



New gTLDs: Vertical Integration

26 June 2009

Starting Position

- The current registry agreements prohibit a registry from acquiring more than 15% of a registrar (directly or indirectly)
- The new gTLD environment will present a number of ways (contractual and structural) in which registries and registrars might work together
- The status quo wording in the registry agreements does not address these new combinations, hence change is the only option

Consultations and Communications

- CRA report analysed the marketplace and recommended limited lifting of cross-ownership restrictions
- Face-to-face discussions were held to develop possible models for limited integration
- Key players commented on those models during the new gTLD comment periods and in public letters
- A discussion led by highly regarded, independent economists provided background and proposed ways to determine whether there should be restrictions

Approach to Recommendations

- The session in Sydney indicated that the requirement for restrictions should be based upon the answers to questions about the market structure
- The results of the CRA study, the public comment and these last sessions will be synthesized to clearly identify the remaining questions and write clear statements of the issues
- Additional sessions with the same independent experts or others will be arranged for staff, ICANN Board and community to develop answers and a model in time for the meeting in Seoul