



STEP-BY-STEP

A PROPOSAL TO OPEN A WINDOW
FOR NEW TOP LEVEL DOMAINS

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1. EXECUTIVE SUMMARY

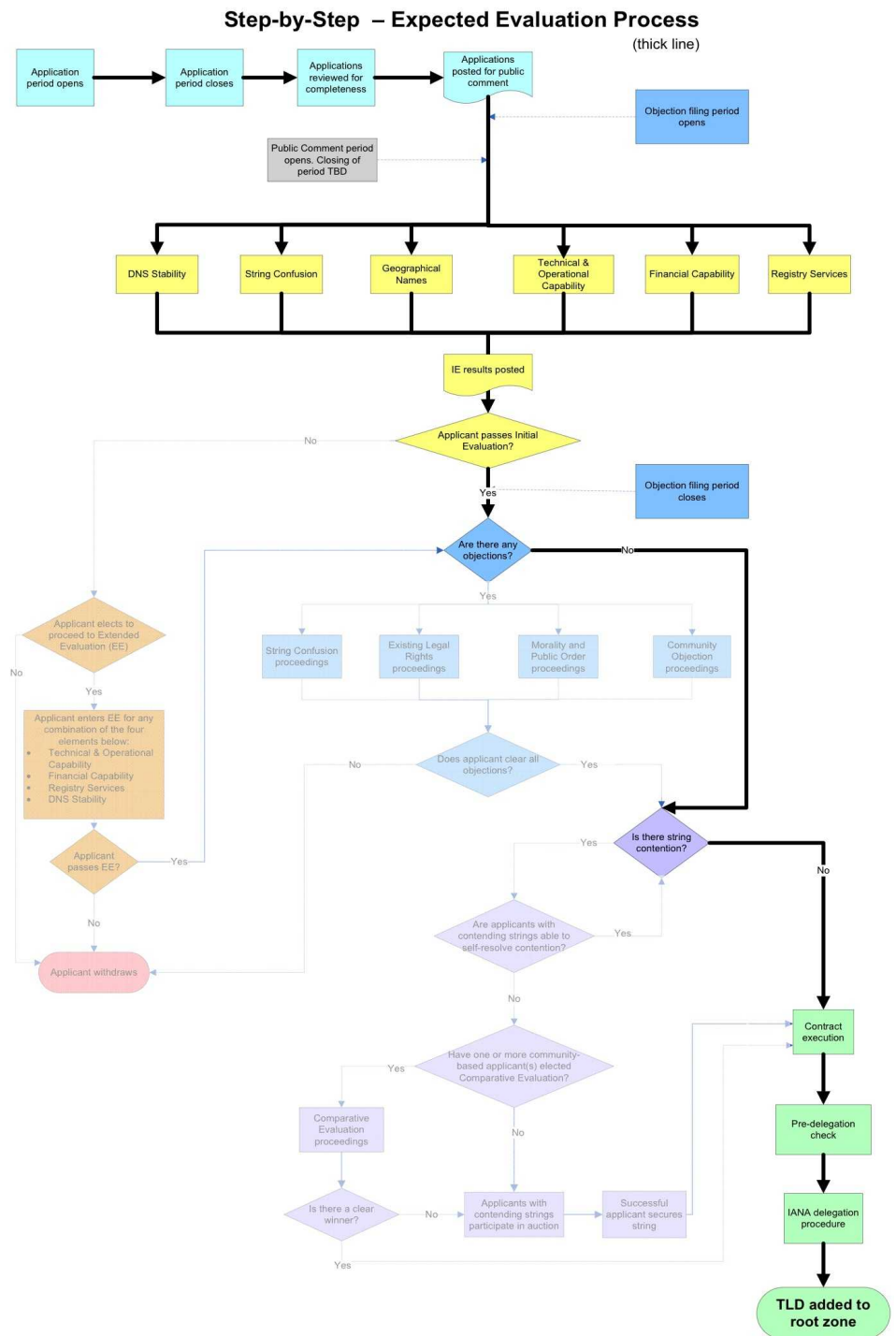
This proposal addresses a significant problem faced by many ICANN stakeholders interested in new top level domains.

Ongoing delay in opening an application window for new top level domains creates a critical burden on applicants, their supporters, stakeholders, investors and communities of interest.

The solution is to open an early application window by which applicants can pass through a streamlined version of the application process.

This process tracks the following diagram and does not change the application fee nor the requirements for all applicants to comply with the application process as set out in the draft Applicant Guidebook. If an objection is raised to any application, on the existing grounds contained in the Applicant Guidebook by an objector who has standing, the application would be held over until the full window opens.

Implementing this streamlined process dispenses with the need for a complicated evaluation process that incorporates contention and objection processes with auctions and extended evaluations.





This streamlined process would significantly enhance an applicant's chances of turning their plans into the reality of an operational top level domain that serves their stakeholders' needs. The chart below shows the key elements of this process.

2. PROPOSED BOARD RESOLUTION

We propose the following ICANN Board Resolution:

Whereas we recognize the work of ICANN stakeholders and staff in developing the policy and implementation plans for the introduction of the next round of top level domains;

Whereas the introduction of new top level domains has taken place in 2000 and 2004 without identifiable security or stability affects on the domain name system architecture;

Whereas there has been thorough and highly detailed examination of the introduction of a third round of new top level domains through a comprehensive policy development process which confirmed ICANN's intention to introduce more top level domains through a robust, objective and orderly application process;

Whereas there has been detailed discussion and public comment on two versions of the draft Applicant Guidebook from a wide range of stakeholders whose different views have been accommodated;

Whereas the additional four 'overarching issues' present some wide ranging questions that have been examined and on which accommodations and solutions have been proposed that ought not delay the whole process;

Whereas there has been detailed discussion of the introduction of a fast track country code internationalized domain name process;

Whereas ICANN is prepared to consider applicants who can submit applications immediately and who will be significantly disadvantaged by any further delays in opening the application window; it is therefore resolved that

The Board instructs the Staff to open an application window that allows applicants to apply for a new top level domain using a streamlined and low cost threshold model for the assessment of those applications.

It is also resolved that should an objection on any of the existing grounds for objection contained in the Draft Applicant Guidebook be made by an Objector with Standing, the application would be held over until the opening of the full application window after Q1, 2010.

3. BACKGROUND

This document sets out a modest proposal to move forward with opening an application window for new top-level domains by December 2009. The proposal is supported by a diverse set of signatories and supporters who are ready to apply now for their own top-level domains.

An applicant who is ready to submit to the shortened process can use the Step-by-Step process, realizing that objections will put them into the main application round. The onus is on the applicant to ensure, for example, that they have consulted with their communities, that they have support of their governments, that they understand any possible contention for their top level domain string, and that they have funds in place to undertake the process and implement a new registry operation under the conditions of the ICANN Registry Services contract.



4. GETTING THE PROCESS RIGHT?

Step-by-Step supporters recognize, like many other stakeholders in the ICANN environment, the importance of getting the new top-level domains application process right.

Getting it right is not one point in time. The Step-by-Step process advocates a simplified (not simple), cost effective (not free), easy to understand (not push button) process that enables a range of applications to be assessed in a window beginning December 2009.

The second version of the Draft Applicant Guidebook sets out a clear path for the process, subject to comprehensive public comment and input by an array of interested stakeholders.

Whilst the May 7, 2009 updated announcement of a firm date for the opening of an application round¹ pleased the Step-by-Step supporters, it is clear from the public record on new top level domains that there has been significant slippage in all deadlines set for the opening of the process.

Whilst understanding that there are always delays in major change processes, Step-by-Step supporters believe that Q1 2010 will be too late for many ready applicants as they have awaited the promised opening of the next round since February 2006, when the new TLDs policy development process commenced.

This explains why we propose a modest idea of opening an application window by December 2009 to allow applicants to proceed more quickly.

5. WHY TIMELINES ARE IMPORTANT

Step-by-Step signatories believed the Board's Paris 2008 schedule and the GNSO Council promise of the implementation of the application process after the policy development was finalized. Even taking into account the inclusion of the overarching issues discussion that we address below, the delays are critical to some applicants.

These applicants have made their investment plans, negotiations with suppliers and potential customers, and operational commitments on the basis of - ICANN promises. Several may fail as a consequence of the delay in opening a new top-level domain name application round in 2010, as they can no longer sustain their efforts over such an extended timeframe. This is not a competitive marketplace where only the best resourced can hold out through a procurement process which would not survive measurement against any public sector best practices tendering process. This process is about developing new communities, new content, new uses of the Internet, many of which are in test phases and are not commercial yet.

For example, the failure of the current timeline will not permanently harm linguistic and cultural communities or their municipal or regional supporters, but it is an avoidable loss. The failure or compromise of the application process presents serious risk to all applicants and it too is an avoidable loss. This loss is addressed through the Step-by-Step proposal.

Even though there have been two separate rounds of new top-level domain applications, this application process is untested and will be confronted by an unbounded volume of applications. No

¹<http://www.icann.org/en/announcements/announcement-07may09-en.htm>. "ICANN continues to move forward in the implementation of the new gTLD Program while balancing and addressing community concerns on specific aspects of the program. ... In order to continue progress and the community discussion, ICANN will:

- * Publish an analysis of comments similar to that published after the first [sic] version of the Guidebook,
- * Conduct consultations and fora at the Sydney meeting and afterward to develop solutions to the overarching issues,

- * Publish the third version of the Guidebook after the Sydney meeting when solutions to the overarching issues can be included. With that in mind, it is anticipated that applications for new top-level domains will be accepted starting in the first quarter of 2010."



one has a clear and true idea of the number of applications. Opening a small window for specific applicants mitigates against the effect of opening a floodgate on an unprepared organization².

6. THE SOLUTION -- OPENING THE WINDOW

- Opening the window will create an environment of trust within the process of implementing a predictable cycle of new TLD application cycles;
- Opening the window will enable applicants to become operational with minimal risk to the integrity of the broader application process; and
- Opening the window will spread the load of evaluating a large number of applicants in a bigger window. This is beneficial for ICANN's operational stability.

7. IMPACT OF KEEPING THE WINDOW CLOSED

- The cost of uncertainty will be realized as resources cannot be sustained. It impossible to mobilize on a moving promise of action when applicants cannot prepare serious solutions with a timeline which shifts with each ICANN meeting. Is this an effective outcome from a three year development cycle? No.
- While the ICANN process is currently optimized for complex applications brought by for-profit investors with mass market business models, simpler applications by public interest/public benefit organizations, such as linguistic and cultural communities, are at risk of exiting the ICANN process. Is this beneficial for creativity and innovation? No.
- Stakeholders and investors may leave the process because they can no longer sustain their preparation activities. Is this good for ICANN's reputation as the distributor of publicly held resources? No.
- The reputation and integrity of businesses [interested parties] with their partner financial institutions, their investors, and their communities will be significantly diminished, if not lost altogether. Is this a good result for ICANN stakeholders? No.
- If there are further delays, businesses [interested parties] will realize their plans elsewhere. The idea of the DNS as the single unified root is central to ICANN's survival. This unifying concept is in danger if people cannot expand the root in a logical and predictable way. There is an additional risk that separate look up mechanisms will be developed that will displace the utility of domain names with key word search, which are policy-free systems.

8. THE STEP-BY-STEP PROPOSAL IS A POSITIVE STEP FORWARD FOR APPLICANTS

- ICANN's registry contract provides for certain levels of protection but, a city administration can have an oversight role.
- Language communities have oversight as consumers and users. For example, if .cat is run by a community of cultural institutions, it decreases the likelihood of problems identified in the overarching issues.

² For example, we note that the call for expert evaluators is still open which signals a deficit in the number and diversity of evaluators who may have responded to the RFP.



- The constraints and accountability frameworks are different and more robust within a given community of interest. This is the case in the management of the TLD and the name registration policies at the second and third levels.
- The ICANN contract is not necessarily the controlling instrument in a wide variety of circumstances. For example, in the .museum case, ICOM maintains a much higher degree of control. For .bank or .fin, it is the expectations and rules of the international bodies that manage financial services. For the .coop registry services, it is its contract; for .aero, it is SITA.

9. THE gTLD OVERARCHING ISSUES

ICANN's February 2009 report entitled "New gTLD Draft Applicant Guidebook: Analysis of Public Comment" stated that there were four "overarching issues need [that] more examination and discussion before they can be changed in a future draft Guidebook." The report further iterated that it was not that "the concerns expressed have not been understood or are being disregarded; it only indicates that these matters require more substantive discussion before changes to the Guidebook can be made."

Those four overarching issues were listed in the February 2009 report as:

Security and Stability, Scaling: While there is always opportunity for more study, the concern regarding security abuses scaling with more TLDs is ultimately better dealt with through pragmatic implementation approaches than a set of predictions around which many would disagree.

Many clearly feel more work is needed on implementation of registrant protection and end user confusion, and these questions need to be raised again. Are there implementable and practical mechanisms to avoid the need for purely defensive registrations at the second level? Is there such a need in an expanded name space? Can registry or registrar mechanisms be put in place to make new gTLDs desirable from both a confusion avoidance and protection viewpoint? ICANN staff will be actively soliciting feedback on these topics over the next 60 days, and share with the community options for improvements in these areas in the next several months.

In addition, given that the near coincident changes planned for introduction into the root zone - IPv6 records, DNSSEC, IDNs, and new TLDs – have not been analyzed for their combined impact on root zone operations, the ICANN Board has requested the Security and Stability Advisory Committee and Root Server System Advisory Committee to jointly conduct a study analyzing the impact to security and stability within the DNS root server system of these proposed implementations. The study will address the capacity of the root server system to cope with a stressing range of technical challenges and operational demands that might emerge as part of the implementation of proposed changes.

Malicious Conduct, Abuse: Commenters expressed concern that expanding the number of TLDs would also expand malicious behavior on the Internet.

One approach to addressing this would be to conduct a study (really a forecast) of expected behaviors with an expanded TLD name space.

Many clearly feel more work is needed on implementation of registrant protection and end user confusion, and these questions need to be raised again. Is there such a need in an expanded name space? Can registry or registrar mechanisms be put in place to make new gTLDs desirable from both a confusion avoidance and protection viewpoint? ICANN staff will be actively soliciting feedback on these topics over the next 60 days, and will share with the community options for improvements in these areas in the next several months.

Trademark Protection: Many comments noted that an issue of concern was trademark protection and particularly protection from what they saw as frivolous and expensive defensive registrations at the



second level, both at the registry start-up time and on an ongoing basis. Are there implementable, practical mechanisms to avoid the need for purely defensive registrations at the second level?

ICANN intends to conduct a series of discussions with all relevant parties relating to proposed enhanced protections for trademark holders. ICANN is also in discussions with several Intellectual Property organizations around the world to coordinate setting up several conferences to propose some additional solutions to these issues.

If additional trademark protection mechanisms are agreed upon and included in the new gTLD implementation, the aim would be to reduce costs to trademark holders, and increase and build more confidence in protection measures.

Demand/Economic Analysis: Many comments indicated that ICANN should commission an economic analysis of the effect of increasing the number of gTLDs before proceeding. ICANN will release a study on the dynamics of the domain system in broad as well as a study specifically related to the impact of increase in gTLDs in the near future. ICANN will post that study for public comment and discussion prior to the next iteration of the Draft Applicant Guidebook.

10. STEP-BY-STEP ADDRESSES THE OVERARCHING ISSUES

Step-by-Step supporters recognize the importance of each of these overarching issues (discussed in further detail at <https://st.icann.org/new-gtld-overarching-issues/index.cgi>) and the efforts of the Board to ensure these issues are addressed correctly. We have dealt with each in turn and illustrate that none of these issues should delay the opening of an application window for new TLD applicants by December 2009.

Note: Whilst ICANN placed the four overarching issues in the above listed order in the February 2009 report, on various other ICANN web pages, including the gTLD Overarching Issues Wiki, the items are listed in various other orders. We are following the most prevalent order, that which is on the Wiki.

ISSUE I: INTELLECTUAL PROPERTY AND TRADEMARK PROTECTION

The Step-by-Step signatories support the public comments made by CORE on the IRT Report as an informed effort to address the long-standing issue of IP rights protection in an expanded gTLD space.

The Report summarizes the best mechanisms among those currently available, as well as the most feasible for future use. CORE, as a registrar and registry services provider for some of the existing gTLDs, has helped design and implement similar procedures.

IP Clearinghouse.

We support the creation of a cross-TLD mechanism allowing both exclusion of registrations and automated monitoring of registrations for IP rights holders. In fact, CORE proposed as early as 2000, a “trademark-exclusion mechanism” across TLDs as part of its .nom application (the .tmx service). The current proposal for an IP Clearinghouse has the benefit of trying to implement these concepts. Our support comes with the following suggestions:

- The Globally Protected Marks List is a worthy idea that is impossible in practice. An enormous amount of time has been spent trying to devise a protection mechanism for famous trademarks, however no globally acceptable set of criteria has been agreed upon by general consensus. The criteria proposed by the IRT are as useful, but also as arbitrary and prone to endless discussion, as any alternative set
- As the IRT has experienced such difficulty in finalizing a globally-agreed GPML’s set of criteria, a simpler and equally effective standard should be established to just protect specific, e.g., opt-in, trademarks.



- As a practical matter, we urge the IRT to consider past experiences in which IP claim systems, watch systems, and registration policies interfered with each other so markedly that it made protection meaningless.
- We are unclear about whether watch services are compatible with the IP clearing house proposal and we question how compatible the IP clearing house proposal will be with similar existing services. While there may be a need for a centralized database of rights, it is less clear that there is a need for a centralized provision of (paid) services from it. We urge ICANN to consider the cost and competitive consequences of such a system. The implications of granting an array of new sole-source services to commercial versus non-commercial providers are not clear.
- We appreciate the list of other rights that may be included in the IP Clearinghouse concept and we consider that Designations of Origin must be treated for the purposes of the IRT Report in the same way as registered trademarks. While unregistered trademarks, family and personal names, shop signs or other categories might be protected in certain legal systems and might be relevant to certain new gTLDs, designations of origin are a global system with equivalent value and risks. Registration procedures for designations of origin might be different than those needed for trademarks, but all the mechanisms described in the IP Clearinghouse (and also the Uniform Rapid Suspension Procedure) should be available without question.

Uniform Rapid Suspension Mechanism.

We fully support the purpose of this mechanism and would also make the following comments.

- We don't support the automatic takedown of the domain in case of the registrant failing to (or willingly deciding not to) file an answer. The registrant might be convinced that the complaint is frivolous and irrelevant but not answering a complaint, which limits the ability to defend himself, should not be equated to a default decision against the registrant. This is not the case with the UDRP and should not be the case here.
- While the URS should be uniform, the decision should take into account the actual policies of a real TLD. Some (sponsored or community-based) TLDs accord some community-relevant naming rights above IP (trade mark) rights. This is done for justified reasons, for example, in .cat or .museum, it is a condition of registration. This should be taken into account in any URS procedure and corresponding language should be added to the current draft.

Post-Delegation Dispute Policy.

We would prefer that this policy was not needed at all. Unfortunately, ICANN has a poor track record in contract compliance. Fear about the introduction of new TLDs disadvantages those new TLD applicants who follow the rules and ensure contract compliance. Taking all this into account, we support the current proposal. The considerations contained in section 2.2.1 of the proposed draft policy provide adequate guarantees for responsible gTLD operators.

Thick WHOIS.

CORE continues to support this model. We also support a WHOIS model that allows individual registrants with no commercial purpose in the use of their domain names to opt out from having their personal contact data published. CORE will only work with new gTLD applicants with a thick WHOIS approach.

Use of string confusion algorithm.

We have already expressed our reservations about the usefulness of this mechanism. The relevant question is not similarity but confusion and this cannot be determined by an algorithm but only by human appreciation. The use of the algorithm would raise issues in cases such as .com and .co.



Conceptual construction, meaning and use are as relevant as visual similarity. For example, .coop can perfectly coexist with the Italian supermarket brand Coop. For even greater conceptual differentiation and unlikely confusion, .cat and Caterpillar's "CAT" brand can also coexist. We only hope ICANN does not spend more time and resources in this "tool" that has limited value.

ISSUE II: DEMAND/ECONOMIC ANALYSIS

On 4 March, 2009, ICANN made the following announcement on its website:

ICANN commissioned an independent third-party report and retained Dennis Carlton, who is a Professor of Economics at the University of Chicago and who, from 2006 to 2008, was the highest-ranking economist in the Antitrust Division of the U.S. Department of Justice. Professor Carlton also is a Senior Managing Director of Compass Lexecon, a prestigious economic consulting firm that specializes in competition matters..³

Professor Carlton delivered two preliminary reports to ICANN, per the February 2009 report, on the both the dynamics of the domain system in general and more specifically related to the impact of increase in gTLDs in the near future. In one report "[Preliminary Report of Dennis Carlton Regarding Impact of New gTLDs on Consumer Welfare](#)," [PDF, 160K] Professor Carlton summarized:

"I conclude that ICANN's proposed framework for introducing new TLDs is likely to improve consumer welfare by facilitating entry and creating new competition to the major gTLDs such as .com, .net, and .org. Like other actions that remove artificial restrictions on entry, the likely effect of ICANN's proposal is to increase output, lower price and increase innovation. This conclusion is based on the fundamental principles that competition promotes consumer welfare and restrictions on entry impede competition."

The second report, "[Preliminary Analysis of Dennis Carlton Regarding Price Caps for New gTLD Internet Registries](#)," is also summarised on the ICANN announcement page of 4 March, 2009:

"I conclude that price caps or ceilings on prices charged by operators of new gTLD registries are unnecessary to insure competitive benefits of the proposed process for introducing new gTLDs. I further conclude that imposing price caps on the registries for new gTLDs could inhibit the development and marketplace acceptance of new gTLDs by limiting the pricing flexibility of entrants to the provision of new registry services without generating significant benefits to registrants of the new gTLDs."

Note: The final reports of Dr. Dennis Carlton were just recently made available on the ICANN website, and can be found at <http://icann.org/en/announcements/announcement-06jun09-en.htm>.

While we support the conclusions of Dr. Carlton in the analysis commissioned by ICANN, we have additional comments which may add further nuance to these questions posed on this overarching issue.

There is demand for new top level domains.

It was suggested that there should be visible demand for the registration of individual new domain names. However, this is not the correct question to ask in the implementation stages of a new top level domain application process.

Individual interest in certain domains is much less important than the organization of the name space. For instance, the domain "champselisees.paris" has much greater value to the Paris community if all well-known local place names under .paris resolve to useful information about the respective place. The domain "architect.berlin" has greater value if the domain "hairdresser.berlin" also resolves to the neutral list of sources where the respective service is available. The domain "bankofamerica.bank" has inestimable practical value for security and consumer protection if and only if all domains under

³New gTLDs – Preliminary Reports on Competition and Pricing,
<http://www.icann.org/en/announcements/announcement-04mar09-en.htm>



.bank are strongly vetted and resolve to the only bank that can be expected to trade under that name, and if all registrants in .bank follow a strong usage policy.

All this is possible only if allocation or registration policies, and usage policies are used in the TLD so that the public can easily remember and recognize as the symbol and guarantor of those policies.

Demand should not be confused either with money paid or numbers of domains "sold". If the word "demand" is understood in the purely quantitative sense, it is as difficult to apply "demand" as a criterion for new gTLDs policies as it would be to use "demand" for babies as a criterion for family planning policies.

As soon as we recognize the qualitative dimension of demand for TLDs, we can estimate the value brought by them. The value is first and foremost practical which includes the concept of "utility" in economic theory. Innovation generally brings utility and not necessarily monetary gain. Innovation is generally also associated with what economists call "disutility" or negative effects. These must be balanced against the benefits.

External costs are an important consideration as innovation brings both utility and disutility, but the disutility affects a different group of people than those who enjoy the utility. While it is impossible to compare utility (and thus disutility) for different economic actors, it is possible for a given economic actor to choose between outcomes.

For instance, a given TLD brings the disutility of requiring a degree of attention by parties who have no direct interest in the idea. This external cost must be minimized; it is already minimal for most community-based TLDs. This cost must be balanced against the cost of not permitting the innovation.

The heaviest of all the external costs is generalized chaos. In this respect, all actors affected by new TLDs have good reason to prefer a world of policy-based use of domains to one where collective policy-making disappears.

The purpose of the Domain Name System is that they offer policy frameworks that differ from one TLD to another. Unless it is possible to introduce new TLDs, subject to the specific policies that suit the respective area, all pressure on policy-making converges on existing TLDs. But existing TLDs cannot satisfy such diverse policy-making requirements. The result is a disorderly naming system where any policy-making ability is eliminated.

One syndrome of a paralyzed name space is the replacement of "find paradigm" with the "search paradigm". Another is the keyword market, not controlled by ICANN. A very dangerous specter is the loss of mind-share of the DNS as a whole. Unless new TLDs can be introduced, public name spaces default into application-level resolution mechanisms that are controlled by individual companies and have no accountability at all any multi-stakeholder governance structure.

In other words, the external cost of a policy that prevents the introduction of new TLDs is costlier to all participants than one that enables it.

As benefits outweigh costs by orders of magnitude, we must conclude that there is a pressing need for an organized, ongoing process that enables the launch of new TLDs, accommodating policies to be defined by communities and other stakeholders. Recognizing a need to create new content and technical innovation, many parties have come forward to be part of that process. This means that we are witnessing tangible and pressing demand.

To be clear, the debate is not about whether there is demand for new TLD registrations at the second level that couldn't be satisfied with registration in existing TLDs.

The issue is whether there are needs that can only be answered through introducing new TLDs. In some cases, we are dealing with needs that have gone unanswered for a long time. For example, applicants who want to run TLDs that serve very specific communities of interest along linguistic and cultural lines. Locally focused domains make no sense under existing generic TLDs when the desire of the user is for locally relevant content and services. Closeness to certain or thematic or semantic or



linguistic intent brings new users to the DNS that expands the base of registrants not just duplicating the same base of registrants in existing TLDs.

The reverse argument is that registrants have indeed registered in generic space but that they have not populated the .com/.net/.org space with relevant content. Registrants didn't feel compelled to register the domain name until .cat was implemented which is demonstrated by new users/new content/new whatever.

In some cases applicants want to set up new businesses, creating competition at a higher level of the value chain. It is clear that there is demand by the number of potential applicants.

ISSUE III: STABILITY & SECURITY ISSUES

There are important technical issues, such as the granularity of dynamic update, which have significant impact on the authentication of identity and the integrity of transaction. These issues have been addressed in part by the SSAC. In addition there are important technical issues, such as the monitoring of caching or recursive resolvers, and detection of man-in-the-middle attacks, or generally, temporal or spatial exploits of incoherence in the apparent root zone, which have been addressed by the RSSAC.

Step-by-Step supporters are aware of these issues, and appreciate that prudent operational best practices are both defensive for the registry operator, create the greatest trust for the registrant and the non-registrant users of the name space published by the registry, and lower the cost for registrars.

Further, Step-by-Step supporters are aware that registries are interdependent in the post-Conficker period; that inter-registry communication and cooperation are mandatory-to-implement; and that "scaling" is not an academic database, data type, and algorithm proposition, or completely proved by the addition of 13 (of 21) entries into the IANA root since 2000.

ISSUE IV: MALICIOUS CONDUCT

Step-by-Step supporters are all keenly aware of these issues, however, we wish to point out the following:

- (1) the most significant factor in determining the locality of malicious conduct, at the registry level, at least temporal incoherence attacks (fast flux), is the temporal granularity of modify (not add or delete) updates to and publications of zone files, and
- (2) the most significant factor in determining the locality of malicious conduct at the registrar level, independent of the mechanism selected for attack, is the transactional cost, in cash, and in automation complexity, of malicious add (not modify or delete) registration.

Step-by-Step supporters do not seek to offer "rapid update" or "instant publication", and consistent with the .cat experience, will impose a delay (pre-validation) on registrations, and a delay (post publication) on rreset (name server, address record, etc.) modification, for at least the first two years of operation, prior to switching to post-validation. The value of this has been proved by .cat. Step-by-Step supporters are willing to accommodate legitimate load balancing requirements, e.g., content delivery networks but not temporal incoherence exploits, e.g., fast flux hosting networks.

Step-by-Step supporters are also keenly aware that a better course of action for registry operators offering registration through third-party registrars is active engagement in the "white hat" detect, remediate and prosecute communities. Furthermore, active engagement in the development of Consensus Policies governing the conduct of registrars and registries, registry brand protection (or policy enforcement), and that the sum of these areas of activity are the best means to detect, target, and, without signal, eliminate malicious actors and their conduct.



In addition, Step-by-Step supporters are aware that attacks on the fabric of the DNS, the transactional security properties and the integrity and coherence of the underlying database are a given. The IANA root, including specific registries, specific registrars and specific registrants, is equally vulnerable.

11. ICANN'S MISSION AND CORE VALUES: WHERE ARE THE GAPS AND WHAT CAN WE DO?

“ICANN is a not-for-profit corporation dedicated to coordinating the Internet's addressing system. Promoting competition and choice is one of the principles upon which ICANN was founded. In a world with 1.5 billion Internet users (and growing), diversity, choice and innovation are key. The Internet has supported huge increases in choice, innovation and the competition of ideas and expanding new gTLDs is an opportunity for more.”⁴

Step-by-Step supporters are among those 1.5 billion users who want their own cyber space through which they can communicate in their own languages, develop their own content and implement new business ideas beyond the existing top level domain name registries.

The Step-by-Step proposals are consistent with ICANN's Core Values. The most important elements of ICANN's core values confirm the Step-by-Step supporter's contention that it is possible to open a window of opportunity for applicants to submit straightforward Internet extensions.

In performing its mission, the following core values should guide the decisions and actions of ICANN:⁵

1. *Preserving and enhancing the operational stability, reliability, security, and global interoperability of the Internet.*

There are no technical impediments to expanding the domain name space. This has been proven by the introduction of .aero, .asia, .cat, .coop, .info, .jobs, .mobi, .museum, .name, .pro, .tel and .travel.

2. *Respecting the creativity, innovation, and flow of information made possible by the Internet by limiting ICANN's activities to those matters within ICANN's mission requiring or significantly benefiting from global coordination.*

Opening an early window for ready applicants would unleash another round of creativity, innovation and information flow. Whilst we can only speak in detail for the Step-by-Step supporters, it is common knowledge that there is interest in addressing the music, movie, sex, publishing, motoring, banking and networking sectors to name a few. Not surprisingly many potential applicants are holding on tightly to their new ideas precisely because of the way in which the current application round is structured as a big-bang solution.

3. *Seeking and supporting broad, informed participation reflecting the functional, geographic, and cultural diversity of the Internet at all levels of policy development and decision-making.*

This is been a consistent theme throughout the policy development process as evident for the wide range of participants in the process, the involvement of the GAC, and the numbers of new stakeholders. What is missing is the ACTION on opening a new application window that will enable the practical realization of so much promise. The development of a fast track for internationalized domain names for country code is more evidence of the attractiveness of enabling geographically, culturally relevant content to be expressed in languages other than English.

4. *Where feasible and appropriate, depending on market mechanisms to promote and sustain a competitive environment.*

⁴ <http://www.icann.org/en/announcements/announcement-07may09-en.htm>.

⁵ <http://www.icann.org/en/general/bylaws.htm#I>



Our arguments about demand for new TLDs, competition and opportunities for self-expression are set out in the following sections. We commend the findings of the Compass Lexecon study and support its findings that “ICANN’s proposed framework for introducing new TLDs is likely to improve consumer welfare by facilitating entry and creating competition to the major gTLDs such as .com, .net and .org. Like other actions that remove restrictions on entry, the likely effect of ICANN’s proposal is to increase output, lower price and increase innovation.”⁶ However, as in most situations where there is some market impacts, timing is crucial. The opportunity to remove restrictions to entry is only one part of the puzzle and we address other elements about demand and consumer welfare in the following sections.

5. Introducing and promoting competition in the registration of domain names where practicable and beneficial in the public interest.

We believe that in some analysis of the demand for new top level domains there is confusion about what demand is and where it fits in this process. We have set out the Step-by-Step arguments about demand in the sections above.

6. Employing open and transparent policy development mechanisms that (i) promote well-informed decisions based on expert advice, and (ii) ensure that those entities most affected can assist in the policy development process.

The volume of consultation needs no repetition. This is particularly true in the “Overarching Issues” discussion which the Step-by-Step team support and address in our proposed solutions.

7. Making decisions by applying documented policies neutrally and objectively, with integrity and fairness.

The decision to introduce new top level domains was made in 2000, again in 2003 and once again with respect to the implementation latest policy development process.

8. Acting with a speed that is responsive to the needs of the Internet while, as part of the decision-making process, obtaining informed input from those entities most affected.

It is clear from the positions of the Step-by-Step supporters that ICANN hasn’t acted quickly enough in opening up a new application window. It has been held up by the introduction of the “overarching issues” stream which we address here. Any further delays could sound a death knell for some applicants who can no longer justify to their investors and supporters (many of whom are volunteers) that a new application window will open within a reasonable time.

9. Remaining accountable to the Internet community through mechanisms that enhance ICANN’s effectiveness.

Step-by-Step supporters recognize that ICANN needs to be responsive to a diverse array of stakeholders. ICANN’s effectiveness is also bound up in doing what it says it is going to do when it says it’s going to do. Stakeholders make important plans based on those promises and predictions. Failure to meet deadlines, over long periods of time, unfairly prejudices a significant sector of the stakeholder community concerned with the “openness, change and innovation” that will take the global Internet to the next level of development.

⁶ <http://www.icann.org/en/topics/new-gtld-program.htm>