



ICANN

New gTLD Benchmarking of Registry Operations - CBUC Position Statement -




**Commercial & Business
Users Constituency
GNSO//CSG//CBUC**











Status: Final
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Position Statement Summary:

The CBUC would like to thank ICANN for initiating this study with respect to the gTLD expansion and we acknowledge the validity and thoroughness of the KPMG approach. Presentation of the Registry Operations data provides valuable insight across the defined operational components. The results of this study begin to provide a foundation of benchmark Registry operations where an image of scope can begin to emerge. The CBUC supports this approach and believe it will be a useful tool for ICANN to further promote stability, security, and competition with the new gTLDs. This baseline will also be valuable to prospective applicants who wish to be better educated on the requirements of TLD operations thereby increasing chances for success. The CBUC looks forward to future mature reporting built upon this initial framework and a defined structure that evolves with the market expansion. Lastly with reference to Applicability, the CBUC is eager to understand how the results of study will be used by ICANN's Evaluation team (including DAGv4) and how it may influence the application process and information to be provided.





More details of the CBUC position reside in the next section, and below you will find a summary of our support across the defined operational categories as defined in the KPMG study.







Agree	
Agree & Offer Suggestion	
Disagree & Offer Suggestion	

Report Category	CBUC Rating
Registry Population	
Survey Demographics	
Registry Growth	
Staffing Models & Cost	
Operating Costs	
Technical & Network Architecture	
Reserves	
Capital Expenditure	
Continuity Planning	
Other	

Position Statement Details:

The Commercial & Business Users Constituency (CBUC) maintains the following position relating to the published new gTLD Benchmarking of Registry Operations study.

Report Category	CBUC Rating	CBUC Comment
Registry Population		<p>CBUC agrees with the SMALL and LARGE delineation but perhaps the study would benefit to have <u>small, medium, and large categories</u> defined.</p> <p>The CBUC would also like to make note that this study does not take in to account for “dot_Brand” or “Single-Registrant” gTLDs. Operating models for type of gTLD may vary greatly from more typical models. CBUC understands that policy and Applicant Guidebook considerations are work in progress and that perhaps this gTLD type was relatively unknown at the time of this study.</p>
Survey Demographics		<ul style="list-style-type: none"> • The CBUC would prefer to have seen more participants for this study and do take caution with the influence of ccTLD data in this study, as they tend to operate differently and under different contractual obligations than gTLDs. • Will the inclusion ccTLD data in this study be a valid barometer for new gTLDs? • Study mentions ccTLDs were chosen at random. Perhaps, ccTLDs that mimic a gTLD should be chosen • CBUC does take notice to the how the Demographics (4) slide reinforces the notion that smaller Registries do outsource greater critical elements of their operations. The view through this lens should always be considered with future decisions of gTLD expansion. • The outsourcing of compliance within Registries should be further investigated by ICANN to understand any risks or exposures.
Registry Growth		<p>Given the rough number of possible applicants at 500, these types of metrics do provoke the notion of TLDs that could possibly fail. At what point in the operations cycle would they tend to fail? Has ICANN and community adequately addressed a failing Registry?</p>
Staffing Models & Cost		No Comments

Report Category	CBUC Rating	CBUC Comment
Operating Costs		<ul style="list-style-type: none"> • Would DNSSEC Costs be a greater % allocation for all new TLDs, as this will be a base requirement for the new TLD? • CBUC takes interest to the stat that roughly \$1 million in operating cost can be expected for a “small” Ry (3) ccTLD data influences these charts; take away though is that 50% of gTLD underestimated initial cost projections. What can be done to educate applicants?
Technical & Network Architecture		The CBUC agrees with the initial form of reporting, but would prefer to see more precise delineation between SMALL and LARGE Registries.
Reserves		Could a recommendation of two years operating capital be a favorable requirement?
Capital Expenditure		The CBUC takes notice that roughly \$750K is a minimum startup projection that can only leverage a strategy of outsourcing. This is the cheapest approach and could possibly be the least path of resistance. Therefore, all policy decisions made should be mindful of this use case.
Continuity Planning		The CBUC would prefer to see near 100% adoption across all aspects of continuity planning.
Other		No Comments