

10 July 2023

RE: dotBrand Annual Fee Reduction Request

Crews Gore  
President, Brand Registry Group

Dear Mr. Gore,

Thank you for your [letter](#) dated 4 May 2023 regarding the Brand Registry Group's request that ICANN org reduce the yearly fixed registry fee from USD 25,000 to USD 5,000 for any dotBrand Registry Operator that has (i) an established track record of de minimis DNS abuse, and (ii) less than 5,000 domains under management.

The current registry fee structure, comprising fixed and registration-based fees, is outlined in the [Section 6.1](#) of the [Base Registry Agreement](#) and published as part of the New gTLD Applicant Guidebook. It was subject to several rounds of Public Comment from the wider ICANN community as part of the guidebook development process, and the fee structure and amount have not changed since the ICANN Board approved it in 2011, prior to the commencement of the application process.

Your letter also refers to [Section 3.2](#) of the Base Registry Agreement in relation to several "legacy" TLDs not being subject to the same standardized fee schedule as the new gTLDs. However, the "legacy" TLD registry agreements cited in your letter (namely .museum, .aero and .coop), which incorporate various terms of the [Base Registry Agreement](#), are modified for the respective "legacy" TLD as agreed upon by ICANN org and the related registry operator. As such, the provisions relating to their fee structure may be different from the fee structure in the Base Registry Agreement.

We are aware that most .brand TLDs as "single registrant" TLDs typically have *de minimis* DNS abuse as well as fewer domain names under management when compared to gTLDs that are open to registration by third parties. The fee structure in the Base Registry Agreement is designed to be one of the two primary sources of ICANN's funding. The structure took into account that registry operators with lower numbers of domains under management pay lesser fees, which is reflected in the per transaction fee for operators with more than 50,000 domains. The cost to support New gTLDs is not merely based on the number of domains under management or the level of abuse. Regardless of the size of the TLD, registry operators must still comply with the Registry

Agreement and associated policies, and ICANN must monitor that compliance. These costs are only a portion of what ICANN is responsible to provide for the community.

On 5 May, the ICANN Board approved the FY24-28 Operating/Financial Plan and FY24 Operating [Plan/Budget](#). Thus, your request to reduce the yearly fixed registry fee for any dotBrand Registry Operator cannot be considered as part of the approved FY24-28 Operating/Financial Plan and FY24 Operating Plan/Budget.

New gTLDs from the 2012 New gTLD Program are governed by the Base Registry Agreement with initial 10-year terms. The agreements are renewed for successive 10-year terms unless any of the exceptions set forth in [Section 4.2](#) of the Base Registry Agreement apply. Thus, auto-renewal of the Base Registry Agreement cannot be used to amend any of its provisions. Any amendment to the Base Registry Agreement and any negotiations to that effect are subject to the processes outlined in [Section 7.6](#) and [Section 7.7](#) of the agreement.

Given all the mentioned reasons, ICANN respectfully declines your request to reduce the yearly fixed registry fee for any dotBrand registry operator.

Thank you for your participation and support of a trusted domain name marketplace.

Sincerely,



Sally Costerton  
Sr. Advisor to President and SVP, Global Stakeholder Engagement & Interim President and  
CEO Internet Corporation for Assigned Names and Numbers (ICANN)