

ICANN BOARD PAPER No. 2024.06.28.1a

TITLE: Approval of the Registry Service Provider (RSP) Evaluation Handbook and RSP Evaluation Fee
PROPOSED ACTION: For Board Consideration and Approval

EXECUTIVE SUMMARY:

Registry Service Providers (RSPs) provide critical services for the Internet. In light of ICANN's mission to ensure the stable and secure operation of the Internet's unique identifier systems, the main objective of the RSP Evaluation Program (RSP Program) is to verify that potential RSPs have the technical capacity to operate those services according to the requirements of the Registry Agreement. Registry service providers deliver critical functions on behalf of the registry operator such as:

- Domain Name System
- Extensible Provisioning Protocol
- Registration Data Access Protocol
- DNS Security Extensions

The RSP Evaluation Program is part of ICANN's New Generic Top-Level Domains (gTLD) Program: Next Round. The program is intended to streamline the application process by reducing the cost and time involved in evaluating new gTLDs by separating the assessment of the technical aspects of operating a gTLD from the application for the gTLD label.

In addition to technical evaluation, the RSP Program streamlines additional Registry Services evaluation, including the review of IDN tables used by registries for second-level IDN registrations. RSPs will only be evaluated once regardless of the number of gTLDs to which they provide service. This is in contrast to the 2012 new gTLD application round, where technical evaluation was carried out on a per-application basis.

To encourage optimum use of the program, RSP applicants may choose to be evaluated either before and during the application process for new gTLDs.

The Board is being asked to approve the Registry Services Provider (RSP) Handbook version 1.2 and the RSP Evaluation fee as described below.

The RSP Handbook describes to potential RSP applicants the processes and criteria for successful evaluation in the RSP Evaluation Program. The RSP Evaluation Program implements the policy recommendations under Topic 6: Registry Service Provider Pre-Evaluation of the Final Report on the New gTLD [Subsequent Procedures Policy Development Process](#).

Development of the RSP Handbook was used as the mechanism by the Subsequent Procedures Implementation Review Team (IRT) to provide feedback to ICANN org with regard to the implementation of the RSP Evaluation Program. Draft copies of the RSP Handbook were distributed to the IRT, two sessions were held with the RSP Subtrack of the IRT, and six sessions were held with the full IRT.

A public comment period was held between 19 March 2024 and 22 April 2024. In total, 7 comments were received, with all indicating yes to the question: “Does the RSP Evaluation Program, as described in the draft RSP Handbook, meet the intent of the policy recommendations of Topic 6: Registry Service Provider PreEvaluation of the SubPro PDP Final Report?” [The Summary Report](#) of the public comments was published on 17 May 2024.

The RSP Evaluation fee is \$92,000 USD with a potential refund under certain conditions as outlined in the following URL: <https://newgtldprogram.icann.org/en/application-rounds/round2/rsp/handbook> and shown below.

At the conclusion of the RSP Pre-Evaluation period, the RSP fee will be adjusted to reflect the actual number of RSP applicants at that time based on the RSP fee schedule below. Should the number of RSP applicants warrant a fee reduction, RSP applicants will be refunded the difference as outlined in the table

RSP Fee Schedule	
Number of RSP Applicants	RSP fee
0 - 49	USD \$92,000
50 - 59	USD \$77,000
60 and above	USD \$68,500

Per recommendation 6.8 of the [GNSO Final Report on the new gTLD Subsequent Procedures Policy Development Procedure](#), the RSP Evaluation Program must be funded on a cost-recovery basis by those seeking evaluation. ICANN estimates that the total cost of the RSP Evaluation Program will be approximately USD \$4.1 million. This consists of:

Item	Cost
Design and Implementation	2.0M
Total Evaluation Cost	1.3M
Contingency (10%)	0.3M
Shared Services (15%)	0.5M
Total	4.1M

Below are descriptions of the various activities that form each of these elements to make up the total cost:

- **Design and implementation** refers to the design and development of an RSP application system that uses best software development practices and the design of business processes to accommodate a new entity (an RSP) in the gTLD evaluation process. As part of the implementation: (1) new technical criteria have been developed to make it easier for applicants to understand what is being asked; (2) processes for the evaluation and approval of registry services and IDN tables have been established; and (3) technical tests using the Registry System Testing (RST) 2.0 service are being incorporated.
- **Evaluation costs** include the cost of technical, registry services, and IDN table evaluations. This cost includes supporting RSP applicants throughout their journey in the RSP program, which, based on operational experience, it's estimated to require a considerable amount of staff hours. ICANN org has estimated the potential number of registry services and IDN tables that would be evaluated as the program does not establish a limit for the number of registry services and IDN tables that RSP applicants may submit.
- **Contingency** is an estimate or an assumption of unknown and hard to predict costs. Examples of the set costs are vendor pricing and unforeseen circumstances that may arise.
- **Shared services** include ICANN org's ongoing internal services that support all programs but which are not directly attributable to a specific program or project. These services provide the infrastructure and support that any organization would require to run a business.

Currently, there are 34 gTLD main RSPs and 10 DNS RSPs in the marketplace – for a total of 44. For the purposes of establishing the fee, ICANN org has estimated that 40 of those RSPs

will apply during the pre-evaluation phase. While we anticipate that new RSPs may join the program, we have no guarantees that they will.

ICANN ORG RECOMMENDATION:

ICANN org staff recommends the Board approve the RSP Handbook and RSP Evaluation Fee with the Proposed Resolution below.

PROPOSED RESOLUTION:

Whereas, the ICANN Board [directed ICANN org](#) to make preparations for the New gTLD Program: Next Round at the ICANN76 Community Forum.

Whereas, the ICANN Board [acknowledged](#) receipt of the plan for preparations of New gTLD Program: Next Round and directed ICANN org to provide the Board with periodic updates on its progress of implementation of this program.

Whereas, the Subsequent Procedures Implementation Review Team (SubPro IRT) was formed to assist ICANN org in the implementation of [Final Report in the new gTLD Subsequent Procedures Policy Development Process](#).

Whereas, the Registry Service Provider (RSP) Evaluation Program is an implementation of Topic 6 of the Subsequent Procedures Policy.

Whereas, ICANN org affirms that the RSP Handbook describes the RSP Evaluation Program.

Whereas, the SubPro IRT has reviewed the RSP Handbook.

Whereas, a public comment proceedings was held between between 19 March 2024 and 22 April 2024 for the express purpose of soliciting feedback on the RSP Handbook, and all participants of the proceeding affirmed the RSP Evaluation Program as described by the RSP Handbook meets the intent of the Subsequent Procedures Policy.

Resolved (2024.06.28.xx), the ICANN Board approves the implementation of the RSP Evaluation Program as described by the RSP Handbook version 1.2 available in the following URL: <https://newgtldprogram.icann.org/sites/default/files/documents/rsp-handbook-03jun24-en.pdf> and directs the Interim President and CEO, or her designee(s), to publish the RSP Handbook and update it as appropriate in accordance with the framework described within it.

Resolved (2024.06.28.xx), the ICANN Board of Directors approves an RSP Evaluation fee of \$92,000.00 USD with a potential refund under the conditions outlined in the rationale to this resolution

PROPOSED RATIONALE:

Why is the Board addressing this issue?

The Applicant Guidebook for the 2012 round of new gTLDs was [explicitly approved](#) by the ICANN Board. Unlike the 2012 round, the New gTLD Program: Next Round has three programs, each requiring a separate handbook/guidebook to establish the rules and procedures for applicants applying to those programs. Today, the Board is approving the RSP Handbook so that ICANN org can take the next steps to launch the RSP Evaluation Program. In addition, the Board is also approving the evaluation fee for the RSP Evaluation Program.

What is the proposal being considered?

The proposal being considered is the affirmation of the RSP Handbook and the RSP Evaluation Program following the review by the ICANN community through consultation with the Subsequent Procedures Implementation Review Team (SubPro IRT) and a public comment proceeding.

Additionally, this proposal sets the RSP Evaluation fee of \$92,000.00 USD with a potential refund under certain conditions as outlined below:

At the conclusion of the RSP Pre-Evaluation period, the RSP fee will be adjusted to reflect the actual number of RSP applicants at that time based on the RSP fee schedule below. Should the number of RSP applicants warrant a fee reduction, RSP applicants will be refunded the difference as outlined in the table

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What concerns or issues were raised by the community?

Overall, the community provided positive feedback regarding the RSP Handbook. Many suggestions from both the SubPro IRT and the public comments were incorporated, including changes to processes beneficial to applicants with difficulties not common in the United States and Europe.

Some in the community have raised concerns regarding the eligibility criteria for applicants in the New gTLD Program: Next Round. These concerns have two areas of focus:

1. ICANN org has not provided the eligibility criteria within a reasonable timeframe that applicants may self-evaluate their own eligibility before the opening of the RSP Evaluation Program.
2. The eligibility criteria may not account for organizations and individuals with less-than-usual circumstances as might be found under the jurisdictions of many global economies.

Many in the community have raised concerns with the RSP Evaluation fee, specifically that it is too high for those in the Global South.

Per recommendation 6.8 of the [GNSO Final Report on the new gTLD Subsequent Procedures Policy Development Procedure](#), the RSP Evaluation Program must be funded on a cost-recovery basis by those seeking evaluation. ICANN estimates that the total cost of the RSP Evaluation Program is approximately USD \$4.1 million. The ICANN Board has confirmed with ICANN org that it has made all efforts to undertake this work as efficiently as possible. This consists of:

Item	Cost
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What other factors did the Board consider?

The RSP Program plans to open application submissions for the RSP Pre-Evaluation period on 19 November 2024. Material changes to the RSP Handbook and/or the RSP Evaluation Program may require a delay in the opening of this period, which could in turn impact the opening of the gTLD application period. Additionally, material changes may require some re-implementation to systems that have been developed for the RSP Evaluation Program, increasing the cost of the program and potentially impacting the RSP Evaluation fee.

What significant materials did the Board review?

To help facilitate the Board's action on the RSP Handbook and Evaluation fee, the Board considered the following materials to be significant:

- [The Final Report of the Subsequent Procedures Policy Development Process](#)

- [Public Comments](#) on the Draft RSP Handbook
- [The Summary Report](#) of the RSP Handbook Public Comment Proceedings
- [The RSP Handbook version 1.2](#)
- The RSP Evaluation fee described in <https://newgtldprogram.icann.org/en/application-rounds/round2/rsp/handbook>

Are there positive or negative community impacts?

Approving the RSP Handbook and Evaluation fee allows potential RSP applicants to study the evaluation criteria and start working on their application in advance of the RSP application window.

Are there fiscal impacts or ramifications on ICANN (strategic plan, operating plan, budget), the community, and/or the public?

The RSP Program is part of the New gTLD Program: Next round, for which ICANN has allocated the necessary budget. It should also be noted that per policy recommendation 6.8, the RSP Program is to be set on a cost-recovery basis.

Are there any security, stability or resiliency issues relating to the DNS?

RSPs provide critical services for the Internet, including DNS and DNSSEC. The RSP Program is expected to directly and positively impact the security, stability, or resilience of the DNS, as its main objective is to verify that potential RSPs have the technical capacity to operate those services according to the requirements of the Registry Agreement.

Is this decision in the public interest and within ICANN's mission?

This decision supports both the public interest and ICANN's mission as it furthers the implementation of the New gTLD Program: Next round. Also, the RSP Evaluation Program is part of the overall expansion of the gTLD namespace through the New gTLD Program, which is consistent with ICANN's role, as defined in the [Bylaws](#), to coordinate the development and implementation of policies relating to "the allocation and assignment of names in the root zone of the Domain Name System ("DNS")" and promote competition in the DNS marketplace.

Is this either a defined policy process within ICANN's Supporting Organizations or ICANN's Organizational Administrative Function decision requiring public comment or not requiring public comment?

A public comment period on the RSP Handbook was held between 19 March 2024 and 22 April 2024. In total, 7 comments were received, with all indicating yes to the question: "Does the RSP Evaluation Program, as described in the draft RSP Handbook, meet the intent of the policy recommendations of Topic 6: Registry Service Provider PreEvaluation of the SubPro PDP Final

Report?”. It should also be noted that the policy recommendations and implementation guidance upon which the RSP Evaluation Program is based, was the subject of public comment as part of the New gTLD Subsequent Procedures Policy Development Process:

<https://gnso.icann.org/en/group-activities/active/new-gtld-subsequent-procedures>.