

## Response to Documentary Information Disclosure Policy Request

To: Michael Palage

Date: 30 October 2014

Re: Request No. 20140930-1

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Thank you for your Request for Information dated 30 September 2014 (the "Request"), which was submitted through the Internet Corporation for Assigned Names and Numbers' ("ICANN's") Documentary Information Disclosure Policy ("DIDP"). For reference, a copy of your Request is attached to the email forwarding this Response.

### **Items Requested:**

In summary, your Request seeks the following:

1. Could ICANN please provide documentation regarding detailed historical accounting of application fees/contributions billed/received by ICANN in connection with IDN ccTLD applications, as well as any specific costs incurred by ICANN in connection with this program?
2. Could ICANN explain and/or provide documentation on why it reports ccTLD IDN revenue on a quarterly basis but NOT on an annual basis?
3. Could ICANN also provide any documentation regarding any fees/contributions that ICANN has billed/received in connection with ongoing services provided in connection with these IDN ccTLDs on an annual basis, as well as the specific costs incurred by ICANN in connection with this program.
4. In connection with previous invoices/voluntary contribution amounts sent by ICANN to IDN ccTLD operators, has ICANN written off any of these amounts. If so could ICANN please provide these documents?
5. In the 2015 Operating Plan and Budget (page 7) it states: "ccTLD: FY14 includes some FY13 contributions collected in FY14. Excluding those, the ccTLD contributions grow as a result of the ccNSO contribution guidelines updated in November 2013" However, on the ICANN 2014 Financial Page, ICANN has not updated/provided any breakdown of ccTLD contribution, see <https://www.icann.org/resources/pages/fiscal-2014-09-15-en> Could ICANN please provide this documentation.

## **Response:**

Applications for the IDN ccTLD Fast Track program could be submitted starting in late 2009, and the first IDN ccTLDs under the Fast Track program were delegated in 2010. As part of the development of the IDN ccTLD Fast Track Program, ICANN produced a historic cost analysis for the IDN ccTLD Fast Track Program, available at <https://www.icann.org/en/system/files/files/analysis-idn-ccTLD-development-processing-costs-04jun09-en.pdf>. There have not been internal updates to this cost analysis since it was released. A detailed overview of costs to process an application within the Fast Track Program is also included at Page 57 of the Fast Track Implementation Plan, at <https://www.icann.org/en/system/files/files/idn-ccTLD-implementation-plan-05nov13-en.pdf>. ICANN recently developed an additional panel within the Fast Track Program, the Extended Process Similarity Review Panel (see <https://www.icann.org/en/resources/idn/fast-track/epsrp-guidelines-04dec13-en.pdf>) and is assessing how the additional costs associated with this new panel will be reported as part of the work of ICANN's broader IDN Program (part of the Global Domains Division.) The IDN Program is responsible not only for the operation of the Fast Track Program, but also the IDN Variant Program and support for IDNs across all TLDs.

Part of ICANN's process since the launch of the Fast Track Program is to invoice the applicants for IDN ccTLDs as they complete the String Evaluation phase of the Program. Applicants are invoiced in the amount of US\$26,000. The fee is noted as "pre-arranged, recommended fee," and if applicants are unable to pay the fee, the applicant may contact ICANN to state the reason for the inability to pay the fee. (See page 42 of the Fast Track Implementation plan at <https://www.icann.org/en/system/files/files/idn-ccTLD-implementation-plan-05nov13-en.pdf>.) A model of an email transmitting an invoice to an applicant and a model invoice are provided in response to this Request. To the extent that applicants have identified to ICANN that they are unable to pay the application fee, these types of communications with applicants under the Fast Track Program are limited to the applicant only, in line with other communications regarding the Fast Track Program applications. To date, ICANN has only reported aggregated amounts for this type of invoicing and receipt of payments, and the following Defined Conditions for Nondisclosure apply to ICANN providing further detail as to specific applicants that have paid or not paid the application fee:

- Information provided to ICANN by a party that, if disclosed, would or would be likely to materially prejudice the commercial interests, financial interests, and/or competitive position of such party or was provided to ICANN pursuant to a nondisclosure agreement or nondisclosure provision within an agreement.
- Confidential business information and/or internal policies and procedures.

- Trade secrets and commercial and financial information not publicly disclosed by ICANN.

The Fast Track Implementation Plan also identifies a recommended annual contribution to ICANN's cost of operations based upon a percentage of registration fees within the IDN ccTLD. Recently, in November 2013, the ccNSO approved the Guideline for Voluntary Contributions of ccTLDs to ICANN (<http://ccnso.icann.org/about/guidelines-cctld-contributions-27nov13-en.pdf>) which now serves as the recommended guideline for contributions across both ASCII and IDN ccTLDs. When identifying annual contributions where a ccTLD operator has both an ASCII and an IDN ccTLD, ICANN has typically not separated out the annual contributions on a per-ccTLD basis. ICANN's Exchange of Letters with the Telecommunications Regulatory Authority of the United Arab Emirates (<https://www.icann.org/en/system/files/files/ae-icann-letters-10oct11-en.pdf>) is an example of a single registry operator for both an ASCII and an IDN ccTLD committing to a single voluntary contribution amount. The ccTLD Contribution Reports that are produced annually are where these contributions are detailed, and ICANN will be producing an FY2014 ccTLD Contribution Report shortly for posting at <https://www.icann.org/resources/pages/fiscal-2014-09-15-en>.

The individual invoices that are submitted to any ccTLD operator regarding an annual contribution to ICANN, as well as the disposition of those individual invoices within ICANN's finance department, are not appropriate for publication under the following Defined Conditions for Nondisclosure:

- Information provided to ICANN by a party that, if disclosed, would or would be likely to materially prejudice the commercial interests, financial interests, and/or competitive position of such party or was provided to ICANN pursuant to a nondisclosure agreement or nondisclosure provision within an agreement.
- Confidential business information and/or internal policies and procedures.
- Trade secrets and commercial and financial information not publicly disclosed by ICANN.

In terms of ongoing services to IDN ccTLDs that are delegated pursuant to the Fast Track Program, these services are identical to the services provided to the ccTLD community in general, and were considered as part of the development of the Guideline for Voluntary Contributions of ccTLDs to ICANN. The value proposition relating to the development of the Guidelines is available at <https://buenosaires48.icann.org/en/schedule/tue-ccnso-members/presentation-cctld-contributions-guideline-19nov13-en.pdf>.

There are no documents available addressing the differential between the reporting on IDN ccTLD revenue in the quarterly reports as opposed to the annual financial reports. This is a matter of formatting and not the result of an affirmative documented decision.

### **About DIDP**

ICANN's DIDP is limited to requests for information already in existence within ICANN that is not publicly available. In addition, the DIDP sets forth Defined Conditions of Nondisclosure. To review a copy of the DIDP, please see <https://www.icann.org/resources/pages/didp-2012-02-25-en>. ICANN makes every effort to be as responsive as possible to the entirety of your Request.

We hope this information is helpful. If you have any further inquiries, please forward them to [didp@icann.org](mailto:didp@icann.org).

## ICANN

IDN ccTLD Fast Track String Evaluation Request System

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(Staff)

Thank you for participating in ICANN's IDN ccTLD Fast Track Process. As set forth in the request materials, there are two separate pre-arranged and expected payments to ICANN as it relates to the IDN ccTLD Fast Track. The first, as stated in the Final Implementation Plan, is the expected payment of a "pre-arranged, recommended fee for the processing of a request in the String Evaluation Stage" (Processing Fee). The second is an annual contribution to ICANN's cost of operations in the amount of a percentage of the revenue from the registrations in the selected TLD. The request for annual contribution will not be made until after the requested string is delegated.

**Processing Fee:**

According to the Final Implementation Plan as adopted by the ICANN Board of Directors at its meeting in Seoul (<http://www.icann.org/en/topics/idn/fast-track/idn-ccTLD-implementation-plan-16nov09-en.pdf>), upon receipt of the IDN ccTLD request, payment of a "pre-arranged and recommended revenue-neutral IDN ccTLD evaluation processing fee of USD 26,000" is expected, to reflect the costs ICANN incurs in processing and evaluating the requested string. Please note the Processing Fee does not include costs relating to the processing of future delegation requests. ICANN does not expect or impose fees for the processing of delegation requests.

As set forth in the Implementation Plan, attached is an invoice for the Processing Fee. The Processing Fee may be paid either in US dollars or in currency local to your country or territory. For information on submitting payments to ICANN, please refer to the following webpage: <http://www.icann.org/en/about/financials/payments>. (The requirement on that page to pay in US Currency is excepted for the IDN ccTLD Fast Track.) Please note that the requirement for transactions to be made in US currency does not apply to the IDN ccTLD Fast Track Processing Fee, however ICANN can only accept payment in currencies other than US dollars if made by wire transfer. If you elect to send a check to ICANN, ICANN recommends that you use a shipping service that can track packages.

After you have reviewed the invoice, ICANN requests that you provide us, by reply to this email to [idnccTLDrequest@icann.org](mailto:idnccTLDrequest@icann.org), with the following information for ease of tracking your payment of the Processing Fee:

- Payor/Paying Entity Name (if the entity paying the contribution is not the applicant, also identify the applicant);
- Type of Payment (wire, check, credit card, etc.);
- Date of Payment;
- Amount and Currency of Payment; and a
- Copy of Wire Confirmation Form, if applicable.

If you require additional information to be included on the invoice, please reply to this email and indicate what else ICANN can provide you with.

ICANN requests that the pre-arranged and expected Processing Fee be paid to ICANN within 30 (thirty) days of the date of this letter. ICANN will

provide you with confirmation upon receipt of the funds.

**Annual Contribution:**

The Final Implementation Plan also sets forth "a pre-arranged, recommended annual cost contribution to ICANN's cost of operations in the amount of 1% - 3% . . . of the revenue from the registrations of domain names within the selected TLD." As stated above, the request for annual contribution will not be made until after the requested string is delegated.

**Contacting ICANN:**

If you have any questions with regard to these procedures, please reply directly to this email and ensure that the subject line of the email stays intact so that our system can capture your reply. More information on the Processing Fee and annual contribution is also available at Module 8 of the Final Implementation Plan.

Sincerely,

IDN ccTLD Fast Track Team  
ICANN

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# Invoice

**Internet Corporation for  
Assigned Names and Numbers**

12025 Waterfront Drive  
Suite 300  
Los Angeles, CA 90094-2536  
USA

Voice : 1-310-301-5800  
Fax : 1-310-823-8649

**BILL TO**

Invoice Number	Invoice Date	Due Date	Customer PO No.
Customer Number	Description		
	A-label:		

Description	Amount
<b>Appl. Fee-IDN Fast Track</b>	<b>26,000.00</b>
<b>Invoice Total</b>	<b>\$26,000.00</b>

Please remit the total due shown above, denominated in United States currency, to the Internet Corporation for Assigned Names and Numbers (ICANN) at the address given above.

The fee is payable by check, money order, credit card (for invoices up to \$20,000) or wire transfer/ACH. Information on payment by credit card can be found at <http://www.icann.org/financials/payments.htm>.

Information for **wire transfers** to ICANN account:

Account number: 280040504  
U.S. Routing number: 021001088  
International SWIFT Account: MRMDUS33  
Branch address: HSBC BANK  
TORRANCE, CA 90503, USA

Information for **ACH transfers** to ICANN account:

Account number: 280040504  
U.S. Routing number: 122240861  
Branch address: HSBC BANK  
TORRANCE, CA 90503, USA

When making payment by wire or ACH transfer, please send an e-mail to [accounting@icann.org](mailto:accounting@icann.org) with the customer detail and transfer banking information.

\*Payments shall be applied to the invoices referenced in the payment detail, or if there is no reference, payments shall be applied to the invoices that the payments add up to evenly. If neither is applicable, payments shall be applied in order of the due date, starting with the oldest outstanding invoice.

### Customer Account Aging Including Current Invoice

Total	Current	1-30 Days past due	31-60 Days past due	61-90 Days past due	Over 91 Days past due
\$ 26,000.00	\$ 26,000.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00