

**GNSO gTLD Registries Stakeholder Group Statement**  
**Clarification of Key Distinctions between the Sponsored**  
**and Community-Based TLD Models.**

Date: 6 May 2011

The gTLD Registries Stakeholder Group welcomes the addition of new gTLD operators of all types. The members of the Stakeholder Group currently include several different types of registries, all of which have contributed their knowledge and experience towards the development of the various structures and tools that new operators will be using and which the Stakeholder Group anticipates will support the success of these new members of our Group.

While we are supportive of the introduction of new types of TLDs, including the new Community-Based TLD model, it is essential at this time to ensure that the differences between existing and new TLDs are understood. This understanding is important not only within our Group, but also within the ICANN community and by those seeking to become new gTLD operators, so that everyone will be as knowledgeable as possible about the contractual obligations of existing and new TLD operators.

This knowledge and understanding is especially important for the existing Sponsored TLDs and the prospective new Community-Based TLDs. Although there are some similarities between the two types of TLD, we believe that there are significant differences that need to be made explicit. First, for a Sponsored TLD, the Sponsoring organization is clearly identified as part of the contract with ICANN. These Sponsors went through a significant vetting process to ensure their standing within the potential registrant pool. Second, the Sponsored Registry Agreement incorporates a Charter that identifies the specific purpose of the TLD, the community that it serves and eligibility and name selection criteria for those registering names in that TLD. Finally, the most significant difference is the delegation of certain policy making authority to the Sponsor within the scope established by the Charter. These delegated authorities are community-specific and hence unique for each of the Sponsored TLDs.

In contrast, the Community-Based TLD is a new type of TLD being created for the currently proposed new TLD expansion round. By definition, Community-Based TLDs are not required to have a specific "Sponsoring Organization". It is being created to allow an advantage in the case of string contention in the new gTLD application process that requires the applicant to meet entirely different and unique criteria specific to this objective. While Sponsored TLD agreements have charters endorsed by the Sponsoring Organizations, there is no comparable requirement for Community-Based TLDs. There is no requirement to propose a Charter that would be endorsed by the community acting as or through a Sponsoring Organization. As a

result, Community-Based TLD's carry no delegated authority because of the absence of these two controlling factors present in Sponsored TLD agreements. A Community-Based applicant that voluntarily proposes a Charter for inclusion into the registry agreement will not have delegated authority to modify the Charter in the future, absent ICANN's approval at ICANN's sole discretion.

Even though these important differences exist between the current Sponsored TLDs and the new Community-Based TLDs, there are many within the current ICANN community who appear to perceive these two types of TLDs as merely different names for the same concept. Because there is apparent confusion on this point within the broader ICANN community, we believe that there is a high likelihood that a similar or higher level of misunderstanding may exist within those currently preparing for submission of new TLD applications, and, in any event, certainly such confusion exists within the user community.

Because ICANN has planned an external communications campaign to alert and inform the general population about the opportunities available with the new gTLD application process and is, in fact, allocating significant resources to this effort, there is a unique opportunity to clarify the issue and address this concern. Clearly, this educational effort by ICANN will include information about the Community-Based TLD model.

The gTLD Registries Stakeholder Group notes that there is no specific mechanism identified to submit additional comments about the proposed Communications Plan for the new gTLD program which may be started in the next few months. In order for ICANN to fully accomplish a successful communications campaign, we strongly encourage that efforts be made to communicate a clear distinction between the Sponsored and Community-Based TLD models. We believe that providing for better understanding and setting reasonable expectations will result in a more efficient process for new gTLD applicants and be consistent with one of the primary goals of the Communications Plan. Moreover, such an approach will also benefit the general public so that they can be better educated about the TLD options available to them - present and future. It also will benefit the Sponsored TLDs so that registrants interested in the various TLD models will also be best informed of all opportunities.

Respectfully submitted,

The gTLD Registries Stakeholder Group