Preliminary Feasibility Study for the Establishment of the Domain Name Registry for the “.arab” and “عربي” gTLDs

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The Global Scene

- As part of its principles, the Internet Corporation for Assigned Names and Numbers (ICANN) promotes competition in the marketplace of domain names while ensuring stability in the Internet addressing scheme system;
- Till this date, and although the number of gTLDs has increased, it is still limited to 21 names;
- With the growing number of 1.7 billion Internet users, this limitation is quite constrictive;
- In June of 2008, the board of ICANN approved the introduction of new gTLD names into the Internet root;
- The expansion is expected to allow for more innovation, choice and change to ensure the continued success of this global network.

The Regional Context

- The idea for a gTLD that is representative of the Arab region has been in deliberation for several years;
- At the first meeting of the Arab Working Group on Domain Names and Internet Issues (AWGDNII) held in Jan. 2005, the importance of reserving a “.arab” gTLD was stressed;
- “.arab” is perceived as a depiction of the Arab culture, community and identity; the benefits it will bring will have implication on technological and scientific development;
- Thus, in their meeting of July of 2008, AWGDNII decided to proceed with the necessary steps to apply for the domain name “.arab” as a new gTLD;
- “.arab” is coupled to acquiring its IDN equivalent in Arabic script “.عربي”;
- Representing the Arab identity is one of the major reason for acquiring “.arab” through regional concerted efforts.
The Role of ESCWA

- In 2003 and with the global move towards IDNs, UN-ESCWA revived and led efforts to develop an Arabic Domain Name System (ADNS), with the aim to increase Internet use amongst all strata of the Arabic-speaking communities;
- Towards this end, UN-ESCWA launched in 2007 a project on “Promotion of the Arabic Domain Name System”, which has thus far focused on standardization efforts for the use of Arabic script in domain names.
- The activities for a “.arab” TLD are coupled to this project and allocated their own track.
- Accordingly, towards the end of 2008 and beginning of 2009, ESCWA developed its Preliminary Feasibly Study for the Establishment of the Domain Name Registry for the “.arab” and “.عربي” gTLDs.

Findings of the Pre-Feasibility Study
Findings of the Pre-Feasibility Study

- The “.arab” Registry
- Advantages of the “.arab” String
- The Registry’s Initial Scope of Activity
- Core Governance Structure
- Market Analysis
- Financial Estimates
- Proposed Implementation Scenarios
- Scenario Selection
- Future Milestones
- In Progress

The “.arab” Registry

- The main objective of the “.arab” Registry is to promote and operate a regional Internet namespace that has global recognition and caters to the needs of the community in the Arab region as well as Arabs worldwide.
- It will provide overall policy guidance for the use of the “.arab” and “عربي” gTLD and ensure that it is implemented in the interest of the user community and consistently with ICANN’s policies, agreements and contracts signed with the partners;
- It will promote the use of the Arabic language on the internet, by providing the Arab community with effective means to communicate with each other as well as other users of the internet using their own brand names, trademarks and proprietary TLDs;
- It will build on the experiences of other regional registries, such as:
  - EURid which manages .eu TLD;
  - DotAsia Organization.
Advantages of the “.arab” String

- Not confusingly similar to an existing TLD or reserved name
- Not infringing generally accepted and internationally recognized principles of law
- Not causing any technical instability
- Not a reserved word

_.ARAB is a meaningful word, not an abbreviation_

The Registry’s Initial Scope of Activity

- Organize, administer and manage the “.arab” and “.عربي” gTLDs in the general interest and on the basis of principles of quality, efficiency, reliability and accessibility;
- Register domain names in both gTLDs through accredited registrars;
- Impose fees directly related to costs incurred;
- Implement the extra-judicial dispute resolution policy;
- Adopt procedures for registrar accreditation and ensure effective and fair conditions of competition among these registrars;
- Ensure the integrity of the databases of domain names and make domain names available from a technical and operational point of view.
Core Governance Structure

- The core governance structure of the “.arab” Registry will have three core components: a board, an executive core and a technical core.
- Management and/or operational functions may be outsourced or undertaken internally.

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  Supervisory & Oversight Functions

  The Registry

  Management Functions

  Operational Functions

  Services & database management
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Market Analysis

- The target markets for “.arab” will include: government agencies, tourism/travel, business, transportation and shipping, real estate, telecom, oil & gas, sales, education, and R&D;
- Once obtained, the “.arab” gTLD will face competition from other existing gTLDs such as .com, .net, .org and other new gTLDs approved by ICANN;
- It will also face competition from ccTLDs;
- Success factors will cover:
  - The concept;
  - The distribution channel;
  - The technology;
  - The marketing including the price.
- The “.arab” Registry will have to define its relationship with existing and new registrars, which could assume any one of the following options:
  - New registrars in the Arab region accredited by ICANN;
  - ccTLDs assuming the role of domain name resellers;
  - ICANN accredited registrars from abroad opening new branches within the region;
  - ICANN accredited registrars abroad providing services to the region.
Financial Estimates

- The costs of operating a gTLD registry constitute:
  - ICANN fees;
  - Operational expenses;
  - Capital expenses;
  - Back-end registry operator fees.
- The following are the total expected returns and required funding for the best, most-likely and worst case expected numbers of annual registrations.

<table>
<thead>
<tr>
<th>Scenario</th>
<th>In-sourced registry operations</th>
<th>Outsourced registry operations</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Required Funding</td>
<td>Returns in 5 years</td>
</tr>
<tr>
<td>Scenario I – Best Case</td>
<td>$887,000</td>
<td>$4,698,347</td>
</tr>
<tr>
<td>Scenario II – Most Likely Case</td>
<td>$1,530,638</td>
<td>$1,713,859</td>
</tr>
<tr>
<td>Scenario III - Worst Case</td>
<td>$2,562,091</td>
<td>$1,517,009</td>
</tr>
</tbody>
</table>

Proposed Implementation Scenarios

- The pre-feasibility study addressed a number of scenarios for setting up the “.arab” Registry governance structure;
- The scenarios are devised to account for budgetary, administrative and financial constraints that may face the set-up and launch of the registry:
  - direct contractual arrangement between LAS and one of the international registries with experience in the field;
  - appointing a LAS-established organization/institution to establish the registry;
  - establishing a corporation to act as a supervisory body that establishes the registry’s other functions.
Scenario Selection

- Recommendation was made in the pre-feasibility study for scenario 3;
- In the their meeting of August 2009, and following endorsement of the pre-feasibility study, the AWGDNI discussed possible scenarios for establishing the registry and managing its functions.
- Later in September of 2009, the following scenario was selected in line with the study’s recommendations: "Launching an open, transparent process/mechanism through which one party or a consortium is selected to establish the registry and manage its functions. The selected party shall be responsible for cooperation with LAS in applying to ICANN for acquiring both gTLDs."
Future Milestones

<table>
<thead>
<tr>
<th>#</th>
<th>High-Level Action</th>
<th>By</th>
<th>Estimated timeframe</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Presentation of the .ARAB Project and Pre-Feasibility Study</td>
<td>Project Team</td>
<td>August 2009</td>
</tr>
<tr>
<td>2.</td>
<td>Publication of the Third Draft Applicant Guidebook</td>
<td>ICANN</td>
<td>September 2009</td>
</tr>
<tr>
<td>3.</td>
<td>Approval of the .ARAB Project, including implementation timelines</td>
<td>LAS, Council of Ministers</td>
<td>September 2009</td>
</tr>
<tr>
<td>4.</td>
<td>Secure funding for the set-up of the .arab Project</td>
<td>Project Team, LAS</td>
<td>December 2009</td>
</tr>
<tr>
<td>5.</td>
<td>ICANN meeting in Seoul (Korea), where update is given on New gTLD Program and timelines</td>
<td>ICANN</td>
<td>October – November 2009</td>
</tr>
<tr>
<td>6.</td>
<td>Publication of the Final Applicant Guidebook</td>
<td>ICANN</td>
<td>December 2009</td>
</tr>
<tr>
<td>7.</td>
<td>Announcement of date on which the New gTLD application period opens</td>
<td>ICANN</td>
<td>December 2009</td>
</tr>
<tr>
<td>8.</td>
<td>Start drafting application(s) for ICANN</td>
<td>Project Team</td>
<td>December 2009</td>
</tr>
<tr>
<td>9.</td>
<td>Contact candidate back-end registry operators</td>
<td>Project Team</td>
<td>January 2010</td>
</tr>
<tr>
<td>10.</td>
<td>Establish not-for-profit organization</td>
<td>Project Team, LAS</td>
<td>January 2010</td>
</tr>
<tr>
<td>11.</td>
<td>Start negotiations with back-end registry operator</td>
<td>Project Team</td>
<td>February 2010</td>
</tr>
<tr>
<td>12.</td>
<td>Sign agreement with back-end registry operator</td>
<td>Project Team, LAS</td>
<td>February 2010</td>
</tr>
<tr>
<td>13.</td>
<td>Detail technical, operational, business and financial requirements</td>
<td>Project Team</td>
<td>March 2010</td>
</tr>
<tr>
<td>14.</td>
<td>Finalize business plan and proposal for ICANN</td>
<td>Project Team</td>
<td>March 2010</td>
</tr>
<tr>
<td>15.</td>
<td>Approval of business plan and ICANN proposal</td>
<td>Project Team, LAS</td>
<td>April 2010</td>
</tr>
<tr>
<td>16.</td>
<td>Submit proposal with ICANN (subject to ICANN’s confirmation of the roll-out of the New gTLD Program)</td>
<td>Project Team</td>
<td>May 2010 (tentative)</td>
</tr>
<tr>
<td>17.</td>
<td>Evaluation of proposals</td>
<td>ICANN</td>
<td>June – September 2010</td>
</tr>
<tr>
<td>18.</td>
<td>(Optional: opposition against proposals for competing strings)</td>
<td>Project Team</td>
<td>August – November 2010</td>
</tr>
<tr>
<td>19.</td>
<td>(Optional: technical evaluation)</td>
<td>ICANN, Project Team</td>
<td>Oct. – Nov. 2010</td>
</tr>
<tr>
<td>20.</td>
<td>(Optional: string contention)</td>
<td>ICANN, Project Team</td>
<td>Oct. – Nov. 2010</td>
</tr>
<tr>
<td>21.</td>
<td>Signature of ICANN-Registry Agreement</td>
<td>Project Team</td>
<td>November 2010</td>
</tr>
<tr>
<td>22.</td>
<td>Delegation of TLDs</td>
<td>Project Team</td>
<td>As of March 2011</td>
</tr>
</tbody>
</table>

In progress

- As LAS will be pursuing an open Call for Expression of Interest, ESCWA was entrusted to develop the *Proposed Terms and Conditions* booklet (كراسة الشروط والمواصفات);

- The booklet was developed in Arabic and will be utilized to select a party/consortium to establish and operate the “.arab” Registry;

- Ensuring the success of “.arab” is critically dependent on the forthcoming steps including the formation of partnerships as well as regional and international cooperation with major players in the field.
Thank You