

# Project Overview for Top-Level Domain (TLD) Operating Model Study Request for Proposal (RFP)

Global Domains & Strategy

4 March 2022



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# 1. Introduction

## 1.1 About This Document

The Internet Corporation for Assigned Names and Numbers (ICANN) organization is soliciting proposals to perform a global study centered on fostering diversity and serving the next billion Internet users. This study will focus on operating models, user requirements, and other factors related to running a top-level domain (TLD) in the Internet's domain name system (DNS).

This document provides an overview of the request for proposal (RFP) to conduct this study. It aims to provide background and pertinent information regarding the study's requirements. The RFP comprises this document as well as others that are hosted in the ICANN sourcing tool (SciQuest/Jaggaer). Indications of interest are to be received by emailing [Operating.Model.Study-rfp@icann.org](mailto:Operating.Model.Study-rfp@icann.org) latest by 15 March 2022 at 23:59 UTC.

Complete proposals must be electronically submitted latest by 4 April 2022 at 23:59 UTC using the RFP portal. Access to the RFP portal will be granted after receipt of an indication of interest to the email address above.

## 1.2 Overview of the Internet Corporation for Assigned Names and Numbers (ICANN)

The ICANN organization is a non-profit public benefit corporation dedicated to ensuring the stable and secure operation of the Internet's unique identifier systems; to promoting competition; to achieving broad representation of global Internet communities; and to developing policy appropriate to its mission through bottom-up, consensus-based processes. More specifically, the ICANN organization:

1. Coordinates the allocation and assignment of the four sets of unique identifiers for the Internet, which are:
  - a. Domain names (forming a system referred to as the Domain Name System, or DNS);
  - b. Internet Protocol (IP) addresses;
  - c. Autonomous System (AS) numbers; and
  - d. Protocol port and parameter numbers.
2. Coordinates the operation and evolution of the DNS root name server system.
3. Coordinates policy development related to these technical functions.

See [www.icann.org](http://www.icann.org) for more information.

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## 2. Study Background

While the opening of the TLD namespace has been ongoing in recent years, participation in this area of the Internet continues to be uneven across regions. Launched in 2012, the New Generic Top-Level Domain (gTLD) Program made it possible for communities, governments, businesses, and brands to apply to operate a gTLD registry.<sup>1</sup> The expansion encouraged a more strategic use of the Internet by allowing users to utilize a label that aligns with their language, geography, identity, community, or brand. Through the program, the number of gTLDs increased from 22 to more than 1,250, including 97 in non-ASCII (American Standard Code for Information Interchange) scripts.

ICANN has, through its multistakeholder process, conducted a series of reviews assessing the outcomes of the 2012 application round for these new gTLDs.<sup>2</sup> This process has affirmed the policy of enabling introduction of additional gTLDs, and the org is in the process of planning for the impact and operation of future application rounds. ICANN is aware that the next chapter in the DNS's growth will increasingly impact the global Internet (especially non-english speaking) community as it evolves to include more of the world. The majority of new Internet users are expected to come from the African, Asia Pacific, and Latin American regions; serving the next billion Internet users from those regions will require attention to local needs, especially as it relates to digital content in local languages and scripts.<sup>3</sup> Accordingly, ICANN's core focus in developing the rules and procedures for the next round of new gTLDs is on Universal Acceptance (UA)<sup>4</sup> and Internationalized Domain Names (IDNs)<sup>5</sup>. Promoting and improving UA and the implementation of IDNs are necessary to reach an increasingly diverse Internet user base.

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<sup>1</sup> See: <https://newgtlds.icann.org/en/about/program>.

<sup>2</sup> See: <https://www.icann.org/en/system/files/files/cct-final-08sep18-en.pdf>;

See also: <https://www.icann.org/en/system/files/files/ssr2-review-team-final-report-25jan21-en.pdf>.

See also: <https://gns0.icann.org/sites/default/files/file/field-file-attach/final-report-newgtld-subsequent-procedures-pdp-20jan21-en.pdf>.

<sup>3</sup> See: <https://media.bain.com/next-billion-internet-users/index.html>;

see also: <https://www.icann.org/resources/pages/connecting-unconnected-developing-asia-long-2016-08-25-en>.

<sup>4</sup> Universal Acceptance (UA) is a fundamental requirement for a truly multilingual and digitally inclusive Internet. UA ensures that all domain names, including long new TLDs and IDNs, and email addresses are treated equally and can be used by all Internet-enabled applications, devices, and systems. Technically, they must accept, validate, store, process, and display all domain names equally, consistently, and correctly. See: <https://www.icann.org/ua>.

<sup>5</sup> Internationalized Domain Names (IDNs) enable people around the world to use domain names in local languages and scripts. IDNs are formed using characters from different scripts, such as Arabic, Chinese, Cyrillic or Devanagari. See: <https://www.icann.org/resources/pages/idn-2012-02-25-en>.

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ICANN's Bylaws<sup>6</sup> commit it to act for the benefit of the Internet community, and ICANN's Strategic Plan<sup>7</sup> for FY21-25 highlights the strategic objective of evolving the Internet's unique identifier systems to continue to serve the needs of the global Internet user base. This study is designed to play an important part in these preparations to serve the next billion Internet users. Its purpose is to assist ICANN in identifying the most significant next round challenges, emerging trends, and success factors in relation to fostering diversity<sup>8</sup> and innovation in the DNS.

### 3. Scope of Work and Research Areas

The goal of this study is to provide evidence-based information related to possible operating models, opportunities, and partnerships for TLDs that might benefit diversity and innovation in the gTLD space. The results of the study should help ICANN understand what information is most important to consider in developing rules and procedures for the next gTLD round in order to support diversity and innovation in the DNS while maintaining DNS security, stability, and resilience.

Respondents to this RFP should be able to address some or all of the scope of work and research questions related to the core areas of interest detailed below. Considering the breadth of the scope of work outlined below, ICANN is willing to consider multiple contractors working on different aspects of the scope. The selected contractor(s) will be expected to produce an academically rigorous report utilizing appropriate methodologies (e.g., surveys, interviews, and/or data analysis, as relevant) to answer the research questions provided in Sections 3.1 - 3.5. The study will provide a summary of findings and possible options for consideration by the ICANN organization.

#### 3.1 Analyzing Results of Previous gTLD Application Rounds

- **Scope:** Analyze the results of previous gTLD application rounds to identify gaps that may impact diversity of the gTLD space, taking into account:
  - ICANN's organizational experience and insights

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<sup>6</sup> See: <https://www.icann.org/resources/pages/governance/bylaws-en/#article1>.

<sup>7</sup> See: <https://www.icann.org/en/system/files/files/strategic-plan-2021-2025-24jun19-en.pdf>.

<sup>8</sup> The Cross-Community Working Group on Accountability - Work Stream 2 produced a report with "Recommendations to Improve ICANN's Diversity" in which it recommended that the following be considered as "starting points" for discussions on diversity within the ICANN context: geographic/regional representation; language; gender; age; physical disability; diverse skills; and, stakeholder group or constituency (<https://www.icann.org/en/system/files/files/ccwg-acct-ws2-annex-1-diversity-final-recs-27mar18-en.pdf>).

- Opportunities and challenges within ICANN’s multistakeholder policy environment
  - Definitions of success for New gTLD Program vs. success of individual TLDs (i.e., to what extent are there differences between how the New gTLD Program defined success vs. how an individual TLD defined success for themselves?)
  - Types of operating models proposed in gTLD applications to date
  - Evolution of TLD operating models across geographic regions at Year 1, 5, 10
  - Assignments of TLDs and business consolidations
  - Review of TLD agreements terminated after delegation, such as factors driving sunset of applied-for gTLDs<sup>9</sup>
  - Registration and renewal trends<sup>10</sup>
  - Survey existing operating models, drivers, and incentives in the TLD space
  - The identification and mitigation of Universal Acceptance challenges
  - Analysis of IDN TLDs and lessons learned, patterns and performance after several years of operation
- **Research questions:**
    - What factors led to operating model variety and choice in previous rounds? What measures (and undertaken by whom) could be considered to promote more diverse, innovative operating models catered to the next billion Internet users?
    - What insights from analyses of regionally-focused new gTLD models during the previous round could be valuable to consider for the next gTLD round? What are potential growth opportunities?

## ○ 3.2 Identifying and Analyzing Barriers to Participation

- **Scope:** Identify and analyze potential barriers to participation for new, diverse, and/or innovative gTLD applicants, as well as possible mitigations and solutions. Barriers to participation may include:
  - Awareness of ICANN, the New gTLD Program and application process, and available support
  - Regulatory requirements both in the United States and international jurisdictions
  - Diversity (e.g., geographic/regional; language; gender; age; physical disability; skills; stakeholder group or constituency)<sup>11</sup>
  - Capacity (technical and non-technical, e.g., marketing)
  - Application process accessibility and complexity
  - Cost/resources (initial investment and long-term needs)

<sup>9</sup> The ICANN organization may be able to provide data related to TLD agreements.

<sup>10</sup> The ICANN organization may be able to provide data related to registrations.

<sup>11</sup> See: <https://www.icann.org/en/system/files/files/ccwg-acct-ws2-annex-1-diversity-final-recs-27mar18-en.pdf>.

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- Contractual requirements from the ICANN organization
  - Issues related to Universal Acceptance
  - Internet access (e.g., connectivity)
  - Others as identified
  - **Research Questions:**
    - What is a sustainable/growth model for a small new registry with limitations such as capacity, funds, and/or reaching a target community (e.g., an IDN gTLD focused on local community vs. a large registry with a gTLD intended for a large audience, like .APP or .BOOK)? Consider also what constitutes a sustainable operating model for IDN vs. ASCII TLDs with limited registrant bases, noting differences between the two.
    - How might the consumer interests of the respective populations (e.g., communications tools and habits) factor into future operating models? How can we better understand and take into account the challenges of unique local or regional interests?
    - How are recommendations from the community (e.g., Competition, Consumer Trust and Consumer Choice Review (CCT) recommendations 29, 30, and 31) relevant to identifying and analyzing barriers to participation?<sup>12</sup>
      - Rec 29: Set objectives/metrics for applications from the Global South.
      - Rec 30: Expand and improve outreach into the Global South.
      - Rec 31: The ICANN organization to coordinate the pro bono assistance program.
    - How might the role of local language content (e.g., volume of available online content in local scripts) factor into future operating models?

## 3.2 Surveying and Analyzing Different Operating Models

- **Scope:** Survey and analyze different types of operating models, including the existing Registry-Registrar operating model, operating models in the country-code TLD (ccTLD) space, as well as operating models in other industries/spaces.
- **Research Questions:**
  - What kind of operating model examples (especially as it relates to scale and comparative contractual requirements) can ccTLDs provide for specific populations or users that might contribute to reaching the next billion Internet users and/or to diversity in the gTLD space?

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<sup>12</sup> See: <https://www.icann.org/en/system/files/files/cct-rt-final-08sep18-en.pdf>.

- What can we learn from case studies of large ccTLDs such as .NL<sup>13</sup>, .DE<sup>14</sup>, or .FR<sup>15</sup>, or from ccTLDs with a narrower focus like .NO<sup>16</sup>, which is geared towards Norwegian businesses, or from ccTLDs that allow for a wider registrant and user base, such as .AG<sup>17</sup>, .ME<sup>18</sup>, .CO<sup>19</sup>, or .TV<sup>20</sup>?
  - What can we learn from case studies of the gig economy<sup>21</sup> or other industries? What can we learn from the effects of technological innovation, and/or the effects of changes in an industry landscape brought on by (technological) innovation?
  - What other sample operating models could be instructive?
    - Examples may include analysis of: financing and partnership models (e.g. government, venture capitalist, academic), availability of legal, consulting service, and/or trade association support to help apply for local language TLDs, strategic planning, crowdsourcing, and/or shared revenue models.
  - What considerations could be made for how security and stability requirements can be maintained across diverse operating models?
  - What can we learn from the existing Registry-Registrar model and distribution channels? To what extent are there insights or comparisons that can be drawn from the reseller networks in this space?

### ○ 3.4 Analyzing Emerging Technologies and Trends and Effects on Operating Models

- **Scope:** Consider how emerging technologies or generational trends may impact TLD operating models.
- **Research Questions:**
  - How might new technologies (e.g., blockchain) factor into future operating models?
  - How might generational trends (e.g., Generation Z Internet usage, consumption and production of content on websites vs. social media, messaging tools) factor into potential operating models?

<sup>13</sup> See: <https://www.sidn.nl/en/whois>.

<sup>14</sup> See: <https://www.denic.de/en/>.

<sup>15</sup> See: <https://www.afnic.fr/en/>.

<sup>16</sup> See: <https://www.norid.no/en/>.

<sup>17</sup> See: <http://www.nic.ag/>.

<sup>18</sup> See: <https://domain.me/>.

<sup>19</sup> See: <https://www.go.co/>.

<sup>20</sup> See: [https://www.verisign.com/en\\_US/domain-names/tv-domain-names/index.xhtml?dmn=www.tv](https://www.verisign.com/en_US/domain-names/tv-domain-names/index.xhtml?dmn=www.tv).

<sup>21</sup> See: <https://www.weforum.org/agenda/2021/05/what-gig-economy-workers/>.



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## ○ 3.5 Defining Factors to Help ICANN and TLDs Achieve Goals

- **Scope:** Based on the findings of the research related to Sections 3.1 - 3.4<sup>22</sup>, define factors that ICANN might consider as it develops rules and procedures for future gTLD application rounds in support of the next billion Internet users and a more diverse gTLD space. As noted above, the study is expected to provide a summary of findings and possible options for consideration by the ICANN organization.
- **Research Questions:**
  - What mechanisms or options might help potential applicants/TLDs equitably participate in the application process, including:
    - Financial support
    - Legal support to help navigate process
    - Mentorship/partnerships
    - Local and regional government, industry, academia, or other support
    - Technical, operational, or business support
    - Anticipated/optimal timespan needed for these types of support and capacity-building measures
  - What definitions of New gTLD Program goals related to regional/community participation might ICANN consider to mitigate uneven participation across regions/groups?
  - Taking into account ICANN's scope and mission as defined in the Bylaws,<sup>23</sup> what factors might ICANN consider in developing rules and procedures for future rounds of gTLD applications? What factors might ICANN consider as it develops methods for measuring outcomes of future gTLD application rounds?
  - Based on the findings of the research, what information might ICANN consider to better understand an applicant or TLD's goals and how it meets these goals?
  - How might this information be adapted to rules and procedures of a future gTLD application round in light of an effort to increase diversity in the gTLD space?
  - What factors might ICANN consider in understanding and measuring sustainability (defined as the ability to be maintained at a certain rate or level) over time?

## 4. High-Level Selection Criteria

The decision to select a contractor as an outcome of this RFP will be based on, but not limited to, the following selection criteria:

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<sup>22</sup> Note that Section 3.5 has a dependency on research conducted in Sections 3.1-3.4. If your RFP response includes a proposal to address Section 3.5, your proposal must also include a proposal for addressing at least one other section.

<sup>23</sup> See: <https://www.icann.org/resources/pages/governance/bylaws-en/#article1>.

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- Either global footprint or experience in key regions/geographies and/or with key target groups (e.g., with local communities that might benefit from an expanded or more diverse DNS)
  - Capability and experience of key personnel
  - Trust and reliability of key personnel
  - Availability of key personnel
  - Demonstrated understanding of the scope of work, including required deliverables
  - Proposed approach to the work including timeframe for completion
  - Quality of similar prior work
  - Responsiveness and flexibility to work with ICANN-specific requirements, agreement terms, etc.
  - Financial value / pricing
  - Office of Foreign Assets Control clearance
  - Reference checks
  - Mitigation of any conflicts of interest

## 5. High-Level Business Requirements

### 5.1 Deliverables

The primary deliverable is a comprehensive written report, including executive summary, explanation of methodology, and citation of sources.

Respondent firms will be asked to propose a methodology and timeframe to meet the following requirements:

- Identify where significant barriers to participation and barriers to alternative operating models exist and how these might be lowered or eliminated.
- Identify and explore models (and partnerships) conducive to needs that could contribute to serving the next billion Internet users and diversity on the Internet.
- For identified models, synthesize historical and future trend analysis elements to define what would be needed to implement and support them in terms of procedures for the next gTLD round.
- Identify the challenges and success factors to the sustainability of registry models.

### 5.2 Process

The process for executing the study is anticipated to include the following major tasks:

- Developing a work plan, methodology, and timeline (to be reviewed with the ICANN organization)
- Execution of Section 5.1 above
- Meeting with and providing interim updates to the ICANN organization as the work progresses

- Delivering a draft study report to the ICANN organization
- Updating the study report to address comments and questions from the ICANN organization
- Delivering a final report to the ICANN organization and presenting findings of the report upon request

## 5.3 Summary of Requirements

A summary of the requirements for a contractor to perform the study is:

- Provide a complete response based on ICANN specifications by the designated due date.
- Participate in finalist presentations via conference call/remote participation.
- Execute a professional services agreement substantially in accordance with the terms and conditions of ICANN's Contractor Consulting Agreement (contact ICANN organization staff for copy).
- Possess the subject matter expertise and technical skills required to understand, analyze and write about the DNS root zone management system.
- Produce all the deliverables listed above in Section 5.1 Deliverables.
- Provide bi-weekly status updates via phone/email/meeting, as appropriate. Contractor must be able to accommodate bi-weekly status meetings with key personnel during business hours in Pacific Standard Time (PST) / Pacific Daylight Savings Time (PDT) Zone (UTC-8 / UTC-7).
- Communicate (verbally and in writing) in English.

## 6. Project Timeline

The following dates have been established as milestones for this RFP. ICANN reserves the right to modify or change this timeline at any time as necessary.

Activity	Estimate Date
RFP opened	4 March 2022
Participants to indicate interest in submitting RFP proposal	15 March 2022 by 23:59 UTC
Participants submit any questions to ICANN via the RFP portal Q&A Board	22 March 2022 by 23:59 UTC
ICANN responds to participant questions	25 March 2022

Participant proposals due by	4 April 2022 by 23:59 UTC
Evaluation of responses	2 May 2022
Vendor contracting and award	16 May 2022

## 7. Terms and Conditions

### 7.1 General Terms and Conditions

1. Submission of a proposal shall constitute Respondent's acknowledgment and acceptance of all the specifications, requirements and terms and conditions in this RFP.
2. All costs of preparing and submitting its proposal, responding to or providing any other assistance to ICANN in connection with this RFP will be borne by the Respondent.
3. All submitted proposals including any supporting materials or documentation will become the property of ICANN. If Respondent's proposal contains any proprietary information that should not be disclosed or used by ICANN other than for the purposes of evaluating the proposal, that information should be marked with appropriate confidentiality markings.

### 7.2 Discrepancies, Omissions and Additional Information

1. Respondent is responsible for examining this RFP and all addenda. Failure to do so will be at the sole risk of Respondent. Should Respondent find discrepancies, omissions, unclear or ambiguous intent or meaning, or should any question arise concerning this RFP, Respondent must notify ICANN of such findings immediately in writing via email no later than ten (10) days prior to the deadline for bid submissions. Should such matters remain unresolved by ICANN, in writing, prior to Respondent's preparation of its proposal, such matters must be addressed in Respondent's proposal.
2. ICANN is not responsible for oral statements made by its employees, agents, or representatives concerning this RFP. If Respondent requires additional information, Respondent must request that the issuer of this RFP furnish such information in writing.
3. A Respondent's proposal is presumed to represent its best efforts to respond to the RFP. Any significant inconsistency, if unexplained, raises a fundamental issue of the Respondent's understanding of the nature and scope of the work required and of its ability to perform the contract as proposed and may be cause for rejection of the proposal. The burden of proof as to cost credibility rests with the Respondent.
4. If necessary, supplemental information to this RFP will be provided to all prospective Respondents receiving this RFP. All supplemental information issued by ICANN will form

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part of this RFP. ICANN is not responsible for any failure by prospective Respondents to receive supplemental information.

## 7.3 Assessment and Award

1. ICANN reserves the right, without penalty and at its discretion, to accept or reject any proposal, withdraw this RFP, make no award, to waive or permit the correction of any informality or irregularity and to disregard any non-conforming or conditional proposal.
2. ICANN may request a Respondent to provide further information or documentation to support Respondent's proposal and its ability to provide the products and/or services contemplated by this RFP.
3. ICANN is not obliged to accept the lowest priced proposal. Price is only one of the determining factors for the successful award.
4. ICANN will assess proposals based on compliant responses to the requirements set out in this RFP, responses to questions related to those requirements, any further issued clarifications (if any) and consideration of any other issues or evidence relevant to the Respondent's ability to successfully provide and implement the products and/or services contemplated by this RFP and in the best interests of ICANN.
5. ICANN reserves the right to enter into contractual negotiations and if necessary, modify any terms and conditions of a final contract with the Respondent whose proposal offers the best value to ICANN.



One World, One Internet