the registry starts up, even though the registry is also (the only) registrar."

The business/financial team found that the "methodology is not clear. The key players are experienced, well resourced financially and qualified, and NetNumber's existing operation appears to be solid, but there are few details actually provided in the application to substantiate this. Nor is there a detailed methodology that describes how that experience and current operational success will be used to ensure the success of this TLD."

The sponsorship/community value team found a "lack of representative reach of the Sponsoring Organization, poor coordination with ENUM developments in the larger Internet community, and questions about whether the application defined a community which can add value to the Internet name space."

On 31 July 2004, ICANN notified Pulver of the evaluators' recommendations (see Appendices D and E). Pulver did not respond to ICANN's invitation to remedy, or attempt to remedy, deficiencies in its applications.

On 30 November 2004, ICANN informed Pulver that those applicants seeking to remedy identified deficiencies have done so, and the sTLD application process would therefore draw to a close.

TEL (TELNIC)

The applicant and registry operator for this TEL sTLD application is Telnic Limited, a company in the United Kingdom ("Telnic"). The Sponsoring Organization (SO) it plans to form is Telname Limited. The registry operator selected CORE Internet Council of Registrars (CORE) to provide registry services.

Each of the three evaluation teams described above reviewed the TEL application, and none recommended approval. The technical evaluation team did not recommend the TEL application for approval because (1) "the description of how the domain operates describes functionality which is not coherent" with the rest of the application, and could contribute to "an increase in operational instability when the registry starts up;" (2) it is unclear "if there will be a connection between what names are used in this domain, versus other TLDs. I.e. should the holder of example.com get example.tel, or example-com.tel?;" and (3) TEL's proposal to allow any registration but "only register non delegation records for each name . . . may cause problems for registrars as they need to make major changes to their systems . . . ." In addition, Telnic's decision initially not to identify the provider of registry services led to team to decide that there was "no way to judge their suitability or capabilities."

The business/financial team did not recommend approval because it found that (1) neither "the business plan nor the responses to supplementary questions provides satisfactory evidence of the applicant's ability to reach the projected number of domain registrations. Projections are based on an unconvincing argument that the number of dot-tel domains registered will be proportional to number of users of mobile terminal devices;" (2) the "marketing plan suggests that the applicants will spend a significant amount of money quickly without any real focus to their efforts." It does "not indicate where the market focus is, for example which conferences are the most potentially beneficial and why. This lack of focus, lack of meaningful specificity and lack of relevant partners on board to date do not generate confidence in the applicant's ability to execute successfully;" and (3) the "lack of evidence of initial discussions/agreements with an RO does not establish confidence in the applicant's ability to garner the necessary technical resources in a timely fashion and within the planned budget."

The sponsorship/community value team found did not recommend approval. Its concerns included that (1) the "application defines an enormously broad community of users," namely "anyone who has a phone or seeks to disseminate telecommunications routing information about how to reach them;" and (2) despite "laudably transparent operating procedures, the policy making and operational authority is exclusively vested in the original financial investors of this venture with no mechanisms to grow toward broader community support," with "no obligation to include representation from any portion of the community to be served by the sTLD."

On 31 July 2004, ICANN notified Telnic that it had not been recommended by any of the evaluation teams (see Appendices D and E).

On 25 August 2004, Telnic responded to the evaluation reports. It indicated that (1) the proposed TLD was "configured as a standard 'delegation only' system (i.e., Registry holds only NS records)"; (2) it would issue an RFP for back-end services but had not in

an effort to promote a competitive process; (3) it had presented a sound business and financial plan; (4) there was sufficient market demand; and (5) providing domains that are "tied exclusively tied to a person's or company's name and used to hold contact data for Registrant, not their machines" is appropriately an sTLD.

On 20 September 2004, Telnic notified ICANN that it had signed a Letter of Intent with CORE to provide registry services.

On 28 October 2004, the technical team issued a statement on "Consideration of Supplemental Information," which took into account selection of CORE. The technical team noted that, with respect to the nature of the delegation system, Telnic's affirmative answer that the proposed sTLD was to be "delegation only" was not consistent with other information it had provided. For example, Telnic's June 21, 2004, response to questions from the Technical Team states both that (i) "SRV records and MX records will be acceptable. However, the target for these records will have to be in a zone in another TLD," and (ii) that the sTLD will be "delegation only." With respect to registration restrictions, the team noted that the SO "should have a technical plan for enforcing restrictions that ensures, for example, the registry will operate reliably" and suggested the applicant provide "a more detailed technical description of the proposed enforcement mechanism." With respect to the identification of CORE, the team noted that "CORE has demonstrated sound technical abilities to operate registries of sizes that are smaller than Telnic proposes for .tel," which Telnic estimates would be 5 million by the end of year 5.

On the same day, CORE, on behalf of Telnic, provided an initial response to the technical team's questions that described CORE's capacity and ability to scale up or down.

On 29 October 2004, Telnic, the technical team and ICANN held a teleconference to discuss technical issues. With respect to delegation, the team sought clarification of a system that was not described consistently. Telnic clarified that it would "use a standard delegation only system." On enforcement, Telnic described how robots would "randomly and selectively query registered domains for evidence of usage violations," and agreed to describe in more detail the process. Telnic also confirmed that CORE could scale up to the estimated size of the .tel registry. After the teleconference, the Evaluators conferred, as agreed, and posed follow-up questions about treatment of the address records, the proximity of data centers and what domain name strings would be prohibited.

On 2 November 2004, the applicant provided answers to the technical team's follow-up questions.

On November 10, 2004, the business/financial team completed its review of Telnic's response to the evaluation, and posed 22 supplemental questions to the applicant. The questions were organized into five broad issues and included: (1) facilitating the sale of .tel registrations, including eligibility and market research; (2) determining the importance of value-added features; and (3) clarifying the relationship between an

increase in consumers' purchase and use of dual-function (both Internet and Telephony capable) devices and the financial success of .tel.

On 15 November 2004, Telnic responded to the technical team's supplemental questions (which updated an earlier response on 2 November). Telnic described the TEL registry delegation model, and confirmed that it would act as a "delegation only" TLD. It also described its acceptable usage, policing and enforcement model in detail. It clarified that solely numeric domain labels will be excluded from TEL.

On 27 November 2004, the Technical Team provided its final comments and found that the application was now "complete and sufficient from a technical standpoint," and did meet the technical criteria of the RFP. It indicated that (1) "information provided by CORE showed evidence that their operation can scale to a size larger than .TEL expects to reach in 3-5 years;" and (2) greater geographical distance between the data sites would be optimal.

On 4 December 2004, the applicant provided responses to the business/financial team's question, including market surveys and analyses.

On 12 January 2005, the business/financial team concluded that its concerns had been addressed, and that from a business/financial perspective Telnic's application now meets the selection criteria set forth in the RFP. It noted that Telnic's new "information presents a high level of specificity, and has provided the answers, details and clarifications we were looking for. It has moved this plan for a .tel TLD from the early stage work that characterized the original application to a more fully considered endeavour with a comprehensive business plan. Telnic's ability to implement its business plan is now evident and the methodology appears to be sound. The additional details that have been provided regarding operational capacity, marketing, fee structure and registrar arrangements reinforce our evaluation that Telnic is likely to be able to implement its plan."

On 17 March 2005, the applicant provided ICANN with additional thoughts on why it believed it met the sponsorship/community value criteria, for the Board's consideration. Telnic indicated that the sTLD allows people to find people, and that TEL will restrict the "use" of the domain; "members of this community will use the DNS to organize, store and publish their personal contact information." It also stated that the needs of this specific community are unique in terms of technical issues, infrastructure, restrictions, educational needs, enforcement and privacy. It pledged that the SO would enable broad, direct community involvement.

 On 21 March 2005, the ICANN Board discussed the TEL application and directed "the President to provide the Board with more information from the technical evaluators and applicants regarding the technical aspects of the .TEL sTLD application" (see http://www.icann.org/minutes/minutes-21mar05.htm). The Board had questions about the scaling potential of the TLD; the operation, name conflicts, and special applications; and registrar-registry protocols and interactions.

On 3 June 2005, the technical team responded to the Board's inquiries. The team stated that (1) with respect to scaling, the "proposed TLD is no different than .COM . . . [because] growth is typically linear . . . ."; (2) a "first-come, first-served approach to registration does not seem appropriate to a TLD of this potential size," but that issue was within the purview of the sponsorship team; (3) there "is no known technical mechanism whereby different users in different locations can get different responses from DNS;" (4) it did not foresee a problem with the DNS's caching environment, for DNS traffic is relatively small; (5) "the TLD will ultimately succeed or fail based on the availability of applications;" (6) it had already "expressed the view that a prefix would raise fewer issues than a suffix," but that "proposals for prefixes were not the ones presented to us for evaluation;" (7)   it had already noted that "there is a high risk of problems for registrars if there is no preliminary detailed analysis of the registry-registrar relationship, including consideration of the different technical abilities of different registrars;" and (8) despite "initial confusion, Telnic clarified in fall 2004 that the .TEL sTLD would be 'delegation-only,'" which moots the question of patches in a post-SiteFinder environment.

On 28 June 2005, the Board discussed the TEL application, specifically the issues of compliance with the technical requirements of the sTLD RFP.   The Board voted to authorize the President and General Counsel to enter into negotiations relating to proposed commercial and technical terms for the TEL sTLD (see http://www.icann.org/minutes/minutes-28jun05.htm).

TRAVEL

The applicant, registry operator for the TRAVEL sTLD is Tralliance, a New York corporation ("Tralliance"). The Sponsoring Organization (SO) is The Travel Partnership Corporation ("TPPC"). The registry operator selected NeuLevel, Inc., to provide registry services.

Each of the three evaluation teams described above reviewed the TRAVEL application. The technical evaluation team found that the application met the technical selection criteria set forth in the RFP, and so recommended that it be approved on technical grounds with two conditions: (1) ICANN and TRAVEL specify some time limits within which (for example) a registration must be validated, or it is rejected; and (2) TRAVEL should be required to document - after 6 months – any problems it experiences with validation of requests, in order to assist future TLDs with similar outreach using diverse verification agencies, including the experience of registrants "fishing" for a validation agency to approve their application.

The business/financial team found that the selection criteria concerning the business and financial plans were met, and recommended approval.

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

On 31 July 2004, ICANN notified Tralliance of the evaluators' recommendations (see Appendices E for this and the following documents).

On 18 August 2004, TRAVEL responded to the sponsorship/community value evaluation (see Appendix E).

On 18 October 2004, the ICANN Board reviewed, commented and actively discussed the sponsorship criteria and the TRAVEL sTLD application, the report of the independent review panel on the sponsorship application, the response by the applicant to the independent review panel's report (http://www.icann.org/minutes/minutes-18oct04.htm). The Board voted to authorize the President and General Counsel to enter into negotiations relating to proposed commercial and technical terms for the TRAVEL sponsored top-level domain (sTLD) with the applicant.

On 24 March 2005, ICANN announced the completion of negotiations with the applicant for TRAVEL and posted the proposed Sponsored TLD Registry Agreement (http://www.icann.org/announcements/announcement-24mar05.htm). The agreement was then submitted to the ICANN Board for approval. It was discussed at the ICANN Public Forum and Board meeting in Mar del Plata, Argentina, 4-8 April 2005.

On 8 April 2005, the ICANN Board of Directors authorized the President of ICANN to complete the TRAVEL delegation process (http://www.icann.org/minutes/minutes-08apr05.htm). It noted that "ICANN's Governmental Advisory Committee (GAC) has concluded that "the issue of geographical and geopolitical names is very complex, and the subject of ongoing international discussion," and the Board has determined that it is appropriate to take temporary steps to prevent the registration of such names in new TLDs in order to allow it and the community the time to consider carefully this issue and determine what if any policy should be adopted with respect to it." As a result, the Board directed the President and the General Counsel "to take appropriate steps to preserve the Board's ability to take action with respect to the registration in this generic top-level domain of names of countries and distinct economies." It agreed that, subject to amendment on this point, the proposed agreement with Tralliance concerning TRAVEL was approved.

On 17 June 2005, a delegation template was submitted to IANA which lists Tralliance Corporation as the requested SO, and Mr. Ronald Andruff as the designated Administrative Contact. The technical contact has been designated as a role account.

IANA approved the proposed delegation on 14 September 2005. On 21 July 2005, TRAVEL was added to the root.

XXX

The applicant and registry operator for the XXX sTLD is ICM Registry LLC, a Delaware limited liability corporation ("ICM"). The Sponsoring Organization (SO) for the application is The International Foundation for Online Responsibility (IFFOR). The registry operator selected Afilias, Limited to provide registry services.

Each of the three evaluation teams described above reviewed the XXX application. The technical and the business/financial evaluation teams found that the relevant selection criteria had been met.

The sponsorship/community value team found that the relevant selection criteria had not been met. Its reasoning included that (1) the "proposed sTLD is proposed to serve a community of registrants defined based on the type of content they provide, described by the applicant as 'adult-oriented information' . . . The RFP defines a "clearly defined community" as one that is "precisely defined, so it can readily be determined which persons or entities make up that community." The extreme variability in definitions of what constitutes the content which defines this community makes it difficult to establish which content and associated persons or services would be in or out of that community"; (2) a "successful policy formulation environment requires effective coordination of a community that has some common interests and the promise of working together in a cohesive, even if confrontational, style. It is unclear what the interests of this community are. The applicant hypothesizes a set of interests on behalf of a community (whose definitional coherence is in doubt) but little testimony from that community has been provided in support of either its common interests or cohesiveness;" and (3) there "was considerable support from North American representatives of the adult industry. However, virtual no support was available from the rest of the world, or from users or other members of this community."

On 31 July 2004, ICANN notified ICM of the evaluators' recommendations (see Appendix E for this and subsequent documents).

On 9 October 2004, the applicant responded to the sponsorship/community value report. It indicated its belief that there is an online community of material that is sexually explicit and whose providers are committed to working together – with public interest and civil liberty groups – to identify and implement best industry practices.

On 7 December 2004, the applicant submitted a sponsorship memorandum to the Board elaborating on these points.

On 24 January 2005, the ICANN Board held extensive discussions regarding the application, in particular focused on "whether a sponsored community criteria of the RFP was appropriately met" (see http://www.icann.org/minutes/minutes-24jan05.htm). It was suggested by various Board Members "that it might be useful for the applicants to give a presentation to the board on these issues" at a later meeting.

On 3 April 2005, ICM gave a presentation to the ICANN Board. It also prepared a summary of why it believed that the proposed TLD was a sponsored community.

On 3 May 2005, the ICANN Board held a "broad discussion of this matter regarding whether or not the [XXX] application met the criteria within the RFP particularly relating to whether or not there was a "sponsored community" (http://www.icann.org/minutes/minutes-03may05.htm).   The Board "agreed that it would discuss this issue again at the next Board Meeting."

On 1 June 2005, the ICANN Board decided to authorize "the President and General Counsel to enter into negotiations relating to proposed commercial and technical terms for the .XXX sponsored top-level domain (sTLD) with the applicant" (http://www.icann.org/minutes/minutes-01jun05.htm).

On 16 August 2005, the ICANN Board discussed and then decided to defer consideration of the .XXX sTLD request until its 15 September 2005 Meeting (http://www.icann.org/minutes/resolutions-16aug05.htm). The XXX application "was deferred in response to requests from the applicant ICM, as well as the ICANN Government Advisory Committee Chairman's and the US Department of Commerce's request to allow for additional time for comments by interested parties."

On 15 September 2005, the ICANN Board reviewed the XXX application (http://www.icann.org/minutes/resolutions-15sep05.htm).   The Board noted that it had "expressed concerns regarding issues relating to the compliance with the proposed .XXX Registry Agreement (including possible proposals for codes of conduct and ongoing obligations regarding potential changes in ownership) and has noted the importance of private registry agreements, in creating contractual means of affecting registries and other actors of the Internet community for the public interest." It also noted that "ICANN has received significant levels of correspondence from the Internet community users over recent weeks, as well as inquiries from a number of governments." It therefore voted to authorize the President and General Counsel "to discuss possible additional contractual provisions or modifications for inclusion in the .XXX Registry Agreement, to ensure that there are effective provisions requiring development and implementation of policies consistent with the principles in the ICM application. Following such additional discussions, the President and General Counsel are requested to return to the board for additional approval, disapproval or advice.

III. Conclusion

Three independent teams of experts reviewed ten sTLD applications against the selection criteria set forth in the RFP. They worked diligently and thoroughly between 28 May and 7 July 2004 to discuss the selection criteria, analyze the applications, review public comments and assess the extent to which each proposal satisfied the different parts of the RFP. Additionally, the teams posed a series of questions to each applicant in an effort to amplify points that were unclear and to seek other clarifications. At every step, the applications were evaluated on their own merits, in an objective and fair manner. The teams concluded the following:

- Technical: (i) five proposals met the technical criteria of the RFP: ASIA, CAT, POST, TRAVEL (with conditions) and XXX; (ii) the issues raised by MAIL would benefit from review by ICANN's Security & Stability Advisory Committee; and (iii) four proposals did not meet the selection criteria: JOBS, MOBI, TEL-Pulver and TEL-Telnic, although concerns with JOBS might be resolvable.

- Business/Financial: (i) seven proposals met the business/financial selection criteria of the RFP: .ASIA, CAT, JOBS, MOBI, POST, TRAVEL and XXX; and (ii) three proposals did not meet the selection criteria: MAIL, TEL-Telnic and TEL-Pulver.

- Sponsorship/Community Value: (i) two proposals met the sponsorship and community value selection criteria of the RFP: CAT and POST; (ii) three proposals did not presently meet the selection criteria but merit further discussions with ICANN: ASIA, JOBS and TRAVEL; and (iii) the five other proposals did not meet the selection criteria.

After the independent review process, ICANN decided to give all applicants an opportunity to seek to remedy deficiencies identified by the evaluators. Nine out of ten applicants chose to try to remedy such deficiencies. In some cases, as noted above, the technical and the business/financial evaluation teams were convened again in order to review applicant's supplementary materials.

The overall results can be summarized as follows: Of the ten applications submitted for consideration –

- Two sTLDs have been added two to the root (TRAVEL and JOBS);
- Another sTLD has an IANA report that is pending delegation (MOBI);
- Another sTLD has signed a Registry Agreement that is awaiting preparation of an IANA report (CAT);
- Another three sTLDs are engaged in negotiations with ICANN concerning a Registry Agreement (POST, TEL-Telnic, XXX); and
- Another sTLDs is pending Board consideration (ASIA) on the issue of whether they should proceed to negotiation.

Two sTLDs were not accepted (MAIL and TEL-Pulver).

In concluding the process and issuing this Report, it is important to recognize the hard work, creativity and dedication shown by all of the applicants. Overall, their responses to the RFP reflected enormous thought and commitment. It is also important to recognize the hard work and dedication of the three teams of evaluators, which conducted diligent and thorough reviews.