# Attachment to Module 2

## Evaluation Questions and Criteria

Since ICANN was founded 10 years ago as a not-for-profit, multi-stakeholder organization, one of its key mandates has been to promote competition in the domain name market. ICANN's mission specifically calls for the corporation to maintain and build on processes that will ensure competition and consumer interests – without compromising Internet security and stability. This includes the consideration and implementation of new gTLDs. It is ICANN's goal to make the criteria and evaluation as objective as possible.

While new gTLDs are viewed by ICANN as important to fostering choice, innovation and competition in domain registration services, the decision to launch these coming new gTLD application rounds followed a detailed and lengthy consultation process with all constituencies of the global Internet community.

Any public or private sector organization can apply to create and operate a new gTLD. However the process is not like simply registering or buying a second-level domain name. Instead, the application process is to evaluate and select candidates capable of running a registry, a business that manages top level domains such as, for example, .COM or .INFO. Any successful applicant will need to meet published operational and technical criteria in order to preserve Internet stability and interoperability.

## I. Principles of the Technical and Financial New gTLD Evaluation Criteria

- Principles of conservatism. This is the first round of what is to be an ongoing process for the introduction of new TLDs, including Internationalized Domain Names. Therefore, the criteria in this round require applicants to provide a thorough and thoughtful analysis of the technical requirements to operate a registry and the proposed business model.

- The <u>criteria and evaluation should be as objective as possible</u>.

  - With that goal in mind, an important objective of the new TLD process is to <u>diversify the namespace</u>, with different registry business models and target audiences. In some cases, criteria that are objective, but that ignore the differences in business models and target audiences of new registries, will tend to make the process exclusionary. For example, the business model for a registry targeted to a small community need not possess the same robustness in funding and technical infrastructure as a registry intending to compete with large gTLDs. Therefore purely objective criteria such as a requirement for a certain amount of cash on hand will not provide for the flexibility to consider different business models. The process must <u>provide for an objective evaluation framework, but allow for adaptation according to the differing models applicants will present</u>. Within that framework, applicant responses will be evaluated against the criteria in light of the proposed model.

  - Therefore the <u>criteria should be flexible</u>: able to scale with the overall business approach, providing that the planned approach is consistent and coherent, and can withstand highs and lows.

- Criteria can be <u>objective in areas of registrant protection</u>, for example:
  - Providing for funds to continue operations in the event of a registry failure.
  - Adherence to data escrow, registry failover, and continuity planning requirements.

- The evaluation must strike the correct <u>balance</u> between establishing the business and technical competence of the applicant to operate a registry (to <u>serve the interests of registrants</u>), while not asking for the detailed sort of information or making the judgment that a venture capitalist would. ICANN is not seeking to certify business success but instead seeks to encourage innovation while providing certain safeguards for registrants.

- New registries must be added in a way that maintains <u>DNS stability and security</u>. Therefore, ICANN asks several questions so that the applicant can demonstrate an understanding of the technical requirements to operate a registry. ICANN will ask the applicant to demonstrate actual operational technical compliance prior to delegation. This is in line with current prerequisites for the delegation of a TLD.

- <u>Registrant protection</u> is emphasized in both the criteria and the scoring. Examples of this include asking the applicant to:

  - Plan for the <u>occurrence of contingencies and registry failure</u> by putting in place financial resources to fund the ongoing resolution of names while a replacement operator is found or extended notice can be given to registrants,
  - Demonstrate a capability to understand and plan for business contingencies to afford some <u>protections through the marketplace</u>,
  - Adhere <u>to DNS stability and security requirements</u> as described in the technical section, and
  - Provide <u>access</u> to the widest variety of services.

## II. *Aspects of the Questions Asked in the Application and Evaluation Criteria*

The technical and financial questions are intended to inform and guide the applicant in aspects of registry start-up and operation. The established registry operator should find the questions straightforward while inexperienced applicants should find them a natural part of planning.

Evaluation and scoring (detailed below) will emphasize:

- How thorough are the answers? Are they well thought through and do they provide a sufficient basis for evaluation?

- Demonstration of the ability to operate and fund the registry on an ongoing basis:

  - Funding sources to support technical operations in a manner that ensures stability and security and supports planned expenses,
  - Resilience and sustainability in the face of ups and downs, anticipation of contingencies,
  - Funding to carry on operations in the event of failure.

- Demonstration that the technical plan will likely deliver on best practices for a registry and identification of aspects that might raise DNS stability and security issues.

- Ensures plan integration, consistency and compatibility (responses to questions are not evaluated individually but in comparison to others):
  - Funding adequately covers technical requirements,
  - Funding covers costs,
  - Risks are identified and addressed, in comparison to other aspects of the plan.

## III. Scoring

Evaluation

- The questions, criteria, scoring and evaluation methodology are to be conducted in accordance with the principles described earlier in section I. With that in mind, globally diverse evaluation panelists will staff evaluation panels. The diversity of evaluators and access to experts in all regions of the world will ensure application evaluations take into account cultural, technical and business norms in the regions from which applications originate.

- Evaluation teams will consist of two independent panels. One will evaluate the applications against the financial criteria. The other will evaluate the applications against the technical & operational criteria. Given the requirement that technical and financial planning be well integrated, the panels will work together and coordinate information transfer where necessary. Other relevant experts (e.g., technical, audit, legal, insurance, finance) in pertinent regions will provide advice as required.

- Precautions will be taken to ensure that no member of the Evaluation Teams will have any interest or association that may be viewed as a real or potential conflict of interest with an applicant or application. All members must adhere to the Code of Conduct and Conflict of Interest guidelines that are found in Module 2.

- Communications between the evaluation teams and the applicants will be through an online interface. During the evaluation, evaluators may pose a set of clarifying questions to an applicant, to which the applicant may respond through the interface.

- Confidentiality: ICANN will post applications after the close of the application period. The applications consist of the answers to the questions below. The answers to all questions will be published except for:

  - Architecture (Question 25)
  - Security Policy (Question 31)
  - Registry Transition (Question 40)
  - Demonstration of Financial Capability questions (Questions 45 - 50)

The answers to these questions will be kept confidential.

Scoring

- Responses will be evaluated against each criterion. A score will be assigned according to the scoring schedule linked to each question or set of questions. In nearly all cases, 2 points are awarded for a response that exceeds requirements, 1 point is awarded for a

response that meets requirements and 0 points are awarded for a response that fails to meet requirements. In several questions, 1 point is the maximum score that may be awarded. Each question must receive at least a score of "1," making each a "pass/fail" question.

- In the Continuity question in the financial section(see Question #50), up to 3 points are awarded if an applicant provides, at the application stage, a financial instrument that will guarantee ongoing registry operations in the event of a business failure. This extra point can serve to guarantee passing the financial criteria for applicants who score the minimum passing score for each of the individual criteria. The purpose of this weighting is to reward applicants who make early arrangements for the protection of registrants and to accept relatively riskier business plans where registrants are protected.

- There are 21 Technical & Operational questions. Each question has a criterion and scoring associated with it. The scoring for each is 0, 1, or 2 points as described above. One of the questions (IDN implementations) is optional. Other than the optional questions, all Technical & Operational criteria must be scored a 1 or more or the application will fail the evaluation.

- The total technical score must be equal to or greater than 22 for the application to pass. That means the applicant can pass by:

  - Receiving a 1 on all questions, including the optional question, and a 2 on at least one mandatory question; or
  - Receiving a 1 on all questions, excluding the optional question and a 2 on at least two mandatory questions.

  This scoring methodology requires a minimum passing score for each question and a slightly higher average score than the per question minimum to pass.

- There are six Financial questions and six sets of criteria that are scored by rating the answers to one or more of the questions. For example, the question concerning registry operation costs requires consistency between the technical plans (described in the answers to the Technical & Operational questions) and the costs (described in the answers to the costs question).

- The scoring for each of the Financial criteria is 0, 1 or 2 points as described above with the exception of the Continuity question, for which up to 3 points are possible. All questions must receive at least a 1 or the application will fail the evaluation.

- The total financial score on the six criteria must be 8 or greater for the application to pass. That means the applicant can pass by:

  - Scoring a 3 on the continuity criteria, or
  - Scoring a 2 on any two financial criteria.

- Applications that do not pass can enter into an extended evaluation process as described in Module 2. The scoring is the same.

| | # | Question | Notes | Scoring Range | Criteria | Scoring |
|---|---|---|---|---|---|---|
| **Applicant Information** | 1 | Full legal name of the Applicant (the established entity that would enter into a registry agreement with ICANN) | Responses to Questions 1 - 12 are required for a complete application.  Responses are not scored. | | | |
| | 2 | Address of the principal place of business of the Applicant. This address will be used for contractual purposes. No Post Office boxes are allowed. | | | | |
| | 3 | Phone number for the Applicant's principal place of business. | | | | |
| | 4 | Fax number for the Applicant's principal place of business. | | | | |
| | 5 | Website or URL,  if applicable | | | | |
| **Primary Contact for this Application** | 6 | Name | The primary contact will receive all communications regarding the application.  Either the primary or the secondary contact may respond. In the event of a conflict, the communication received from the primary contact will be taken as authoritative. | | | |
| | | Title | | | | |
| | | Address | | | | |
| | | Phone number | | | | |
| | | Fax number | | | | |
| | | Email address | | | | |
| **Secondary Contact for this Application** | 7 | Name | The secondary contact will be copied on all communications regarding the application.  Either the primary or the secondary contact may respond. | | | |
| | | Title | | | | |
| | | Address | | | | |
| | | Phone number | | | | |
| | | Fax number | | | | |
| | | Email address | | | | |
| **Proof of Legal Establishment** | 8 | (a) Legal form of the Applicant. (e.g., limited liability partnership, corporation, non-profit institution). | | | | |
| | | (b) State the specific national or other jurisdictional law that defines the type of entity identified in 8(a).  Identify any relevant section references and provide a URL to the document if available online. | | | | |
| | | (c) Attach evidence of the applicant's establishment as the type of entity identified in Question 8(a) above, in accordance with the applicable laws identified in Question 8(b). | Applications without valid proof of legal establishment will not be evaluated further. | | | |
| | 9 | (a) If the applying entity is publicly traded, provide the exchange and symbol. | | | | |
| | | (b) If the applying entity is a subsidiary, provide the parent company. | | | | |
| | | (c) If the applying entity is a joint venture, list all joint venture partners. | | | | |
| | 10 | Business ID, Tax ID, VAT registration number, or equivalent of the Applicant. | | | | |
| **Applicant Background** | 11 | (a) Enter the full name, contact information (permanent residence), and position of all directors. | Background checks may be conducted on individuals named in the applicant's response to question 11.

Any material misstatement or misrepresentation (or omission of material information) may cause the application to be rejected. | | | |
| | | (b) Enter the full name, contact information (permanent residence), and position of all officers and partners. | | | | |
| | | (c) Enter the full name, contact information (permanent residence of individual or principal place of business of entity) and position of all shareholders holding at least 15% of shares, with percentage shares held by each. | | | | |

| | # | Question | Notes | Scoring Range | Criteria | Scoring |
|---|---|---|---|---|---|---|
| | | (d) Indicate whether the applicant or any of its directors, officers, partners, or shareholders named above: <br><br>i. within the past ten years, has been convicted of a felony, or of a misdemeanor related to financial or corporate governance activities, or has been judged by a court to have committed fraud or breach of fiduciary duty, or has been the subject of a judicial determination that is similar or related to any of these; <br><br>ii. within the past ten years, has been disciplined by a government for conduct involving dishonesty or misuse of funds of others; <br><br>iii. is currently involved in any judicial or regulatory proceeding that could result in a conviction, judgment, determination, or discipline of the type specified in (i) or (ii); or <br><br>iv. is the subject of a disqualification imposed by ICANN and in effect at the time of this application. <br><br>If any of the above events have occurred, please provide details. | ICANN may deny an otherwise qualified application for any of the following reasons: <br><br>Applicant, or any partner, officer, director, or manager, or any person or entity owning (or beneficially owning) fifteen percent or more of applicant: <br><br>a. within the past ten years, has been convicted of a felony, or of a misdemeanor related to financial or corporate governance activities, or has been judged by a court to have committed fraud or breach of fiduciary duty, or has been the subject of a judicial determination that ICANN deemed as the substantive equivalent of any of these; <br><br>b. within the past ten years, has been disciplined by any government or industry regulatory body for conduct involving dishonesty or misuse of the funds of others; <br><br>c. is currently involved in any judicial or regulatory proceeding that could result in a conviction, judgment, determination, or discipline of the type specified in (a) or (b); <br><br>d. is the subject of a disqualification imposed by ICANN and in effect at the time the application is considered; or <br><br>e. fails to provide ICANN with the identifying information necessary to confirm identity at the time of application. | | | |
| | | (e) Indicate whether the applicant or any of its directors, officers, partners, or shareholders named above have demonstrated a pattern or practice of, or been found liable for, cybersquatting or domain name-related abuses. | ICANN may deny an otherwise qualified application for any of the following reasons: <br><br>Applicant, or any partner, officer, director, manager, or any person or entity owning (or beneficially owning) fifteen percent or more of applicant is the subject of a pattern of decisions indicating liability for, or repeated practice of bad faith in regard to domain name registrations, including: <br><br>(i) acquiring domain names primarily for the purpose of selling, renting, or otherwise transferring the domain name registrations to the owner of a trademark or service mark or to a competitor, for valuable consideration in excess of documented out-of-pocket costs directly related to the domain name; or <br><br>(ii) registering domain names in order to prevent the owner of the trademark or service mark from reflecting the mark in a corresponding domain name; or <br><br>(iii) registering domain names primarily for the purpose of disrupting the business of a competitor; or <br><br>(iv) using domain names with intent to attract, for commercial gain, Internet users to a web site or other on-line location, by creating a likelihood of confusion with a trademark or service mark as to the source, sponsorship, affiliation, or endorsement of the web site or location or of a product or service on the web site or location. | | | |
| | | (f) Disclose whether the applicant has been involved in any administrative or other legal proceeding in which allegations of intellectual property infringement of a domain name have been made.  Provide an explanation related to each such instance. | | | | |
| Evaluation Fee | 12 | (a) Enter the confirmation information for payment of the evaluation fee (e.g., wire transfer confirmation number). | The evaluation fee is paid in the form of a deposit at the time of user registration, and submission of the remaining amount at the time the full application is submitted. The information in question 12 is required for each payment. | | | |
| | | (b) Payer name | | | | |
| | | (c) Payer address | | | | |
| | | (d) Wiring bank | | | | |
| | | (e) Bank address | | | | |
| | | (f) Wire date | | | | |

| | # | Question | Notes | Scoring Range | Criteria | Scoring |
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| **Applied-for gTLD string** | 13 | Provide the applied-for gTLD string. If applying for an IDN, provide the A-label (beginning with "xn--"). | Responses to Questions 13- 17 are not scored, but are used for database and validation purposes. | | | |
| | 14 | (a) If applying for an IDN, provide the U-label. | The U-label is an IDNA-valid string of Unicode characters, including at least one non-ASCII character. | | | |
| | | (b) If an IDN, provide the meaning or restatement of the string in English, that is, a description of the literal meaning of the string in the opinion of the applicant. | | | | |
| | | (c) If an IDN, provide the language of the label (both in English and as referenced by ISO-639-1). | | | | |
| | | (d) If an IDN, provide the script of the label (both in English and as referenced by ISO 15924). | | | | |
| | | (e) If an IDN, list all code points contained in the U-label according to Unicode form. | | | | |
| | 15 | (a) If an IDN, upload IDN tables for the proposed registry. An IDN table must include: 1) the applied-for gTLD string relevant to the tables, 2) the script or language designator (as defined in BCP 47), 3) table version number, 4) effective date (DD Month YYYY), and 5) contact name, email address, and phone number. Submission of IDN tables in a standards-based format is encouraged. | In the case of an application for an IDN gTLD, IDN tables must be submitted for the language or script for the applied-for gTLD string. IDN tables must also be submitted for each language or script in which the applicant intends to offer IDN registrations at the second level. | | | |
| | | (b) Describe the process used for development of the IDN tables submitted, including consultations and sources used. | | | | |
| | | (c) List any variant strings to the applied-for gTLD string according to the relevant IDN tables. | Variant TLD strings will not be delegated as a result of this application. Variant strings will be checked for consistency with the submitted IDN tables and will be entered on a Declared IDN Variants List to allow for future allocation once a variant management mechanism is established for the top level. | | | |
| | 16 | If an IDN, describe the applicant's efforts to ensure that there are no known operational or rendering problems concerning the applied-for gTLD string. If such issues are known, describe steps that will be taken to mitigate these issues in software and other applications. | | | | |
| | 17 | OPTIONAL. Provide a representation of the label according to the International Phonetic Alphabet (http://www.langsci.ucl.ac.uk/ipa/). | If provided, this information will be used as a guide to ICANN in communications regarding the application. | | | |
| **Mission/Purpose** | 18 | Describe the mission/purpose of your proposed gTLD. | Applicants are encouraged to provide a thorough and detailed description to enable informed consultation and comment. Responses to this question are not scored.<br><br>An applicant wishing to designate this application as community-based should ensure that this response is consistent with its responses for question 20 below. | | | |
| **Community-based Designation** | 19 | Is the application for a community-based TLD? | There is a presumption that the application is a standard application (as defined in the Applicant Guidebook) if this question is left unanswered. The applicant's designation as standard or community-based cannot be changed once the application is submitted. | | | |
| | 20 | (a) Provide the name and full description of the community that the applicant is committing to serve. In the event that this application is included in a community priority evaluation, it will be scored based on the community identified in response to this question. | Descriptions should include:<br>• How the community is delineated from Internet users generally. Such descriptions may include, but are not limited to, the following: membership, registration, or licensing processes, operation in a particular industry, use of a language.<br>• How the community is structured and organized. For a community consisting of an alliance of groups, details about the constituent parts are required.<br>• When the community was established, including the date(s) of formal organization, if any, as well as a description of community activities to date.<br>• The current estimated size of the community, both as to membership and geographic extent. | | Responses to Question 20 will be regarded as firm commitments to the specified community and reflected in the registry agreement, provided the application is successful. Responses are not scored in the Initial Evaluation. Responses may be scored in a community priority evaluation, if applicable. Criteria and scoring methodology for the community priority evaluation are described in Module 4 of the Applicant Guidebook. | |
| | | (b) Explain the applicant's relationship to the community identified in 20(a). | Explanations should clearly state:<br>• Relations to any community organizations<br>• Relations to the community and its constituent parts/groups | | | |
| | | (c) Provide a description of the community-based purpose of the applied-for gTLD. | Descriptions should include:<br>• Intended registrants in the TLD.<br>• Intended end-users of the TLD.<br>• Related activities the applicant has carried out or intends to carry out in service of this purpose.<br>• Explanation of how the purpose is of a lasting nature. | | | |

| | # | Question | Notes | Scoring Range | Criteria | Scoring |
|---|---|---|---|---|---|---|
| | | (d) Explain the relationship between the applied-for gTLD string and the community identified in 20(a). | Explanations should clearly state:<br>• relationship to the established name, if any, of the community.<br>• relationship to the identification of community members.<br>• any connotations the string may have beyond the community. | | | |
| | | (e) Provide a complete description of the applicant's intended registration policies in support of the community-based purpose of the applied-for gTLD. Policies and enforcement mechanisms are expected to constitute a coherent set. | Descriptions should include proposed policies, if any, on the following:<br>• Eligibility: who is eligible to register a second-level name in the gTLD, and how will eligibility be determined.<br>• Name selection: what types of second-level names may be registered in the gTLD.<br>• Content/Use: what restrictions, if any, the registry operator will impose on how a registrant may use its registered name.<br>• Enforcement: what investigation practices and mechanisms exist to enforce the policies above, what resources are allocated for enforcement, and what appeal mechanisms are available to registrants. | | | |
| | | (f) Attach any written endorsements for the application from institutions/groups representative of the community identified in 20(a). An applicant may submit endorsements by multiple institutions/groups, if relevant to the community. | Endorsements from institutions/groups not mentioned in the response to 20(b) should be accompanied by a clear description of each such institution's/group's relationship to the community. | | | |
| Geographical Names | 21 | (a) Is the application for a geographical name? | A string is considered a geographical name requiring government support if it is: (a) the capital city name of a country or territory listed in the ISO 3166-1 standard; (b) a city name, where the applicant declares in its response to question 18 that it intends to use the gTLD for purposes associated with the city name; (c) a sub-national place name listed in the ISO 3166-2 standard; or (e) a continent or UN region. An application for a country or territory name, as defined in the Applicant Guidebook, will not be approved. | | | |
| | | (b) If a geographical name, attach documentation of support or non-objection from all relevant governments or public authorities. | See the documentation requirements in Module 2 of the Applicant Guidebook. | | | |
| Protection of Geographical Names | 22 | Describe proposed measures for protection of geographic names at the second and other levels in the applied-for gTLD. This should include any applicable rules and procedures for reservation and/or release of such names. | Applicants should consider and describe how they will incorporate Governmental Advisory Committee (GAC) advice in their management of second-level domain name registrations. See "Principles regarding New gTLDs" at http://gac.icann.org/gac-documents. For reference, applicants may draw on existing methodology developed for the reservation and release of country names in the .INFO top-level domain. Proposed measures will be posted for public comment as part of the application. | | | |
| Registry Services | 23 | Provide name and full description of all the Registry Services to be provided. Descriptions should include both technical and business components of each proposed service, and address any potential security or stability concerns. The following registry services are customary services offered by a registry operator:<br><br>A. Receipt of data from registrars concerning registration of domain names and name servers.<br>B. Provision of status information relating to zone servers for the TLD.<br>C. Dissemination of TLD zone files.<br>D. Dissemination of contact or other information concerning domain name registrations (Whois service).<br>E. Internationalized Domain Names, where offered.<br>F. DNS Security Extensions (DNSSEC).<br><br>The applicant must describe whether any of these registry services are intended to be offered in a manner unique to the TLD.<br><br>Additional proposed registry services that are unique to the registry must also be described. | Registry Services are defined as the following: (1) operations of the Registry critical to the following tasks: (i) the receipt of data from registrars concerning registrations of domain names and name servers; (ii) provision to registrars of status information relating to the zone servers for the TLD; (iii) dissemination of TLD zone files; (iv) operation of the Registry zone servers; and (v) dissemination of contact and other information concerning domain name server registrations in the TLD as required by the Registry Agreement; and (2) other products or services that the Registry Operator is required to provide because of the establishment of a Consensus Policy; (3) any other products or services that only a Registry Operator is capable of providing, by reason of its designation as the Registry Operator. A full definition of Registry Services can be found at http://www.icann.org/en/registries/rsep/rsep.html<br><br>Security: For purposes of this applicant guidebook, an effect on security by the proposed Registry Service means (1) the unauthorized disclosure, alteration, insertion or destruction of Registry Data, or (2) the unauthorized access to or disclosure of information or resources on the Internet by systems operating in accordance with applicable standards.<br><br>Stability: For purposes of this applicant guidebook, an effect on stability shall mean that the proposed Registry Service (1) is not compliant with applicable relevant standards that are authoritative and published by a well-established, recognized and authoritative standards body, such as relevant Standards-Track or Best Current Practice RFCs sponsored by the IETF, or (2) creates a condition that adversely affects the throughput, response time, consistency or coherence of responses to Internet servers or end systems, operating in accordance with applicable relevant standards that are authoritative and published by a well-established, recognized and authoritative standards body, such as relevant Standards-Track or Best Current Practice RFCs and relying on Registry Operator's delegation information or provisioning. | | Responses are not scored. A preliminary assessment will be made to determine if there are potential security or stability issues with any of the applicant's proposed Registry Services. If any such issues are identified, the application will be referred for an extended review. See the description of the Registry Services Review process in Module 2 of the Applicant Guidebook. Any information contained in the application may be considered as part of the registry services review. If its application is approved, applicant may engage in only those registry services defined in the application, unless a new request is submitted to ICANN in accordance with the registry agreement. | |

| | # | Question | Notes | Scoring Range | Criteria | Scoring |
|---|---|---|---|---|---|---|
| **Demonstration of Technical & Operational Capability** | 24 | Technical Overview of Proposed Registry: provide a technical overview of the proposed registry.<br><br>The technical plan must be adequately resourced, with appropriate expertise and allocation of costs. The applicant will provide financial descriptions of resources in the next section and those resources must be reasonably related to these technical requirements.<br><br>The overview should include information on the estimated scale of the registry's technical operation, for example, estimates for the number of registration transactions and DNS queries per month should be provided for the first two years of operation.<br><br>In addition, the overview should account for geographic dispersion of incoming network traffic such as DNS, Whois, and registrar transactions. If the registry serves a highly localized registrant base, then traffic might be expected to come mainly from one area.<br><br>This high level summary should not repeat answers to questions below. | The questions in this section (24-44) are intended to give applicants an opportunity to demonstrate their technical and operational capabilities to run a registry. In the event that an applicant chooses to outsource one or more parts of its registry operations, the applicant should still provide the full details of the technical arrangements. | 0-2 | Complete answer demonstrates:<br><br>(1) complete knowledge and understanding of technical aspects of registry requirements;<br>(2) an adequate level of resiliency for the registry's technical operations;<br>(3) consistency with currently deployed technical/operational solutions;<br>(4) consistency with the overall business approach and planned size of the registry; and<br>(5) adequate resourcing for technical plan in the planned costs detailed in the financial section.. | **2 - exceeds requirements**: Response includes<br>(1) Highly developed technical plans;<br>(2) Provision of a high level of availability;<br>(3) Full interplay and consistency of technical and business requirements; and<br>(4) Evidence of technical resources already on hand or fully committed.<br>**1 - meets requirements**: Response includes<br>(1) Adequate level of development to substantially demonstrate capability and knowledge required to meet this element;<br>(2) Technical plans are commensurate with the overall business approach as described in the application;<br>(3) Demonstrates that technical resources required to carry through the plans for this element are readily available.<br>**0 - fails requirements:**<br>Does not meet all the requirements to score 1. |
| | 25 | Architecture: provide documentation for the system and network architecture that will support registry operations for the proposed scale of the registry. System and network architecture documentation must clearly demonstrate the applicant's ability to operate, manage, and monitor registry systems. Documentation may include multiple diagrams or other components sufficient to describe:<br>• Network and associated systems necessary to support registry operations, including:<br>o Anticipated TCP/IP addressing scheme<br>o Hardware (CPU and RAM, Disk space, networking components, virtual machines)<br>o Operating system and versions<br>o Software and applications (with version information) necessary to support registry operations, management, and monitoring<br>• General overview of capacity planning, including bandwidth allocation plans<br>• List of providers / carriers<br>• Number and description of personnel roles allocated to this area<br>**(Responses to this question will be kept confidential.)** | | 0-2 | Complete answer demonstrates:<br><br>(1) detailed and coherent network architecture;<br>(2) architecture providing resiliency for registry systems;<br>(3) a technical plan scope/scale that is consistent with the overall business approach and planned size of the registry; and<br>(4) a technical plan that is adequately resourced in the planned costs detailed in the financial section. | **2 - exceeds requirements:** Response includes<br>(1) Evidence of highly developed and detailed network architecture;<br>(2) Evidence of a highly available, robust, and secure infrastructure;<br>(3) Network architecture shows full interplay and consistency of technical and business requirements; and<br>(4) Evidence of technical resources already on hand or fully committed.<br>**1 - meets requirements:** Response includes<br>(1) Plans for network architecture describe all necessary elements;<br>(2) Descriptions demonstrate adequate network architecture providing robustness and security of the registry;<br>(3) Bandwidth and SLA are commensurate with overall business approach as described in the application;<br>(4) Demonstrates that technical resources required to carry through the plans for this element are readily available.<br>**0 - fails requirements:**<br>Does not meet all the requirements to score 1. |
| | 26 | Database Capabilities: provide details of database capabilities including:<br>• database software,<br>• storage capacity (both in raw terms [e.g., MB, GB] and in number of registrations / registration transactions),<br>• maximum transaction throughput (in total and by type of transaction),<br>• scalability,<br>• procedures for object creation, editing, and deletion,<br>• high availability,<br>• change notifications,<br>• registrar transfer procedures,<br>• grace period implementation,<br>• reporting capabilities, and<br>• number and description of personnel roles allocated to this area. | | 0-2 | Complete answer demonstrates:<br><br>(1) complete knowledge and understanding of database capabilities to meet the registry technical requirements;<br>(2) database capabilities consistent with the overall business approach and planned size of the registry; and<br>(3) a technical plan that is adequately resourced in the planned costs detailed in the financial section. | **2 - exceeds requirements:** Response includes<br>(1) Highly developed and detailed description of database capabilities;<br>(2) Evidence of comprehensive database capabilities, including high scalability and redundant database infrastructure, regularly reviewed operational and reporting procedures following leading practices;<br>(3) Database capabilities showing full interplay and consistency of technical and business requirements; and<br>(4) Evidence of technical resources already on hand or fully committed.<br>**1 - meets requirements:** Response includes<br>(1) Plans for database capabilities describe all necessary elements;<br>(2) Descriptions demonstrate adequate database capabilities (not leading practices), with database throughput, scalability, and database operations with limited operational governance;<br>(3) Database capabilities are commensurate with overall business approach as described in the application; and<br>(4) Demonstrates that technical resources required to carry through the plans for this element are readily available.<br>**0 - fails requirements:**<br>Does not meet all the requirements to score 1. |

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| | 27 | Geographic Diversity: provide a description of plans for geographic diversity of:<br><br>a. name servers, and<br>b. operations centers.<br><br>This should include the intended physical locations of systems, primary and back-up operations centers (including security attributes), and other infrastructure. This may include Registry plans to use Anycast or other geo-diversity measures. This should include resourcing plans (number and description of personnel roles allocated to this area). | | 0-2 | Complete answer demonstrates:<br><br>(1) geographic diversity of nameservers and operations centers;<br>(2) proposed geo-diversity measures are consistent with the overall business approach and planned size of the registry; and<br>(3) a technical plan that is adequately resourced in the planned costs detailed in the financial section. | **2 - exceeds requirements:** Response includes<br>(1) Evidence of highly developed measures for geo-diversity of operations, with locations and functions;<br>(2) A high level of availability, security, and bandwidth;<br>(3) Full interplay and consistency of technical and business requirements; and<br>(4) Evidence of technical resources already on hand or committed.<br>**1 - meets requirements:** Response includes<br>(1) Description of geodiversity plans includes all necessary elements;<br>(2) Plans provide adequate geo-diversity of name servers and operations;<br>(3) Geo-diversity plans are commensurate with overall business approach as described in the application; and<br>(4) Demonstrates that technical resources required to carry through the plans for this element are readily available.<br>**0 - fails requirements:**<br>Does not meet all the requirements to score 1. |
| | 28 | DNS Service Compliance: describe the configuration and operation of nameservers, including how the applicant will comply with RFCs. All name servers used for the new gTLD must be operated in compliance with the DNS protocol specifications defined in the relevant RFCs, including but not limited to: 1034, 1035, 1982, 2181, 2182, 2671, 3226, 3596, 3597, 3901, 4343, and 4472.<br><br>Describe the DNS services to be provided, the resources used to implement the services, and demonstrate how the system will function. Suggested information includes:<br>Services. Query rates to be supported at initial operation, and reserve capacity of the system. How will these be scaled as a function of growth in the TLD? Similarly, describe how services will scale for name server update method and performance.<br>Resources. Describe complete server hardware and software. Describe how services are compliant with RFCs. Are these dedicated or shared with any other functions (capacity/performance) or DNS zones? Describe network bandwidth and addressing plans for servers. Describe resourcing plans (number and description of personnel roles allocated to this area).<br>Describe how the proposed infrastructure will be able to deliver the performance described in the Performance Specification (Specification 6) attached to the draft Registry Agreement. Examples of evidence include:<br>• Server configuration standard (i.e., planned configuration)<br>• Network addressing and bandwidth for query load and update propagation<br>• Headroom to meet surges | Note that the use of DNS wildcard resource records as described in RFC 4592 or any other method or technology for synthesizing DNS resource records or using redirection within the DNS by the registry is prohibited in the Registry Agreement.<br><br>Also note that name servers for the new gTLD must comply with IANA Technical requirements for authoritative name servers: http://www.iana.org/procedures/nameserver-requirements.html. | 0-2 | Complete answer demonstrates:<br><br>(1) adequate description of configurations of nameservers and compliance with respective DNS protocol-related RFCs;<br>(2) a technical plan scope/scale that is consistent with the overall business approach and planned size of the registry;<br>(3) a technical plan that is adequately resourced in the planned costs detailed in the financial section; and<br>(4) evidence of compliance with Specification 6 to the Registry Agreement. | **2 - exceeds requirements:** Response includes:<br>(1) Highly developed and detailed plans to ensure compliance with DNS protocols and required performance specifications;<br>(2) A high level of availability;<br>(3) Full interplay and consistency of technical and business requirements; and<br>(4) Evidence of technical resources already on hand or committed.<br>**1 - meets requirements:** Response includes:<br>(1) Adequate level of detail to substantially demonstrate capability and knowledge required to meet this element;<br>(2) Plans are sufficient to result in compliance with DNS protocols and required performance specifications; and<br>(3) Plans are commensurate with overall business approach as described in the application; and<br>(4) Demonstrates that technical resources required to carry through the plans for this element are readily available.<br>**0 - fails requirements:**<br>Does not meet all the requirements to score 1. |
| | 29 | SRS Performance: describe the plan for operation of a robust and reliable Shared Registration System. SRS is a critical registry function for enabling multiple registrars to provide domain name registration services in the TLD. Please refer to the requirements in the Registry Interoperability, Continuity, and Performance Specification (Specification 6) attached to the draft Registry Agreement. Describe resourcing plans (number and description of personnel roles allocated to this area). | | 0-1 | Complete answer demonstrates:<br><br>(1) a robust plan for operating a reliable SRS;<br>(2) scalability and performance are consistent with the overall business approach, and planned size of the registry;<br>(3) a technical plan that is adequately resourced in the planned costs detailed in the financial section; and<br>(4) evidence of compliance with Specification 6 to the Registry Agreement. | **1 - meets requirements:** Response includes<br>(1) Evidence of highly developed and detailed plan to operate a robust and reliable SRS;<br>(2) SRS plans are sufficient to result in compliance with the Registry Continuity, Interoperability, and Performance Specifications;<br>(3) Full interplay and consistency of technical and business requirements; and<br>(4) Demonstrates that technical resources are already on hand, or committed or readily available.<br>**0 - fails requirements:**<br>Does not meet all the requirements to score 1. |

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| | 30 | EPP: provide a detailed description of the interface with registrars, including how the applicant will comply with Extensible Provisioning Protocol in the relevant RFCs, including but not limited to: RFCs 3915, 3735, and 5730-5734. Provide the EPP templates and schemas that will be used. Include resourcing plans (number and description of personnel roles allocated to this area). | | 0-1 | Complete answer demonstrates:<br><br>(1) complete knowledge and understanding of this aspect of registry technical requirements;<br>(2) a technical plan scope/scale consistent with the overall business approach and planned size of the registry; and<br>(3) a technical plan that is adequately resourced in the planned costs detailed in the financial section. | 1 - meets requirements: Response includes<br>(1) Adequate level of detail to substantially demonstrate capability and knowledge required to meet this element;<br>(2) EPP templates and schemas are compliant with RFCs and provide all necessary functionalities for registrar interface;<br>(3) Full interplay and consistency of technical and business requirements; and<br>(4) Demonstrates that technical resources are already on hand, or committed or readily available.<br>0 - fails requirements:<br>Does not meet the requirements to score 1. |
| | 31 | Security Policy: provide the security policy and procedures for the proposed registry, including:<br>• system (data, server, application / services) and network access control, ensuring systems are maintained in a secure fashion, including details of how they are monitored, logged and backed up;<br>• provisioning and other measures that mitigate risks posed by denial of service attacks;<br>• computer and network incident response policies, plans, and processes;<br>• plans to minimize the risk of unauthorized access to its systems or tampering with registry data;<br>• intrusion detection mechanisms,<br>• a threat analysis for the proposed registry, the defenses that will be deployed against those threats, and provision for periodic threat analysis updates;<br>• details for auditing capability on all network access;<br>• physical security approach;<br>• identification of department or group responsible for the registry's security organization;<br>• background checks conducted on security personnel;<br>• independent assessment report to demonstrate security capabilities (if any), and provision for periodic independent assessment reports to test security capabilities;<br>• resources to secure integrity of updates between registry systems and nameservers, and between nameservers, if any; and<br>• number and description of personnel roles allocated to this area.<br><br>Answers should specify the main security threats to the registry operation that have been identified.<br><br>(Responses to this question will be kept confidential.) | | 0-2 | Complete answer demonstrates:<br><br>(1) detailed description of processes and solutions deployed to manage logical security across infrastructure and systems, monitoring and detecting threats and security vulnerabilities and taking appropriate steps to resolve them;<br>(2) security capabilities are consistent with the overall business approach and planned size of the registry;<br>(3) a technical plan adequately resourced in the planned costs detailed in the financial section; and<br>(4) security measures are consistent with any commitments made to registrants regarding security levels. | 2 - exceeds requirements: Response includes<br>(1) Evidence of highly developed and detailed security capabilities, with various baseline security levels, independent benchmarking of security metrics, robust periodic security monitoring, and continuous enforcement;<br>(2) Independent assessment report is provided demonstrating effective security controls;<br>(3) Full interplay of business and technical requirements; and<br>(4) Evidence of technical resources already on hand or fully committed.<br>1 - meets requirements: Response includes:<br>(1) Adequate level of detail to substantially demonstrate capability and knowledge to meet this element;<br>(2) Evidence of adequate security capabilities, enforcement of logical access control, threat analysis, incident response and auditing. Ad-hoc oversight and governance and leading practices being followed;<br>(3) Security capabilities aligned with the overall business approach as described in the application, and any commitments made to registrants; and<br>(4) Demonstrates that technical resources required to carry through the plans for this element are readily available.<br>0 - fails requirements:<br>Does not meet all the requirements to score 1. |
| | 32 | IPv6 Reachability: the registry supports access to Whois, Web-based Whois and any other Registration Data Publication Service as described in Specification 6 to the Registry Agreement. The registry also supports DNS servers over an IPv6 network for at least 2 nameservers. IANA currently has a minimum set of technical requirements for IPv4 name service. These include two nameservers separated by geography and by network topology, each serving a consistent set of data, and are reachable from multiple locations across the globe. Describe how the registry will meet this same criterion for IPv6, requiring IPv6 transport to their network. List all services that will be provided over IPv6, and describe the IPv6 connectivity and provider diversity that will be used. Describe resourcing plans (number and description of personnel roles allocated to this area). | IANA nameserver requirements are available at http://www.iana.org/procedures/nameserver-requirements.html. | 0-1 | Complete answer demonstrates:<br><br>(1) complete knowledge and understanding of this aspect of registry technical requirements;<br>(2) a technical plan scope/scale that is consistent with the overall business approach and planned size of the registry; and<br>(3) a technical plan that is adequately resourced in the planned costs detailed in the financial section. | 1 - meets requirements: Response includes<br>(1) Adequate level of detail to substantially demonstrate capability and knowledge required to meet this element;<br>(2) Evidence of adequate implementation plan addressing requirements for IPv6 reachability, indicating IPv6 reachability allowing IPv6 transport in the network in compliance to IPv4 IANA specifications with at least 2 separated nameservers;<br>(3) IPv6 plans commensurate with overall business approach as described in the application; and<br>(4) demonstrates that technical resources required to carry through the plans for this element are already on hand or readily available.<br>0 - fails requirements:<br>Does not meet all the requirements to score 1. |
| | 33 | Whois: describe how the applicant will comply with ICANN's Registry Publicly Available Registration Data (Whois) specifications for data objects, bulk access, and lookups as defined in Specifications 4 and 6 to the registry agreement. Describe how the Applicant's Registry Publicly Available Registration Data (Whois) service will comply with RFC 3912. Describe resourcing plans (number and description of personnel roles allocated to this area). | | 0-1 | Complete answer demonstrates:<br><br>(1) complete knowledge and understanding of this aspect of registry technical requirements;<br>(2) a technical plan scope/scale consistent with the overall business approach and planned size of the registry; and<br>(3) a technical plan that is adequately resourced in the planned costs detailed in the financial section. | 1 - meets requirements: Response includes<br>(1) adequate level of detail to substantially demonstrate capability and knowledge required to meet this element;<br>(2) Whois services compliant with RFCs and contractual requirements and provide all necessary functionalities for user interface;<br>(3) Whois capabilities commensurate with the overall business approach as described in the application; and<br>(4) demonstrates that technical resources required to carry through the plans for this element are already on hand or readily available.<br>0 - fails requirements:<br>Does not meet all the requirements to score 1. |

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| | 34 | Registration Life Cycle: provide a detailed description of the proposed registration lifecycle for domain names in the proposed gTLD. The description must explain the various registration states as well as the criteria and procedures that are used to change state. It must describe the typical registration lifecycle of create/update/delete and all intervening steps such as pending, locked, expired, and transferred that may apply. Any time elements that are involved - for instance details of add-grace or redemption grace periods, or notice periods for renewals or transfers - must also be clearly explained. Describe resourcing plans (number and description of personnel roles allocated to this area). | | 0-1 | Complete answer demonstrates:<br><br>(1) complete knowledge and understanding of registration lifecycles and states; and<br>(2) consistency with any specific commitments made to registrants as adapted to the overall business approach for the proposed gTLD. | **1 - meets requirements:** Response includes<br>(1) Evidence of highly developed registration life cycle with definition of various registration states and transition between the states;<br>(2) Consistency of registration lifecycle with any commitments to registrants and with technical and financial plans; and<br>(3) Demonstrates that technical resources required to carry through the plans for this element are already on hand or readily available.<br>**0 - fails requirements:**<br>Does not meet all the requirements to score 1. |
| | 35 | Abuse Prevention and Mitigation:  Applicants should describe the proposed policies and procedures to minimize abusive registrations and other activities that have a negative impact on Internet users. Answers should include:<br>• safeguards the applicant will implement at the time of registration, policies to reduce opportunities for abusive behaviors using registered domain names in the TLD, and policies for handling complaints regarding abuse. Each registry operator will be required to establish and publish on its website a single abuse point of contact responsible for addressing matters requiring expedited attention and providing a timely response to abuse complaints concerning all names registered in the TLD through all registrars of record, including those involving a reseller.<br>• a description of rapid takedown or suspension systems that will be implemented.<br>• proposed measures for management and removal of orphan glue records for names removed from the zone.<br>• resourcing plans (number and description of personnel roles allocated to this area). | | 0-1 | Complete answer demonstrates:<br><br>(1) Comprehensive abuse policies and procedures that will effectively minimize potential for abuse in the TLD;<br>(2) Plans are adequately resourced in the planned costs detailed in the financial section;<br>(3) Policies and procedures identify and address the abusive use of registered names at startup and on an ongoing basis; and<br>(4) When executed in accordance with the Registry Agreement, plans will result in compliance with contractual requirements. | **1 - meets requirements:** Response includes<br>(1) Evidence of highly developed abuse policies and procedures;<br>(2) Plans are consistent with overall business approach and any commitments made to registrants; and<br>(3) Plans are sufficient to result in compliance with contractual requirements.<br>**0 – fails requirements:**<br>Does not meet all the requirements to score 1. |
| | 36 | Rights Protection Mechanisms: Applicants should describe how their proposal will comply with policies and practices that minimize abusive registrations and other activities that affect the legal rights of others. Describe how the registry operator will implement safeguards against allowing unqualified registrations, and reduce opportunities for behaviors such as phishing or pharming. At a minimum, the registry operator must offer either a Sunrise period or a Trademark Claims service, and implement decisions rendered under the URS. Answers may also include additional measures such as abusive use policies, takedown procedures, registrant pre-verification, or authentication procedures, or other covenants. Describe resourcing plans (number and description of personnel roles allocated to this area). | | 0-2 | Complete answer describes mechanisms designed to:<br><br>(1) prevent abusive registrations, and<br>(2) identify and address the abusive use of registered names on an ongoing basis. | **2 - exceeds requirements:**<br>(1) Provides a coherent, well-developed plan for rights protection;<br>(2) Mechanisms provide effective protection at least meeting minimum requirements, and may include other protections, beyond the start-up period;<br>**1 - meets requirements:**<br>(1) Proposed registry operator commits to and describes protection of rights mechanisms sufficient to comply with minimum requirements;<br>(2) These mechanisms provide protections at least at registry start-up, and may include other protections beyond the start-up period.<br>**0 - fails requirements:**<br>Does not meet all the requirements to score a 1. |
| | 37 | Data Backup Policies & Procedures: provide<br>• details of frequency and procedures for backup of data,<br>• hardware, and systems used for backup<br>• data format,<br>• data backup features,<br>• backup testing procedures,<br>• procedures for retrieval of data/rebuild of database,<br>• storage controls and procedures, and<br>• number and description of personnel roles allocated to this area. | | 0-2 | Complete answer demonstrates:<br><br>(1) detailed backup and retrieval processes deployed;<br>(2) backup and retrieval process and frequency are consistent with the overall business approach and planned size of the registry; and<br>(3) a technical plan that is adequately resourced in the planned costs detailed in the financial section. | **2 - exceeds requirements:**  Response includes<br>(1) Evidence of highly developed data backup policies and procedures, with continuous robust monitoring, continuous enforcement of backup security, regular review of backups, regular recovery testing, and recovery analysis. Leading practices being followed;<br>(2) A high level of resiliency;<br>(3) Full interplay and consistency of technical and business requirements; and<br>(4) Evidence of technical resources already on hand or fully committed.<br>**1 - meets requirements:**  Response includes<br>(1) Adequate backup procedures, recovery steps, and retrieval capabilities available;<br>(2) Minimal leading practices being followed;<br>(3) Backup procedures commensurate with the overall business approach as described in the application; and<br>(4) Demonstrates that technical resources required to carry through the plans for this element are readily available.<br>**0 - fails requirements:**<br>Does not meet all the requirements to score a 1. |

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| | 38 | Escrow: describe how the applicant will comply with the escrow arrangements documented in the Registry Data Escrow Specifications (Specification 2 of the draft Registry Agreement). Describe resourcing plans (including number and description of personnel roles allocated to this area). | | 0-2 | Complete answer demonstrates: (1) compliance with Specification 2 of the Registry Agreement; (2) a technical plan that is adequately resourced in the planned costs detailed in the financial section; and (3) the escrow arrangement is consistent with the overall business approach and size/scope of the registry. | **2 - exceeds requirements:** Response includes (1) Evidence of highly developed and detailed data escrow procedures; (2) Procedures are in place to ensure compliance with Specification 2 of the Registry Agreement; (3) Full interplay of technical and business requirements; and (4) Evidence of technical resources already on hand or committed. **1 – meets requirements:** Response includes (1) Adequate level of detail to substantially demonstrate capability and knowledge required to meet this element; (2 ) Data escrow plans are sufficient to result in compliance with the Data Escrow Specification; (3) Escrow capabilities are commensurate with the overall business approach as described in the application; and (4) Demonstrates that technical resources required to carry through the plans for this element are readily available. **0 – fails requirements:** Does not meet all the requirements to score a 1. |
| | 39 | Registry Continuity: describe how the applicant will comply with registry continuity obligations as described in the Registry Interoperability, Continuity and Performance Specification (Specification 6), attached to the draft Registry Agreement. This includes conducting registry operations using diverse, redundant servers to ensure continued operation of critical functions in the case of technical failure. Describe resourcing plans (number and description of personnel roles allocated to this area). | For reference, applicants should review the ICANN gTLD Registry Continuity Plan at http://www.icann.org/en/registries/continuity/gtld-registry-continuity-plan-25apr09-en.pdf. | 0-2 | Complete answer demonstrates: (1) detailed description showing plans for compliance with registry continuity obligations; (2) a technical plan scope/scale that is consistent with the overall business approach and planned size of the registry; and (3) a technical plan that is adequately resourced in the planned costs detailed in the financial section. | **2 - exceeds requirements:** Response includes (1) Highly developed and detailed processes for maintaining registry continuity; (2) A high level of availability; (3) Full interplay and consistency of technical and business requirements, and (4) Evidence of technical resources already on hand or committed. **1 - meets requirements:** Response includes (1) Adequate level of detail to substantially demonstrate capability and knowledge required to meet this element; (2) Continuity plans are sufficient to result in compliance with requirements; (3) Continuity plans are commensurate with overall business approach as described in the application; and (4) Demonstrates that technical resources required to carry through the plans for this element are readily available. **0 - fails requirements:** Does not meet all the requirements to score a 1. |
| | 40 | Registry Transition: provide a plan that could be followed in the event that it becomes necessary to transition the proposed gTLD to a new operator, including a transition process. **(Responses to this question will be kept confidential.)** | | 0-2 | Complete answer demonstrates: (1) complete knowledge and understanding of this aspect of registry technical requirements; (2) a technical plan scope/scale consistent with the overall business approach and planned size of the registry; and (3) a technical plan that is adequately resourced in the planned costs detailed in the financial section. | **2 - exceeds requirements:** Response includes (1) Evidence of highly developed registry transition plan including time required for transitions, feasibility analysis during transition, robust monitoring the pre- and post-delegation phases; (2) A high level of availability; (3) Full interplay and consistency of technical and business requirements; and (4) A transition provider is already on hand. **1 - meets requirements:** Response includes (1) Adequate level of detail to substantially demonstrate capability and knowledge required to meet this element; (2) Evidence of adequate registry transition plan with ad hoc monitoring during registry transition; (3) Transition plan is commensurate with the overall business approach as described in the application; and (4) Resources for registry transition are fully committed. **0 - fails requirements:** Does not meet all the requirements to score a 1. |

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| | 41 | Failover Testing: provide a description of the failover testing plan, including mandatory annual testing of the plan. Examples may include a description of plans to test failover of data centers or operations to alternate sites, from a hot to a cold facility, or registry data escrow testing. Describe resourcing plans (number and description of personnel roles allocated to this area). | | 0-2 | Complete answer demonstrates:<br><br>(1) complete knowledge and understanding of this aspect of registry technical requirements;<br>(2) a technical plan scope/scale consistent with the overall business approach and planned size of the registry; and<br>(3) a technical plan that is adequately resourced in the planned costs detailed in the financial section. | **2 - exceeds requirements:** Response includes<br>(1) Evidence of highly developed and detailed failover testing plan, including periodic testing, robust monitoring, review, and analysis;<br>(2) A high level of resiliency;<br>(3) Full interplay and consistency of technical and business requirements;<br>(4) Evidence of technical resources for failover testing already on hand or fully committed.<br>**1 - meets requirements:** Response includes<br>(1) Adequate level of detail to substantially demonstrate capability and knowledge required to meet this element;<br>(2) Evidence of adequate failover testing plan with ad hoc review and analysis of failover testing results;<br>(3) Failover testing plan is commensurate with the overall business approach as described in the application; and<br>(4) Demonstrates that technical resources required to carry through the plans for this element are readily available.<br>**0 - fails requirements:** Does not meet all the requirements to score a 1. |
| | 42 | Monitoring and Fault Escalation Processes: provide a description of the proposed (or actual) arrangements for monitoring critical registry systems (including SRS, database systems, DNS servers, Whois service, network connectivity, routers and firewalls). This description should explain how these systems are monitored and the mechanisms that will be used for fault escalation and reporting, and should provide details of the proposed support arrangements for these registry systems.<br><br>Applicant will describe monitoring and communication mechanisms to registrars for detecting and signaling registry entries resulting in DNS response sizes exceeding the common 512-byte threshold and the RFC-3226-mandated 1220-byte threshold once DNSSEC support is provided.<br><br>Describe resourcing plans (number and description of personnel roles allocated to this area). | | 0-2 | Complete answer demonstrates:<br><br>(1) complete knowledge and understanding of this aspect of registry technical requirements;<br>(2) a technical plan scope/scale that is consistent with the overall business approach and planned size of the registry;<br>(3) a technical plan that is adequately resourced in the planned costs detailed in the financial section; and<br>(4) consistency with the commitments made to registrants regarding system maintenance. | **2 - exceeds requirements:** Response includes<br>(1) Evidence showing highly developed and detailed fault tolerance/monitoring and redundant systems deployed with real-time monitoring tools / dashboard (metrics) deployed and reviewed regularly;<br>(2) A high level of availability;<br>(3) Full interplay and consistency of technical and business requirements; and<br>(4) Evidence of technical resources for monitoring and fault escalation already on hand or fully committed.<br>**1 - meets requirements:** Response includes<br>(1) Adequate level of detail to substantially demonstrate capability and knowledge required to meet this element;<br>(2) Evidence showing adequate fault tolerance/monitoring systems planned with ad hoc monitoring and limited periodic review being performed;<br>(3) Plans are commensurate with overall business approach; and<br>(4) Demonstrates that technical resources required to carry through the plans for this element are readily available.<br>**0 - fails requirements:** Does not meet all the requirements to score 1. |
| | 43 | DNSSEC: Describe the policies and procedures the proposed registry will follow, for example, for signing the zone file, for verifying and accepting DS records from child domains, and for generating, exchanging, and storing keying material. Describe how the DNSSEC implementation will comply with relevant RFCs, including but not limited to: RFCs 4033, 4034, 4035, 5910, 4509, 4641, and 5155 (the latter will only be required if Hashed Authenticated Denial of Existence will be offered). Describe resourcing plans (number and description of personnel roles allocated to this area). | | 0-1 | Complete answer demonstrates:<br><br>(1) complete knowledge and understanding of this aspect of registry technical requirements;<br>(2) a technical plan scope/scale that is consistent with the overall business approach and planned size of the registry; and<br>(3) a technical plan that is adequately resourced in the planned costs detailed in the financial section. | **1 - meets requirements:** Response includes<br>(1) Adequate level of detail to substantially demonstrate capability and knowledge required to meet the requirement to offer DNSSEC at time of launch, in compliance with required RFCs, and to provide secure encryption key management (generation, exchange, and storage);<br>(2) Key management procedures for registrants in the proposed TLD;<br>(3) Technical plan is commensurate with the overall business approach as described in the application; and<br>(4) Demonstrates that technical resources required to carry through the plans for this element are already on hand or readily available.<br>**0 - fails requirements:**<br>Does not meet all the requirements to score 1. |

| | # | Question | Notes | Scoring Range | Criteria | Scoring |
|---|---|----------|-------|---------------|----------|---------|
| | 44 | OPTIONAL.<br><br>IDNs: state whether the proposed registry will support the registration of IDN labels in the TLD, and if so, how. For example, explain which characters will be supported, and provide the associated IDN Tables with variant characters identified, along with a corresponding registration policy. This includes public interfaces to the databases such as Whois and EPP. Describe resourcing plans (including number and description of personnel roles allocated to this area). Describe how the IDN implementation will comply with RFCs 3454, 3490, 3491, and 3743 as well as the ICANN IDN Guidelines at http://www.icann.org/en/topics/idn/implementation-guidelines.htm. | IDNs are an optional service at time of launch. Absence of IDN implementation or plans will not detract from an applicant's score. Applicants who respond to this question with plans for implementation of IDNs at time of launch will be scored according to the criteria indicated here. | 0-2 | IDNs are an optional service. Complete answer demonstrates:<br><br>(1) complete knowledge and understanding of this aspect of registry technical requirements;<br>(2) a technical plan that is adequately resourced in the planned costs detailed in the financial section;<br>(3) consistency with the commitments made to registrants in the purpose of the registration and registry services descriptions; and<br>(4) issues regarding use of scripts are settled and IDN tables are complete and publicly available. | 2 - exceeds requirements: Response includes<br>(1) Evidence of highly developed and detailed procedures for IDNs, including complete IDN tables, compliance with IDNA/IDN guidelines and RFCs, periodic monitoring of IDN operations;<br>(2) Evidence of ability to resolve rendering and known IDN issues or IDN spoofing attacks;<br>(3) Full interplay and consistency of technical and business requirements; and<br>(4) Evidence of technical resources already on hand or committed.<br>1 - meets requirements: Response includes<br>(1) Adequate level of detail to substantially demonstrate capability and knowledge required to meet this element;<br>(2) Evidence of adequate implementation plans for IDNs in compliance with IDN/IDNA guidelines;<br>(3) IDN plans are consistent with the overall business approach as described in the application;<br>(4) Demonstrates that technical resources required to carry through the plans for this element are readily available.<br>0 - fails requirements: Does not meet all the requirements to score a 1. |
| **Demonstration of Financial Capability** | 45 | Financial Statements: provide audited or independently certified financial statements (balance sheet, income statement, statement of shareholders equity/partner capital, and cash flow statement) for the most recently completed fiscal year for the applicant, and unaudited financial statements for the most recently ended interim financial period for the applicant. For newly-formed applicants, provide the latest available financial statements.<br><br>Financial statements are used in the analysis of projections and costs. (Responses to this question will be kept confidential.) | The questions in this section (45-50) are intended to give applicants an opportunity to demonstrate their financial capabilities to run a registry. | 0-1 | Audited or certified financial statements are prepared in accordance with IFRS (International Financial Reporting Standards) adopted by the IASB (International Accounting Standards Board) or nationally recognized accounting standards (e.g., GAAP). This will include a balance sheet and income statement reflecting the applicant's financial position and results of operations. In the event the applicant is an entity newly formed for the purpose of applying for a gTLD and without an operating history, the applicant must submit pro forma financial statements reflecting the entity's capitalization for the registry operator. Funding in this latter case must be verifiable as a true and accurate reflection and cannot include prospective funding. Where audited or independently certified statements are not available, applicant has provided adequate explanation as to practices in its jurisdiction and has provided, at a minimum, unaudited financial statements. | 1 - meets requirements: Complete audited or certified financial statements are provided, at the highest level available in the applicant's jurisdiction. Where such financial statements are not available, such as for newly-formed entities, the applicant has provided an explanation and has provided, at a minimum, unaudited financial statements.<br>0 - fails requirements: Does not meet all the requirements to score 1. For example, entity with an operating history fails to provide audited or certified statements. |
| | 46 | Projections Template: provide financial projections for costs and funding using Template 1 (attached) for the most likely scenario. The template is intended to provide commonality among TLD applications and thereby facilitate the evaluation process. Include explanations for any significant variances between years (or expected in years beyond the timeframe of the template) in any category of costing or funding. Describe the basis / assumptions for the numbers provided, and the rationale for the basis / assumptions. This may include studies, reference data, or other steps taken to develop the responses and validate any assumptions made. (Responses to this question will be kept confidential.) | | 0-2 | Applicant has provided a thorough model that demonstrates a sustainable business (even if break-even is not achieved through the first three years of operation).<br>Applicant's description of projections development is sufficient to show due diligence and basis for projections. | 2 - exceeds requirements:<br>(1) Model is described in sufficient detail to be determined as a conservative balance of cost, funding and risk, i.e., funding and costs are highly consistent and are representative of a robust on-going concern;<br>(2) Demonstrates resources and plan for sustainable operations; and<br>(3) Lead-up work done in developing projections is described fully and indicates a sound basis for numbers provided.<br>1 - meets requirements:<br>(1) Model is described in sufficient detail to be determined as a reasonable balance of cost, funding and risk, i.e., funding and costs are consistent and are representative of an on-going concern;<br>(2) Demonstrates resources and plan for sustainable operations;<br>(3) Financial assumptions about the registry services, funding and market are identified; and<br>(4) Financial estimates are defensible.<br>0 - fails requirements: Does not meet all the requirements to score a 1. |

| | # | Question | Notes | Scoring Range | Criteria | Scoring |
|---|---|----------|-------|---------------|----------|---------|
| | 47 | (a) Costs and capital expenditures: describe and explain the expected costs and capital expenditures of setting up and operating the proposed Registry. As described in the Applicant Guidebook, the information provided will be considered in light of the entire application and the evaluation criteria. Therefore, this answer should agree with the information provided in the template to: 1) maintain registry operations, 2) provide registry services described above, and 3) satisfy the technical requirements described in the Demonstration of Technical & Operational Capability section. Costs should include both fixed and variable costs. (Responses to this question will be kept confidential.) | Questions 47-48 correspond to Template 1, submitted in response to question 46. | 0-2 | Costs identified are consistent with the proposed registry services, adequately fund technical requirements, and are consistent with proposed mission/purpose of the registry. Costs projected are reasonable for a registry of size and scope described in the application. Costs identified include the financial instrument described in question 50 below. | 2 - exceeds requirements: (1) Cost elements described are clearly and separately tied to each of the aspects of registry operations: registry services, technical requirements, and other aspects as described by the applicant; (2) Estimated costs are conservative and consistent with an operation of the registry volume/scope/size as described by the applicant; (3) Most estimates are derived from actual examples of previous registry operations or equivalent; and (4) Conservative estimates are based on those experiences and describe a range of anticipated costs and use the high end of those estimates. 1 - meets requirements: (1) Cost elements described reasonably cover all of the aspects of registry operations: registry services, technical requirements and other aspects as described by the applicant; and (2) Estimated costs are consistent and defensible with an operation of the registry volume/scope/size as described by the applicant. 0 - fails requirements: Does not meet all the requirements to score a 1. |
| | | (b) Describe anticipated ranges in projected costs. Describe factors that affect those ranges. (Responses to this question will be kept confidential.) | | | | |
| | 48 | (a) Funding and Revenue: Funding can be derived from several sources (e.g., existing capital or proceeds/revenue from operation of the proposed registry). For each source (as applicable), describe: I) How existing funds will provide resources for both: a) start-up of operations, and b) ongoing operations, II) a description of the revenue model including projections for transaction volumes (if the applicant does not intend to rely on registration revenue in order to cover the costs of the registry's operation, it must clarify how the funding for the operation will be developed and maintained in a stable and sustainable manner), III) outside sources of funding (the applicant must, where applicable, provide evidence of the commitment by the party committing the funds). Secured vs. unsecured funding should be clearly identified, including associated sources for each type. (Responses to this question will be kept confidential.) | | 0-2 | Funding resources are clearly identified and adequately provide for registry cost projections. Sources of capital funding are clearly identified, held apart from other potential uses of those funds and available. The plan for transition of funding sources from available capital to revenue from operations (if applicable) is described. Outside sources of funding are documented and verified and must not include prospective sources of funds. Sources of capital funding required to sustain registry operations on an on-going basis are identified. The projected revenues are consistent with the size and projected penetration of the target markets. | 2 - exceeds requirements: (1) Existing funds are quantified, segregated and earmarked for registry operations; (2) If on-going operations are to be resourced from existing funds (rather than revenue from on-going operations) that funding is segregated and earmarked for this purpose only in an amount adequate for three years operation; (3) Revenues are clearly tied to projected business volumes, market size and penetration; (4) Assumptions made are conservative; (5) Cash flow models are prepared which link funding and revenue assumptions to actual business activity; and (6) Capital is adequately broken down into secured vs. pledged and is linked to cash flows. 1 - meets requirements: (1) Existing funds are quantified, identified as available and budgeted; (2) If on-going operations are to be resourced from existing funds (rather than revenue from on-going operations) that funding is quantified and its sources identified in an amount adequate for three years operation; (3) Revenues are directly related to projected business volumes, market size and penetration; and (4) Assumptions made are reasonable and defensible. 0 - fails requirements: Does not meet all the requirements to score a 1. |
| | | (b) Describe anticipated ranges in projected funding and revenue. Describe factors that affect those ranges. (Responses to this question will be kept confidential.) | | | | |
| | 49 | (a) Contingency Planning: describe your contingency planning: identify any projected barriers to implementation of the business approach described in the application and how they affect cost, funding or timeline in your planning. Identify any particular regulation, law or policy that might impact the Registry Services offering.<br><br>For each contingency, include impact to projected revenue and costs for the 3-year period presented in Template 1. (Responses to this question will be kept confidential.) | | 0-2 | Contingencies and risks are identified and included in the cost and funding analyses. Action plans are identified in the event contingencies occur. The model is resilient in the event those contingencies occur. Responses address the probability and resource impact of the contingencies identified. | 2 - exceeds requirements (1) Model identifies thoroughly the key risks and the chances that each will occur: operational, business, legal, and other outside risks; and (2) Action plans and operations are adequately resourced in the existing funding and revenue plan even if contingencies occur. 1 - meets requirements: (1) Model identifies the key risks with sufficient detail to be understood by a business person with experience in this area; (2) Response gives consideration to probability of contingencies identified; and (3) If resources are not available to fund contingencies in the existing plan, funding sources and a plan for obtaining them are identified. 0 - fails requirements: Does not meet all the requirements to score a 1. |

| | # | Question | Notes | Scoring Range | Criteria | Scoring |
|---|---|----------|-------|---------------|----------|---------|
| | | (b) Describe your contingency planning where funding sources are so significantly reduced that material deviations from the implementation model are required. In particular, how will on-going technical requirements be met? Complete a financial projections template (Template 2) for the worst case scenario. **(Responses to this question will be kept confidential.)** | | | | |
| | | (c) Describe your contingency planning where activity volumes so significantly exceed the high projections that material deviation from the implementation model are required. In particular, how will on-going technical requirements be met? **(Responses to this question will be kept confidential.)** | | | | |
| | 50 | (a) Continuity: Provide a cost estimate for funding critical registry operations on an annual basis. The critical functions of a registry which must be supported even if an applicant's business and/or funding fails are:<br><br>i) DNS resolution for registered domain names;<br>ii) Operation of the Shared Registration System;<br>iii) Provision of Whois service;<br>iv) Registry data escrow deposits; and<br>v) Maintenance of a properly signed zone in accordance with DNSSEC requirements.<br><br>List the estimated annual cost for each of these functions (specify currency used). | Registrant protection is critical and thus new gTLD applicants are requested to provide evidence indicating that critical functions will continue to be performed even if the registry fails. Registrant needs are best protected by a clear demonstration that the critical registry functions are sustained for an extended period even in the face of registry failure. Therefore, this section is weighted heavily as a clear, objective measure to protect and serve registrants.<br><br>The applicant has two tasks associated with adequately making this demonstration of continuity for critical registry functions. First, costs for maintaining critical registrant protection functions are to be estimated (Part a). In evaluating the application, the evaluators will adjudge whether the estimate is reasonable given the systems architecture and overall business approach described elsewhere in the application. Second (Part b), methods of securing the funds required to perform those functions for at least three years are to be described by the applicant in accordance with the criteria below. Two types of instruments will fulfill this requirement. The applicant must identify which of the two methods is being described. The instrument is required to be in place at the time of the execution of the registry agreement. | 0-3 | Figures provided are based on an accurate estimate of costs. Documented evidence or detailed plan for ability to fund ongoing critical registry operations for registrants for a period of three to five years in the event of registry failure, default, or until a successor operator can be designated. Evidence of financial wherewithal to fund this requirement prior to delegation. This requirement must be met prior to or concurrent with the execution of the registry agreement. | 3 - exceeds requirements:<br>(1) Costs are commensurate with technical plans and overall business approach as described in the application; and<br>(2) Financial instrument is secured and in place to provide for on-going operations for at least three years in the event of failure.<br>1 - meets requirements:<br>(1) Costs are commensurate with technical plans and overall business approach as described in the application; and<br>(2) Funding is identified and instrument is described to provide for on-going operations of at least three years in the event of failure.<br>0 - fails requirements:<br>Does not meet all the requirements to score a 1. |
| | | (b) Applicants must provide evidence as to how the funds required for performing these critical registry functions will be available and guaranteed to fund registry operations (for the protection of registrants in the new gTLD) for a minimum of three years. ICANN has identified two methods to fulfill this requirement:<br>i) <u>Irrevocable standby letter of credit (LOC)</u> issued by a reputable financial institution.<br>• The amount of the LOC must be equal to or greater than the amount required to fund the registry operations specified above for at least three years. In the event of a draw upon the letter of credit, the actual payout would be tied to the cost of running those functions.<br>• The LOC must name ICANN or its designee as the beneficiary. Any funds paid out would be provided to the designee who is operating the required registry functions.<br>• The LOC must have a term of at least five years from the delegation of the TLD. The LOC may be structured with an annual expiration date if it contains an evergreen provision providing for annual extensions, without amendment, for an indefinite number of periods until the issuing bank informs the beneficiary of its final expiration or until the beneficiary releases the LOC as evidenced in writing. If the expiration date occurs prior to the fifth anniversary of the delegation of the TLD, applicant will be required to obtain a replacement instrument.<br>• The LOC must be issued by a reputable financial institution insured at the highest level in its jurisdiction. This may include a bank or insurance company with a strong international reputation that has a strong credit rating issued by a third party rating agency such as Standard & Poor's (AA or above), Moody's (Aa or above), or A.M. Best (A-X or above). Documentation should indicate by whom the issuing institution is insured.<br>• The LOC will provide that ICANN or its designee shall be unconditionally entitled to a release of funds (full or partial) thereunder upon delivery of written notice by ICANN or its designee.<br>• Applicant should attach an original copy of the executed letter of credit or a draft of the | | | | |

| | # | Question | Notes | Scoring Range | Criteria | Scoring |
|---|---|----------|-------|---------------|----------|---------|
| | | letter of credit containing the full terms and conditions. If not yet executed, the Applicant will be required to provide ICANN with an original copy of the executed LOC prior to or concurrent with the execution of the registry agreement.<br>• The LOC must contain at least the following required elements:<br>o Issuing bank and date of issue.<br>o Beneficiary:  ICANN / 4676 Admiralty Way, Suite 330 / Marina del Rey, CA 90292 / US, or its designee.<br>o Applicant's complete name and address.<br>o LOC identifying number.<br>o Exact amount in USD.<br>o Expiry date.<br>o Address, procedure, and required forms whereby presentation for payment is to be made.<br>o Conditions:<br>• Partial drawings from the letter of credit may be made provided that such payment shall reduce the amount under the standby letter of credit.<br>• All payments must be marked with the issuing bank name and the bank's standby letter of credit number.<br>• LOC may not be modified, amended, or amplified by reference to any other document, agreement, or instrument.<br>• The LOC is subject to the International Standby Practices (ISP 98) International Chamber of Commerce (Publication No. 590).<br><br>ii) A deposit into an irrevocable cash escrow account held by a reputable financial institution.<br>• The amount of the deposit must be equal to or greater than the amount required to fund registry operations for at least three years.<br>• Cash is to be held by a third party financial institution which will not allow the funds to be commingled with the Applicant's operating funds or other funds and may only be accessed by ICANN or its designee if certain conditions are met.<br>• The account must be held by a reputable financial institution insured at the highest level in its jurisdiction. This may include a bank or insurance company with a strong international reputation that has a strong credit rating issued by a third party rating agency such as Standard & Poor's (AA or above), Moody's (Aa or above), or A.M. Best (A-X or above). Documentation should indicate by whom the issuing institution is insured.<br>• The escrow agreement relating to the escrow account will provide that ICANN or its designee shall be unconditionally entitled to a release of funds (full or partial) thereunder upon delivery of written notice by ICANN or its designee.<br>• The escrow agreement must have a term of five years from the delegation of the TLD.<br>• The funds in the deposit escrow account are not considered to be an asset of ICANN.<br>• Any interest earnings less bank fees are to accrue to the deposit, and will be paid back to the applicant upon liquidation of the account to the extent not used to pay the costs and expenses of maintaining the escrow.<br>• The deposit plus accrued interest, less any bank fees in respect of the escrow, is to be returned to the applicant if the funds are not used to fund registry operations due to a triggering event or after five years, whichever is greater.<br>• The Applicant will be required to provide ICANN an explanation as to the amount of the deposit, the institution that will hold the deposit, and the escrow agreement for the account at the time of submitting an application.<br>• Applicant should attach evidence of deposited funds in the escrow account, or evidence of provisional arrangement for deposit of funds.  Evidence of deposited funds and terms of escrow agreement must be provided to ICANN prior to or concurrent with the execution of the registry agreement. | | | | |

Where appropriate, please reference data points and/or formulas used in your calculations

Reference / Formula

| | Start-up | Year 1 | Year 2 | Year 3 | Comments / Notes |
|---|---|---|---|---|---|
| | | **Live / Operational** | | | |

**I) Projected Revenue & Costs**
　A) Forecasted registration
　B) Registration fee
　C) Registration revenue
　D) Other revenue
　　　　E) Total Revenue

Include Comments that will assist those reviewing this projection in understanding your business approach and any expected trends or variations.

The Start-up Period is for Costs and Capital Expenditures only: there should be no revenue projections input to this column. Please describe the total period of time this is expected to cover.

**Projected Cost**
　F) Labor:
　　i) Marketing Labor
　　ii) Customer Support Labor
　　iii) Technical Labor
　G) Marketing
　H) Facilities
　I) General & Administrative
　J) Interest and Taxes
　K) Depreciation
　L) Other Costs
　　　　M) Total Costs

　　　　N) Projected Net Operation

Marketing Costs represent the amount spent on advertising, promotions, and other marketing activity. This amount should not include Labor Costs which is included in "Marketing Labor" above.

**II) Break out of Fixed and Variable Costs**
　A) Total Variable Costs
　B) Total Fixed Costs ── Must equal Total Costs from Section I

Variable expenses include labor and other costs that are not fixed in nature (expenditures that fluctuate in relationship with increases or decreases in production or level of operations).

Fixed costs are expenditures that do not generally fluctuate in relationship with increases or decreases in production or level of operations. Such costs are generally necessary to be incurred in order to operate the base line operations of the organization or are expected to be incurred based on contractual commitments.

**III) Projected Capital Expenditures**
　A) Hardware
　B) Software
　C) Furniture & Equipment
　D) Other
　　　　E) Total Capital Expenditures

Applicant should list expected useful lives of capital expenditures used and determine annual depreciation.

Please describe "other" capital expenditures and their useful lives for depreciation.

**IV) Projected Assets & Liabilities**
　A) Cash
　B) Accounts receivable
　C) Other current assets
　　　　D) Total current assets

　E) Accounts payable
　F) Other Accrued Liabilities
　　　　G) Total Current Liabilities

　H) Total Property, Plant & Equipment (PP&E)
　I) Long-term debt

Applicant must prepare projected assets & liabilities for the Start Up and subsequent 3-year period

Cash Flow is driven by Projected Net Operations (Sec. I), Projected Capital Expenditures (Sec III), and Projected Assets & Liabilities (Sec IV).

Depreciation should equal total depreciation expense from Sec. I.

**V) Projected Cash flow**
　A) Net income (loss)
　B) Add depreciation
　C) Current Year Capital expenditures
　D) Change in Non-cash Current Assets — n/a
　E) Change in Total Current Liabilities — n/a
　F) Debt Adjustments — n/a
　G) Other Adjustments
　　　　E) Net Projected Cash Flow

Applicant should describe sources of debt and equity funding and provide evidence thereof (e.g., letter of commitment).

**VI) Sources of funds**
　A) Debt:
　　i) On-hand at time of application
　　ii) Contingent and/or committed but not yet on-hand
　B) Equity:
　　i) On-hand at time of application
　　ii) Contingent and/or committed but not yet on-hand
　　　　C) Total Sources of funds

**General Comments (Notes Regarding Assumptions Used, Significant Variances Between Years, etc.):**

Include explanations for any significant variances between years (or expected in years beyond the timeframe of the template) in any category of costing or funding.

**Comments regarding how the Applicant plans to fund operations:**

Include general comments here explaining how you will fund operations. Funding will be explained in detail in response to question 48.

**General Comments regarding contingencies:**

Include general commentary here to describe your contingency planning. Contingency planning will be explained in detail in response to question 49.

# Template 1 -- Financial Projections : **Most Likely**

| Sec. | Reference / Formula | Start-up Costs | Live / Operational Year 1 | Year 2 | Year 3 | Comments / Notes |
|---|---|---|---|---|---|---|
| **I) Projected Revenue & Cost** | | | | | | |
| A) Forecasted registration | | | | | | |
| B) Registration fee | | | | | | |
| C) Registration revenue | | | - | - | - | |
| D) Other revenue | | | | | | |
| E) Total Revenue | | | - | - | - | |
| **Projected Cost** | | | | | | |
| F) Labor: | | | | | | |
| i) Marketing Labor | | | | | | |
| ii) Customer Support Labor | | | | | | |
| iii) Technical Labor | | | | | | |
| G) Marketing | | | | | | |
| H) Facilities | | | | | | |
| I) General & Administrative | | | | | | |
| J) Interest and Taxes | | | | | | |
| K) Depreciation | | | | | | |
| L) Other Costs | | | | | | |
| M) Total Costs | | - | - | - | - | |
| N) Projected Net Operation (Revenues less Costs) | | - | - | - | - | |
| **II) Break out of Fixed and Variable Costs** | | | | | | |
| A) Total Variable Costs | | | | | | |
| B) Total Fixed Costs | | | | | | |
| | | - | - | - | - | |
| **III) Projected Capital Expenditures** | | | | | | |
| A) Hardware | | | | | | |
| B) Software | | | | | | |
| C) Furniture & Other Equipment | | | | | | |
| D) Other | | | | | | |
| E) Total Capital Expenditures | | - | - | - | - | |
| **IV) Projected Assets & Liabilities** | | | | | | |
| A) Cash | | | | | | |
| B) Accounts receivable | | | | | | |
| C) Other current assets | | | | | | |
| D) Total current assets | | - | - | - | - | |
| E) Accounts payable | | | | | | |
| F) Other Accrued Liabilities | | | | | | |
| G) Total Current Liabilities | | - | - | - | - | |
| H) Total Property, Plant & Equipment, net of depreciation | | | | | | |
| I) Total Long-term Debt | | | | | | |
| **V) Projected Cash flow** | | | | | | |
| A) Net income (loss) | | - | - | - | - | |
| B) Add depreciation | | - | - | - | - | |
| C) Capital expenditures | | - | - | - | - | |
| D) Change in Non-Cash Current Assets | | n/a | - | - | - | |
| E) Change in Total Current Liabilities | | n/a | - | - | - | |
| F) Debt Repayment | | n/a | - | - | - | |
| G) Other Adjustments | | | | | | |
| F) Projected Net Cash flow | | - | - | - | - | |
| **VI) Sources of funds** | | | | | | |
| A) Debt: | | | | | | |
| i) On-hand at time of application | | | | | | |
| ii) Contingent and/or committed but not yet on-hand | | | | | | |
| B) Equity: | | | | | | |
| i) On-hand at time of application | | | | | | |
| ii) Contingent and/or committed but not yet on-hand | | | | | | |
| C) Total Sources of funds | | - | | | | |

**General Comments (Notes Regarding Assumptions Used, Significant Variances Between Years, etc.):**

**Comments regarding how the Applicant plans to Fund operations:**

**General Comments regarding contingencies:**

| Sec. | Reference / Formula | Start-up Costs | Live / Operational | | | Comments / Notes |
|---|---|---|---|---|---|---|
| | | | Year 1 | Year 2 | Year 3 | |
| **I) Projected Revenue & Cost** | | | | | | |
| A) Forecasted registration | | | | | | |
| B) Registration fee | | | | | | |
| C) Registration revenue | | | - | - | - | |
| D) Other revenue | | | | | | |
| E) Total Revenue | | | - | - | - | |
| | | | | | | |
| **Projected Cost** | | | | | | |
| F) Labor: | | | | | | |
| i) Marketing Labor | | | | | | |
| ii) Customer Support Labor | | | | | | |
| iii) Technical Labor | | | | | | |
| G) Marketing | | | | | | |
| H) Facilities | | | | | | |
| I) General & Administrative | | | | | | |
| J) Interest and Taxes | | | | | | |
| K) Depreciation | | | | | | |
| L) Other Costs | | | | | | |
| M) Total Costs | | - | - | - | - | |
| N) Projected Net Operation (Revenues less Costs) | | - | - | - | - | |
| **II) Break out of Fixed and Variable Costs** | | | | | | |
| A) Total Variable Costs | | | | | | |
| B) Total Fixed Costs | | - | - | - | - | |
| **III) Projected Capital Expenditures** | | | | | | |
| A) Hardware | | | | | | |
| B) Software | | | | | | |
| C) Furniture & Other Equipment | | | | | | |
| D) Other | | | | | | |
| E) Total Capital Expenditures | | - | - | - | - | |
| **IV) Projected Assets & Liabilities** | | | | | | |
| A) Cash | | | | | | |
| B) Accounts receivable | | | | | | |
| C) Other current assets | | | | | | |
| D) Total current assets | | - | - | - | - | |
| E) Accounts payable | | | | | | |
| F) Other Accrued Liabilities | | | | | | |
| G) Total Current Liabilities | | - | - | - | - | |
| H) Total Property, Plant & Equipment, net of depreciation | | | | | | |
| I) Total Long-term Debt | | | | | | |
| **V) Projected Cash flow** | | | | | | |
| A) Net income (loss) | | - | - | - | - | |
| B) Add depreciation | | - | - | - | - | |
| C) Capital expenditures | | - | - | - | - | |
| D) Change in Non-Cash Current Assets | | n/a | - | - | - | |
| E) Change in Total Current Liabilities | | n/a | - | - | - | |
| F) Debt Repayment | | n/a | - | - | - | |
| G) Other Adjustments | | | | | | |
| F) Projected Net Cash flow | | - | - | - | - | |
| **VI) Sources of funds** | | | | | | |
| A) Debt: | | | | | | |
| i) On-hand at time of application | | | | | | |
| ii) Contingent and/or committed but not yet on-hand | | | | | | |
| B) Equity: | | | | | | |
| i) On-hand at time of application | | | | | | |
| ii) Contingent and/or committed but not yet on-hand | | | | | | |
| C) Total Sources of funds | | - | | | | |

**Template 2** -- Financial Projections : **Worst Case**

**General Comments (Notes Regarding Assumptions Used, Significant Variances Between Years, etc.):**

**Comments regarding how the Applicant plans to Fund operations:**

**General Comments regarding contingencies:**

| Sec. | Reference / Formula | Start-up Costs | Live / Operational Year 1 | Year 2 | Year 3 | Comments / Notes |
|---|---|---|---|---|---|---|
| **I) Projected Revenue & Cost** | | | | | | |
| A) Forecasted registration | | - | 62,000 | 80,600 | 104,780 | Registration was forecasted based on recent market surveys. |
| B) Registration fee | | $ - | $ 5.00 | $ 6.00 | $ 7.00 | We do not anticipate significant increases in Registration Fees subsequent to year 3. |
| C) Registration revenue | A * B | - | 310,000 | 483,600 | 733,460 | |
| D) Other revenue | | - | 35,000 | 48,000 | 62,000 | Other revenues represent advertising revenue from display ads on our website. |
| E) Total Revenue | | - | 345,000 | 531,600 | 795,460 | |
| **Projected Cost** | | | | | | |
| F) Labor: | | | | | | |
| i) Marketing Labor | | 25,000 | 66,000 | 72,000 | 81,000 | Costs are further detailed and explained in response to question 47. |
| ii) Customer Support Labor | | 5,000 | 68,000 | 71,000 | 74,000 | |
| iii) Technical Labor | | 32,000 | 45,000 | 47,000 | 49,000 | |
| G) Marketing | | 40,000 | 44,000 | 26,400 | 31,680 | |
| H) Facilities | | 7,000 | 10,000 | 12,000 | 14,400 | |
| I) General & Administrative | | 14,000 | 112,000 | 122,500 | 136,000 | |
| J) Interest and Taxes | | 27,500 | 29,000 | 29,800 | 30,760 | |
| K) Depreciation | | 51,933 | 69,333 | 85,466 | 59,733 | Depreciation reflects total projected capital expenditures ($173k) divided by useful lives: Start up = $130k/3 + $43k/5 = $51,933 Subsequent depreciation amounts reflect previous year's depreciation expense plus depreciation for additional capital expenditures over appropriate useful lives. |
| L) Other Costs | | 12,200 | 18,000 | 21,600 | 25,920 | |
| M) Total Costs | | 214,633 | 461,333 | 487,766 | 502,493 | |
| N) Projected Net Operation (Revenues less Costs) | E - M | (214,633) | (116,333) | 43,834 | 292,967 | |
| **II) Break out of Fixed and Variable Costs** | | | | | | |
| A) Total Variable Costs | | 92,000 | 195,250 | 198,930 | 217,416 | Variable Costs: -Start Up equals all labor plus 75% of marketing. -Years 1 through 3 equal 75% of all labor plus 50% of Marketing, and 30% of G&A and Other costs |
| B) Total Fixed Costs | | 122,633 | 266,083 | 288,836 | 285,077 | Fixed Costs: equals Total Costs less Variable Costs |
| = Sec. I) M | | 214,633 | 461,333 | 487,766 | 502,493 | |
| **III) Projected Capital Expenditures** | | | | | | |
| A) Hardware | | 98,000 | 21,000 | 16,000 | 58,000 | -Hardware & Software have a useful life of 3 years |
| B) Software | | 32,000 | 18,000 | 24,000 | 11,000 | |
| C) Furniture & Other Equipment | | 43,000 | 22,000 | 14,000 | 16,000 | -Furniture & other equipment have a useful life of 5 years |
| D) Other | | | | | | |
| E) Total Capital Expenditures | | 173,000 | 61,000 | 54,000 | 85,000 | |
| **IV) Projected Assets & Liabilities** | | | | | | |
| A) Cash | | 705,300 | 556,300 | 578,600 | 784,600 | |
| B) Accounts receivable | | | 70,000 | 106,000 | 160,000 | |
| C) Other current assets | | | 40,000 | 60,000 | 80,000 | |
| D) Total current assets | | 705,300 | 666,300 | 744,600 | 1,024,600 | |
| E) Accounts payable | | 41,000 | 110,000 | 113,000 | 125,300 | |
| F) Other Accrued Liabilities | | | | | | |
| G) Total Current Liabilities | | 41,000 | 110,000 | 113,000 | 125,300 | |
| H) Total Property, Plant & Equipment (PP&E) | = Sec III) E: cumulative Prior Years + Cur Yr | 173,000 | 234,000 | 288,000 | 373,000 | |
| I) Total Long-term Debt | | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | Principal payments on the line of credit with XYZ Bank will not be incurred until Year 5. Interest will be paid as incurred and is reflected in Sec I) J. |
| **V) Projected Cash flow** | | | | | | |
| A) Net income (loss) | = Sec. I) N | (214,633) | (116,333) | 43,834 | 292,967 | |
| B) Add depreciation | = Sec. I) K | 51,933 | 69,333 | 85,466 | 59,733 | |
| C) Capital expenditures | = Sec. III) E | (173,000) | (61,000) | (54,000) | (85,000) | |
| D) Change in Non Cash Current Assets | = Sec. IV) (B+C): Prior Yr - Cur Yr | n/a | (110,000) | (56,000) | (74,000) | |
| E) Change in Total Current Liabilities | = Sec. IV) G: Cur Yr - Prior Yr | 41,000 | 69,000 | 3,000 | 12,300 | The $41k in Start Up Costs represents an offset of the Accounts Payable reflected in the Projected balance sheet. Subsequent years are based on changes in Current Liabilities where Prior Year is subtracted from the Current year |
| F) Debt Adjustments | = Sec IV) I: Cur Yr - Prior Yr | n/a | - | - | - | |
| G) Other Adjustments | | | | | | |
| F) Projected Net Cash flow | | (294,700) | (149,000) | 22,300 | 206,000 | |
| **VI) Sources of funds** | | | | | | |
| A) Debt: | | | | | | |
| i) On-hand at time of application | | 1,000,000 | | | | See below for comments on funding. Revenues are further detailed and explained in response to question 48. |
| ii) Contingent and/or committed but not yet on-hand | | | | | | |
| B) Equity: | | | | | | |
| i) On-hand at time of application | | | | | | |
| ii) Contingent and/or committed but not yet on-hand | | - | | | | |
| C) Total Sources of funds | | 1,000,000 | | | | |

**General Comments (Notes Regarding Assumptions Used, Significant Variances Between Years, etc.):**

We expect the number of registrations to grow at approximately 30% per year with an increase in the registration fee of $1 per year for the first three years. We anticipate our costs will increase at a controlled pace over the first three years except for marketing costs which will be higher in the start-up and first year as we establish our brand name and work to increase registrations. Our capital expenditures will be greatest in the start-up phase and then our need to invest in computer hardware and software will level off after the start-up period. Our investment in Furniture and Equipment will be greatest in the start-up period as we build our infrastructure and then decrease in the following periods.

**Comments regarding how the Applicant plans to Fund operations:**

We have recently negotiated a line of credit with XYZ Bank (a copy of the fully executed line of credit agreement has been included with our application) and this funding will allow us to purchase necessary equipment and pay for employees and other Operating Costs during our start-up period and the first few years of operations. We expect that our business operation will be self funded (i.e., revenue from operations will cover all anticipated costs and capital expenditures) by the second half of our second year in operation; we also expect to become profitable with positive cash flow in year three.

**General Comments regarding contingencies:**

Although we expect to be cash flow positive by the end of year 2, the recently negotiated line of credit will cover our operating costs for the first 4 years of operation if necessary. We have also entered into an agreement with XYZ Co. to assume our registrants should our business model not have the ability to sustain itself in future years. Agreement with XYZ Co. has been included with our application.