

Thursday, May 4, 2023

Sally Costerton
Interim President and CEO
ICANN

Dear Sally,

It was great speaking with you and Tripti at your CPH cocktail in Cancun. In the spirit of openness and transparency, I am writing to you on behalf of the Brand Registry Group (BRG), regarding a proposed fee reduction in connection with the fixed fees associated with Specification 13 Registry Operators (aka .brands).

BRG Proposal

The BRG respectfully asks ICANN Org to consider reducing the yearly fixed registry fee to \$5,000 for any dotBrand Registry Operator that has (i) an established track record of *de minimis* DNS abuse, and (ii) less than 5,000 DUMs.

Basis of Request

The qualification requirements for dotBrand TLDs ensures that these TLDs have *de minimis* DNS Abuse. A dotBrand, which has Specification 13 in its Registry Agreement, commits that only the Registry Operator, its Affiliates or Trademark Licensees (as both of those terms are defined) are registrants of domain names in the TLD and control the DNS records associated with domain names at any level in the TLD. As a result, the Registry Operator of a dotBrand knows exactly who its registrants are and has a very high level of control over the use of domains in their TLD space.

Although this registry model does permit hundreds, or even thousands, of domain registrations, provided that they are allocated to registrants only in accordance with Specification 13, most dotBrands have small zones, with the average number of Domains Under Management for Specification 13 Registry Operators being less than 50. Given the size and low risk profile of these TLDs, the current registry fee model is disproportionate.

Paragraph 3.2 of the base new gTLD RA states that "ICANN shall not apply standards, policies, procedures or practices arbitrarily, unjustifiably, or inequitably and shall not single out Registry Operator for disparate treatment unless justified by substantial and reasonable cause." Most Registry Operators are subject to the following standard fee provision, a \$25,000 annual fixed fee, and a \$0.25 per transaction fee when the number of annual domain name transactions (registrations, renewal, and transfers) exceeds 50,000. However, there are several legacy gTLD that deviate from these provisions.

Section 7.2 (b) of the .MUSEUM, .AERO and .COOPs RAs states that the fixed registry-level fee for less than 5,000 registered domain names is \$500, increased to \$5,000 if more than 5,000 but fewer than 50,000 domain names.

Timing of Request

To be clear, nothing in this letter is intended to slow down the important SubPro work that ICANN Org and the Community are currently undertaking in relation to the next round of gTLDs. There is, however, a set of events that we believe make this request timely.

- ICANN Org will soon begin drafting a new five-year strategic plan.
- The Registry Agreements (RAs) from the 2012 round will begin auto-renewing later this year.
- The ongoing SubPro work (both implementation and pending policy issues).

Taken together, these events create an ideal opportunity for the Community to consider ICANN Orgs historic and future funding, the status of existing Spec 13 RAs and other considerations for the next round that this discussion could inform.

Should you have any questions, comments, or would like to set up a meeting to discuss further, please let me know.

Best regards,



Crews Gore

President, Brand Registry Group