Proposed Service

Name of Proposed Service:

One and Two Character Name Allocation Proposal

Technical description of Proposed Service:

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

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

PIR now proposes to amend this contractual language and implement an equitable phased allocation program that will permit the introduction of one- and two-character .ORG domains to the marketplace, while still reserving two-letter domains that correspond to the two-letter country code names found on the ISO-3166 list.

PIR will open a Request for Proposals (RFP) to select domain name auction platforms to facilitate the allocation of these one- and two-character .ORG domains to registrants who are committed to building out the domain name with a sound marketing and branding strategy, including a strong focus on quality, creativity and the desire to launch the site in a timely manner.

Consultation

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

See below

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

Not Applicable
b. Were consultations with gTLD registrars or the registrar constituency appropriate? Which registrars were consulted? What were the nature and content of the consultation?:

PIR conducted exploratory discussions with the following registrars regarding the RFP contemplated by this application: DirectNIC, eNom, GoDaddy, Moniker, Network Solutions and Oversee.net

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

Based on the lack of any substantive objection from the broader ICANN community in connection with similar registry service requests approved by ICANN, PIR did not consult directly with other constituency groups.

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

PIR did not consult directly with end users although end users have contacted PIR in the past requesting 1 and 2 character .ORG domains. These requests occurred in an informal manner

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

Consultation with registrars indicated support for the overall proposed program and the registrars have validated end user desire for 1 and 2 character domain names. Due to high brand value of .ORG, we anticipate full support and adoption.

The release of two-character domains has been addressed in detail from the technical perspective in several previously approved Service Requests. For example, the RSTEP report on GNR's two-character name proposal (http://www.icann.org/registries/rsep/RSTEP-GNR-proposal-review-team-report.pdf) provides an exhaustive review of the issues and addresses them in a positive manner. The GNSO Council approved the recommendations sent to the ICANN Board for the introduction of new gTLDs, including endorsement of the recommendations of the Reserved Names Working Group set forth in the RN-WG Report, which included the following recommendations: (i) single character domain names not be reserved at the second level in the future gTLDs; (ii) those currently reserved in existing gTLDs be released; (iii) registries be permitted to release any combination of two letter and/or digit strings provided that measures to avoid confusion with any corresponding country codes are implemented. All GNSO constituencies supported the registration of single character domain names. The RN-WG Report can be found at http://gnso.icann.org/issues/new-gtlds/final-report-rn-wg-23may07.htm. Further, the gTLD Registries Stakeholder Group (RySG) is in support of the release of single character domains names provided the implementation is appropriate and permitted to be unique for each registry. The RySG statement can be found at http://www.gtldregistries.org/pdf/RyCSingleCharacter2ndNames-ConstituencyStatement.pdf. Also, importantly,
businesses with names that can reasonably be represented by one- or two character strings and who are interested in promoting their products and services using a .ORG gTLD have expressed interest in the release of such domains.

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

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

Timeline

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

PIR proposes the following elements for approval in connection with this registry service. Posting of Funnel Request; Review and initial approval by ICANN Staff that the proposed registry service raises no security, stability or competition concerns; Public comment period in connection with proposed contractual changes. Preparation by ICANN staff of necessary Board documentation for approval by the ICANN Board. Following approval by the ICANN Board, PIR would implement the service as soon as operationally feasible.

Business Description

Describe how the Proposed Service will be offered:

PIR intends to responsibly promote healthy competition by bringing these valuable .ORG domain names to the open market to offer to organizations or individuals who will enhance the .ORG brand.

PIR will open a Request for Proposals (RFP) to select domain name auction platforms to facilitate the allocation of these one- and two-character .ORG domains to registrants who are committed to building out the domain name with a sound marketing and branding strategy, including a strong focus on quality, creativity and the desire to launch the site in a timely manner.

PIR will then identify the strongest auction platform applicant or applicants.
Evaluation criteria for the selection of the auction platform(s) will take into account:
  a. The auction provider's business and technical capabilities
  b. Sales and marketing strategy
  c. Auction plan with criteria for selecting registrants who are committed to building out the domain name with a sound marketing and branding strategy, including a strong focus on quality, creativity and the desire to launch the site in a timely manner
The ability to handle trademark issues and disputes

Each applicant must be a .ORG accredited registrar to participate

Following the auctions, PIR plans to use the auction proceeds to reinvest in the .ORG brand through marketing and discount programs.

Describe quality assurance plan or testing of Proposed Service:

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

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

Not Applicable

Contractual Provisions

List the relevant contractual provisions impacted by the Proposed Service:

.ORG Registry Agreement (dated December 8, 2006):
Sections 7.2(a) and 7.3(a)
Appendix 6, Section B
Appendix 7

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

None

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

None
Contract Amendments

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

Appendix 6

[Old Text]
B. Additional Second-Level Reservations. In addition, the following names shall be reserved at the second level:
   * All single-character labels.
   * All two-character labels shall be initially reserved.

[New Text]
B. Additional Second-Level Reservations. In addition, the following names shall be reserved at the second level:
   o All single and two-character labels that were previously reserved by the Registry in the Registry Agreement may be
     allocated through ICANN-accredited registrars, based upon implementation of a phased allocation program as further set
     forth in Appendix 7.

Appendix 7 - New Section 7. Miscellaneous and Additional Services.
[New Text] .ORG Single and Two Character Phased Allocation Program ("Phased Allocation Program"). The domain names
included within the scope of the Phased Allocation Program shall be limited to single and two-character .ORG domain
names. Registry Operator reserves the right to allocate less than all of the previously reserved single and two-character
.ORG domain names.

Pursuant to the Phased Allocation Program, Registry Operator shall allocate the domain names through an auction process
to buyers who commit to building out the domain with a sound marketing and branding strategy to include but not limited to a
strong focus on quality, creativity, and the ability to launch the initiative in a timely manner.

The domain names allocated via the Phased Allocation Program are an exception to the Maximum Service Fee described in
Section 7.3(a) of the .ORG Registry Agreement. Revenue derived from the Phased Allocation Program will be considered in
the calculation of the average annual price of registrations for purposes of Section 7.2(a).

Benefits of Service

Describe the benefits of the Proposed Service:
PIR believes that the proposed service offers the following benefits:

1. Increased usage, marketing, promotion and awareness of the .ORG gTLD
2. Increased choice for registrants
3. Enhanced competition among gTLD registry operators
4. Increased revenue and marketing resources

Competition

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

PIR believes that the proposed service will help address the current competitive imbalance in the gTLD marketplace by making a more complete set of domain names available to the market.

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

.ORG competes with other gTLD and ccTLD registries. This service in particular would compete against other registries that are currently allocating one- and two-character domain names.
.ORG competes in the gTLD marketplace and will benefit from having the ability to leverage the legitimate interests of potential registrants to help build greater awareness of the .ORG brand.

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

The following existing gTLD registry operators currently offer or have applied to offer one- and two-character second level domain registrations:
Afilias Limited (.INFO) NeuStar, Inc. (.BIZ) Tralliance (.TRAVEL) RegistryPro, Ltd. (.PRO) DotCooperation, LLC (.COOP) EmployMedia, LLC (.JOBS) mTLD, Ltd (.MOBI) VeriSign, Inc. (.COM/.NET)

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

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No

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

*PIR will work with a vendor or contractor to implement the auction portion of our proposal. We have not yet finalized the choice of the vendor/contractor(s) and the selection will occur through a RFP process.*

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

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

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

*Once approved PIR proposed service will help enhance choice and competition in the TLD marketplace through the offer of alternative one- and two-character domain registrations in .ORG.*

Security and Stability

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

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

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

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

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

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

Other Issues

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

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

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

No

List Disclaimers provided to potential customers regarding the Proposed Service:

Not Applicable

Any other relevant information to include with this request:

None