

**Framework for the administration of the .CA
domain name system**

Canadian Domain Name Consultative Committee

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INDEX

1 General

1.1 Definitions

1.2 Objective of this document

1.3 Background on the Domain Name System

1.4 Background and history of the CDNCC

1.5 Members of the Canadian Domain Name Consultative Committee (CDNCC)

1.6 Name of the new corporation

1.7 Canadian requirements

1.8 Objectives of CIRA

1.9 Registration process

2 CIRA (the registry)

2.1 Membership

2.2 Basic registry services

2.3 Additional functions and services of CIRA

2.3.1 Member services

2.3.2 Registrant services

2.3.3 Registrar services

2.3.4 Representation of the .CA domain at appropriate forums

2.4 Fees

2.4.1 General

2.4.2 Registry fees to approve registrars

2.4.3 Registry fees for new registrations

2.4.4 Registry fees for pre-existing registrants of .CA and renewals

2.4.5 Registry fee review

2.5 Operations

2.6 CIRA authority

2.7 CIRA Board Structure, membership, voting and elections for CIRA

2.7.1 Membership

2.7.2 Board and directors

2.7.3 Transition period

2.7.4 Election Procedures

3 Registrars

3.1 Who can apply to be a registrar

3.2 Conditions for becoming a registrar

3.3 Number of registrars

3.4 No geographic restrictions

3.5 Choice of clientele and pricing

3.6 Referencing registrars from CIRA

3.7 Listing of public and private registrars

3.8 Registrar responsibilities

3.9 Applications to become registrar

3.10 Suspension and revocation of registrar status

4 Applicants and registrants

4.1 Transition of existing names

4.2 Who can apply for a .CA domain name

4.3 General conditions for obtaining a name

4.3.1 First Come First Served

4.3.2 Provincial, Territorial and Municipal Sub-Domains

4.3.3 Restricted list

4.3.4 Reserved names

4.3.5 Number of names

4.4 How to determine if a name is available

4.5 How to locate a registrar

4.6 Registration fees

4.7 Applicant and registrant relations with registrars

4.8 Registrant responsibility

4.9 Registrant problems with registrars

4.10 Probation period and cancellation of registrations

4.11 Suspension or revocation of a domain name registration

4.12 Transfer of responsibility

5 Additional considerations

5.1 CIRA operating as a registrar

5.2 Administration of provincial and territorial subdomains

5.3 Intellectual property and dispute resolution considerations

6 Financial model

6.1 Revenues

6.1.1 Assumptions

6.1.2 Revenue Model

6.2 Expenses

6.2.1 Assumption

6.2.2 Staffing

6.2.3 Capital Costs

6.2.4 Operating Costs

6.2.5 Expenses table

6.3 Revenues and Expense table

1 General

1.1 Definitions

”domain name”: a string of alpha–numeric characters that is maintained in a domain name database and refers to a physical Internet address.

“applicant”: a person, company or other legal entity that applies to register a domain name.

“registrant”: a person, company or other legal entity that has registered a domain name.

“in good standing”: Signifies that registrants or corporate members are respecting corporate by-laws and policies and have paid their fees and that their domain names are not under suspension or revoked.

“registrar”: (formerly called AGENTS in the public consultation document) a person, company or other legal entity that is authorized by the registry to provide domain name registration services to applicants and registrants.

“registry”: the organization that is responsible for setting policy, managing and operating a top-level domain.

1.2 Objective of this document

The objective of this document is to outline the plan to reform the administration of the .CA Internet Top Level Domain (TLD). This document is based on the January 25th 1998 proposal put forward by the Canadian Domain Name Consultative Committee (CDNCC) and the comments received during the public consultation held in February and March, 1998.

1.3 Background on the Domain Name System

The Domain Name System (DNS) has become an essential part of the Internet as its automatic address translator. Any Internet user (hereafter referred to as “user”) who uses an alphanumeric address instead of a specific numeric Internet address to identify a system is a DNS user (e.g. XYZ.CA instead of 215.24.23.17). Both of these could be valid Internet addresses pointing to the same computer but the average user finds the alphanumeric version easier to remember.

An additional advantage to using domain names is that users cannot usually keep their Internet Protocol (IP) addresses when they change connectivity suppliers (mainly due to technical reasons) but they can keep their domain name. The same domain name is easily re-programmed to point to the new Internet address. For example if the ACME Company currently uses the domain name ACME.CA which points to a specific IP address associated with its connectivity provider. Should ACME decide to change its Internet service provider (ISP), it would probably lose its current IP address. It could however ask that its domain name point to its new IP address, making it transparent to its customers who use this domain name (which should be most if not all of its customers).

In the above example .CA is used as an example of a TLD. It is important to note that there is a large number of TLDs available to Internet users for registering their domain names. Specifically, there are generic TLDs (gTLDs) such as .COM, .GOV, .EDU, .NET, .ORG and

.MIL in addition to one TLD per internationally recognized country based on the International Standards Organization (ISO) two letter country codes (.CA for Canada, .US for the United States etc.). Rules and jurisdictions differ in each case as to who can register domain names and how. The most popular gTLD is .COM which has an extremely open policy for licensing domain names and charges 35\$US/year/domain name on a first come first served basis internationally (e.g. any Canadian or Australian user could register XYZ.COM for 35\$US if the name was not already taken).

It is, however, important to note that if a user registers a domain name in a foreign registry (such as .COM for Canadians) that user is probably subject to that foreign country's legal system for the use of this name. An example of this is a Canadian user registering XYZ.COM with Network Solutions Inc. (NSI is an American based registry) as a domain name. The user having been granted this license by NSI would be completely responsible for the use of this name. Should an American company feel that the use of XYZ.COM by the current licensee (the Canadian user) is in violation of a trademark held by this American Company it may sue the Canadian user in U.S. court.

1.4 Background and history of the CDNCC

For historical reasons, the management of the top level Canadian domain (.CA) was personally delegated by Jon Postel to John Demco of the University of British Columbia (UBC). Jon Postel is affiliated with the Internet Assigned Numbers Authority (IANA), the organization that was mandated by the U.S. government to manage the Top Level Domain (TLDs) space for the entire Internet.

John Demco has managed the .CA DNS, on a voluntary basis, with the help of the .CA committee. He and his group allocated .CA domain names according to the original policy at no charge to users.

The recent evolution of the Internet, the nature of the current .CA policies (see appendix A) and the delay involved in obtaining a .CA registration (usually about one week) relative to other DNS administrations such as NSI for .COM, generated widespread dissatisfaction within the Canadian Internet community.

It was in this context that many members of the Canadian Internet community met in Halifax in June 1997 (as part of the Net97 conference) to discuss this situation. Following the meeting it was generally agreed that the CDNCC should be created to address the transition from the current management of the .CA domain to a more commercial type of operation. The CDNCC would be composed of representatives from the .CA Committee (current administrator of the .CA domain), the Canadian Internet Society (CISOC), Canadian Association of Internet service Providers (CAIP) and the Federal Government.

The CDNCC undertook to reform the administration of the .CA domain approximately one year ago. Since that time, the CDNCC has produced a proposal for public consultation. For information on the CDNCC and the Internet Domain Name System, please see the consultation document at WWW.CANARIE.CA/CDNCC.

After considering all of the comments that were received (the comments are accessible to the public on the CDNCC Web site), the CDNCC modified its initial proposal to reflect the various concerns of the contributors while maintaining the core elements of the proposal. This document

is the result of those modifications.

As stated in the public consultation document, this proposal will be forwarded to all persons who contributed to the public consultation as well as to those who requested that they be placed on the electronic mail list that would be used to provide information on the process.

1.5 Members of the Canadian Domain Name Consultative Committee (CDNCC)

The following organizations are the members of the CDNCC:

.CA Committee (represented by John Demco);

Internet Society of Canada (CISOC) (represented by Bernard Turcotte);

Canadian Association of Internet Service Providers (CAIP) (represented by Rob Hall);

Government of Canada – OBSERVER (represented by Paul Pierlot of Industry Canada) .

The following individuals participated in the committee in the past:

Catherine Peters, government of Canada;

Rayan Zachariasen, CAIP;

Ron Kawchuk, CAIP.

1.6 Name of the new corporation

Pending a formal name search and incorporation the new corporation will be called the Canadian Internet Registration Authority, or CIRA (Autorité canadienne pour les enregistrements Internet - ACEI).

1.7 Canadian requirements

CIRA will act to preserve the .CA domain as a Canadian resource operated and managed by Canadians for Canadians. These clauses will be included in CIRA's by-laws and constitution.

Registrants must be Canadian citizens, residents, companies or other legal entities as defined by Canadian law and must be operating in Canada and have a physical presence in Canada (in the case of companies or legal entities) or be resident in Canada in the case of citizens.

Registrars must be Canadian citizens, residents, companies or other legal entities as defined by Canadian law and must operate the registration activity in Canada and have a physical presence in Canada.

The registry must be a Canadian entity as defined by Canadian law and have both a majority of its operations and its primary name server physically located in Canada.

CIRA Board members must be Canadian citizens or residents.

CIRA will operate according to Canadian law and will only recognize court orders from courts that have jurisdiction in Canada.

1.8 Objectives of CIRA

The objectives of CIRA are to:

Act as a not-for-profit registry for the .CA Internet domain according to the criteria outlined in the previous section;

Provide professional registry services comparable to other major national and international registries;

Develop and carry out other Internet-related registration activities as directed by the membership and approved by the Board (the process to be determined by CIRA).

1.9 Registration process

CIRA will function as a registry, offering registration services through registrars to applicants and registrants in the .CA Internet domain.

As a registry, CIRA will:

Provide registration services to registrars;

Maintain the .CA database;

Provide name resolution services for .CA domain names;

Bill registrars (based on the framework outlined in this document);

Provide services for handling registrant complaints about registrars.

Registrars will:

Provide services to applicants to register names in the .CA domain;

Complete registration of names in the .CA domain for registrants with the CIRA registry;

Provide registration information update services for registrants;

Bill registrants (registrars will be responsible for setting their fees).

Registrants will:

Register their .CA names through a registrar;

Have portability of their names between CIRA registrars;

Automatically be offered corporate membership in CIRA at no cost. Membership will allow registrants to vote in the annual CIRA Board elections, attend members' meetings and vote on all issues requiring membership approval. Each registrant will have one vote regardless of the number of domain names the registrant holds.

2 CIRA (the registry)

CIRA will be a not-for-profit Canadian corporation managed by an elected Board that will administer the .CA domain.

2.1 Membership

The registrants will be the members of the corporation.

Membership will occur automatically at the time of becoming a registrant.

Registrants will have the right to refuse or rescind membership at any time.

The members of the corporation will elect members of the Board on an annual basis.

2.2 Basic registry services

The basic registry functions will include the creation, operation and management of the following:

Services for registrars to register and maintain names in the .CA domain name database

Online electronic query services for the .CA database

.CA domain name resolution services

Management of the .CA domain name database

2.3 Additional functions and services of CIRA

2.3.1 Member services

Management of the member database

Creation and distribution of membership information

Financial reporting

Meeting notices

Election reporting

Scheduling and conducting the Annual General Members Meeting (AGM)

Scheduling and conducting annual Board elections

2.3.2 Registrant services

Corporate membership registration services

Alternative dispute resolution referral services

Registrant-registrar dispute resolution services

2.3.3 Registrar services

Provide registrar listing services.

Registrant-registrar dispute resolution services.

2.3.4 Representation of the .CA domain at appropriate forums

As Internet governance evolves it may be necessary for CIRA to participate in various forums.

2.4 Fees

2.4.1 General

The CDNCC has determined that the registrar system will offer the following advantages:

Registrars, such as ISPs, are in a strong position to offer adequate customer service, particularly when a high level of technical information and expertise is required, as is the case in domain name registration.

The registrar system will limit the level of effort required by CIRA in the areas of billing and registrant support services.

The registrar system will limit CIRA's exposure to overdue accounts and other financial risks.

2.4.2 Registry fees to approve registrars

Registrars must pay an annual fee of \$1,000 to CIRA to obtain and maintain their CIRA approved registrar status. This fee may be used against registration fees charged by CIRA.

2.4.3 Registry fees for new registrations

The registry will charge registrars a fee for new registrations expected to be between \$20 and \$40 per year, per name registered.

2.4.4 Registry fees for pre-existing registrants of .CA and renewals

The registry will charge registrars a fee, yet to be determined but expected to range between \$20 and \$40 per year, per pre-existing name.

2.4.5 Registry fee review

CIRA will review its fee schedule on an annual basis and have it approved by the CIRA Board.

2.5 Operations

CIRA operations will be carried out by a combination of internal staffing and outsourcing.

All major contracting will be subject to a competitive tender process.

2.6 CIRA authority

Registry staff will report to the Board of CIRA. The Board will have decision-making authority for CIRA except for matters that require a membership vote. The by-laws, constitution and administrative policies and procedures of CIRA will specify which matters require a membership vote.

2.7 CIRA Board Structure, membership, voting and elections

2.7.1 Membership

Following the original sixty (60) day probation period described below, any registrant in good standing will become a member of the CIRA corporation at no extra cost.

Membership provides registrants the right to receive information on the financial results of the corporation, nominate Board candidates, elect Board members and vote at annual general meetings.

2.7.2 Board and directors

CIRA will be managed by a Board of ten directors elected by the membership. Each director will be elected for a two-year term except for the first election where half of the directors are to be elected for a one-year term. This will be achieved using a lottery technique following the elections, to allow for rotation and continuity. No maximum number of terms has been set for directors.

Directors will be required to be members of CIRA and will have to be Canadian residents or citizens as defined in Canadian law. Further, no two directors may have the same employer at the time of their election.

The government of Canada will have a permanent, non-voting, ex-officio position on the CIRA Board.

The three other organizations represented on the CDNCC (.CA Committee, CISOC and CAIP) will each be guaranteed one seat on the CIRA Board for the first three years of operation that follow the transition period. The remaining 7 seats will be filled by elections.

After the annual elections the Board will select a Chair from its ranks. The Chair of the Board will have responsibilities that are usually associated with such positions.

2.7.3 Transition period

The members of the CDNCC will serve as the interim Board of CIRA to start the corporation and prepare for the first elections. The first elections will be held by the end of the transition period (maximum one year).

2.7.4 Election Procedures

The Board will nominate a selection committee from its directors on an annual basis. The committee will be responsible for the preparation of a list of candidates for election to the Board.

After approval by the Chair the list of candidates will be distributed electronically to members who will have an opportunity to add nominations to the list according to commonly accepted practices for such activities (such as requiring that nominations be supported by 10 members). Following the nomination period, the final list of candidates will be presented to the membership for an electronic vote (the CDNCC recommends using the Internet Society (ISOC) procedures since they represent a tested and documented procedure for handling large scale electronic voting). It is recommended that proxies be disallowed in this context.

The tallying of votes will be carried out in cooperation with the CIRA auditor and directors will be declared elected on the basis of having received a majority of votes. Specifically, all candidates would be ranked by the absolute number of votes received (e.g. candidate X = 756 votes (first place), candidate Y = 500 votes (second place) and so on). Director positions will then be filled starting with the top of the order (e.g. for seven directors the top seven ranked candidates would be declared elected regardless of the number of candidates running). Ties will be settled by a random draw by the auditors. The Chair of the Board will then advise the membership of the results of the election via electronic means.

3 Registrars

Registrars are Canadian citizens, residents, companies or other legal entities as defined by Canadian law that have been approved by CIRA to operate as registrars for the .CA domain name. Registrars will act as the interface between registrants and the registry for the registration and renewal of domain names as well as maintenance of associated information.

As stated earlier it is expected that most ISPs will become .CA registrars. Registrar status may also be of interest to large corporations or organizations that register a large number of names, as well as to other organizations wishing to provide registration as a value-added service.

3.1 Who can apply to be a registrar

Any Canadian citizen, resident, company or other legal entity as defined by Canadian law and having a physical presence in Canada may apply to CIRA to become a registrar for the .CA domain.

3.2 Conditions for becoming a registrar

CIRA will define a formal set of conditions for accepting registrars. These conditions will be based on financial stability and technical capacity.

If approved, registrars will be expected to sign an agreement with CIRA and pay an annual fee of \$1,000. (This fee may be used against registration fees charged by CIRA to the registrar).

3.3 Number of registrars

There is no limit set on the number of registrars that can provide .CA domain name services. It is expected that CIRA will attract a sufficient number of registrars to ensure competitive environment for the registrants.

3.4 No geographic restrictions

Registrars are not subject to any geographical restrictions beyond what is specified in this document.

3.5 Choice of clientele and pricing

As stated above, registrars will set their own fees for registering domain names in the .CA domain and are under no obligation to accept particular applications.

3.6 Referencing registrars from CIRA

The registry will refer all .CA domain name registration inquiries from applicants to the registrar listing that will be available on its Web site.

3.7 Listing of public and private registrars

Registrars will have the option of being listed as either public or private on CIRA's list of registrars. PUBLIC registrars will generally be open to the public to register domain names. PRIVATE registrars will generally not be open to the public.

3.8 Registrar responsibilities

Registrars will have the following responsibilities:

Process the applications for .CA domain names.

Maintain all registration information as is required.

Maintain the confidentiality of registration information.

Advise registrants in a timely manner of all pertinent information regarding their domain names (such as changes to registration and renewal).

Upon request by a registrant allow and facilitate the transfer of the registrant's (in good standing) domain name to another registrar at no charge.

Upon confirmation of registration, submit payment to CIRA for the name(s) it has registered.

3.9 Applications to become registrar

CIRA should be ready to receive applications from interested parties no later than November 1998.

3.10 Suspension and revocation of registrar status

Registrars may have their APPROVED STATUS suspended for seven (7) days at any time by CIRA, without Board approval, for due cause (such as non-payment of fees). Registrars may have their APPROVED STATUS suspended, for due cause, for longer periods upon Board approval.

Registrars may lose their APPROVED STATUS at any time if they fail to respect the conditions of their agreement with CIRA. Revocation will only take place upon approval by the Board. If a registrar has his approved status revoked its registrants will be transferred to other registrar(s) as per a process to be defined by CIRA.

4 Applicants and registrants

Applicants are individuals, companies or legal entities wishing to register a name in the .CA domain and become registrants. Applicants can only do so via a registrar except in extraordinary circumstances to be defined by CIRA. For more information please see section on registrars.

Registrants are Canadian citizens, residents, companies or other legal entities as defined by Canadian law that hold the domain name and are responsible for its use.

4.1 Transition of existing names

All .CA domain names existing at the time of the transition to the new registry will automatically be transferred to CIRA.

4.2 Who can apply for a .CA domain name

Registrants must be Canadian citizens, residents, companies or other legal entities as defined by Canadian law and must be operating in Canada and have a physical presence in Canada (in the case of companies or legal entities) or be resident in Canada in the case of citizens.

4.3 General conditions for obtaining a name

4.3.1 First Come First Served

Applicants will be granted any acceptable and available names if they meet the appropriate criteria. Please see sections 4.3.2 and 4.3.3 for information on acceptable names.

4.3.2 Provincial, Territorial and Municipal SubDomains

Provincial, territorial or municipal sub-domains such as .BC.CA or .HALIFAX.NS.CA will be maintained for those registrants who wish to use them but will no longer be mandatory.

4.3.3 Restricted list

CIRA will maintain a restricted list of domain names that will not be available for registration under .CA. This list will be updated regularly and approved by the Board. This list will be similar to restricted lists used by similar registries.

4.3.4 Reserved names

Generic Top-Level Domains (gTLDs) as well as Canadian geographic designations (to be determined but including municipalities), will be reserved by CIRA as second (and third where appropriate) level names under .CA and will not be available for registrants. Use of these second level domains will be considered by CIRA at a later date.

4.3.5 Number of names

CIRA will not limit the number of names a registrant may register.

4.4 How to determine if a name is available

The registry will maintain a Web site where applicants and registrars can query the .CA database to determine if a specific domain name is available. This query service will be provided at no cost to the user.

4.5 How to locate a registrar

The registry will maintain a Web site of all approved registrars.

Please see the section on registrars for further information.

The CDNCC expects that most ISP's will either be registrars or have arrangements with registrars to facilitate registration of domain names for their clients.

4.6 Registration fees

Registration fees will be set independently by registrars.

The registry will charge registrars a fee for annual registrations and renewals (for more information on fees please see the section on CIRA).

CIRA will provide the best possible service on a cost recovery basis.

4.7 Applicant and registrant relations with registrars

Registrars are under no obligation to accept particular applications.

Registrants in good standing (see section 4.10 and 4.11) will have the right to change registrars at no charge from their current registrars

Registrars will be responsible for maintaining the confidentiality of registrant information under guidelines to be set by CIRA.

Registrars may not change the registrant's contact information (such as name and mailing address) at the registry without approval by the registrant as per CIRA procedures.

Registrars will be responsible for communicating all pertinent information from CIRA to the registrant (such as renewal requests).

4.8 Registrant responsibility

It is the registrant's responsibility to ensure that all Canadian laws and CIRA policies and procedures are complied with when registering and using a .CA domain name.

Registrants will be responsible for use of the name they have registered. Any legal action arising from the use of any .CA name by a registrant will be the registrant's responsibility.

4.9 Registrant problems with registrars

Registrants will the right to contact CIRA directly to lodge complaints against registrars.

CIRA will develop policies and procedures to handle such complaints.

4.10 Probation period and cancellation of registrations

Once a registration is confirmed by CIRA it will enter probation status for sixty (60) days. During the probation period the registration may be cancelled by CIRA or the registrar for valid reasons (such as non-payment of registration fees or other violation of CIRA policy).

After the probation period and prior to the end of the registration period, a registration cannot be removed from the registry by a registrar without formal agreement from the registrant. No refunds will be made by CIRA after the probation period.

4.11 Suspension or revocation of a domain name registration

CIRA will have the right to suspend or revoke any domain name registered in the .CA domain at any time if the use of the name in question or its registrant is found to be in violation of CIRA by-laws, policy or procedures or if a court, with jurisdiction in Canada, orders such steps to be taken by the registry.

CIRA will develop formal procedures for carrying out these actions.

4.12 Transfer of responsibility

Registrants may only transfer responsibility for a specific domain name registration as per CIRA policy and procedures. Transfer of responsibility will be subject to a fee.

5 Additional considerations

5.1 CIRA operating as a registrar

To ensure the smoothest possible transition to the new system, CIRA will operate as a registrar for the first year of operation.

The CIRA registrar will charge fees adequate to recover the costs of this operation and to discourage use by those registrants who should otherwise utilize the services of regular registrars.

In all cases of inquiry by the public for registering a domain name, CIRA will promote its registrars. CIRA will specify that it is only acting as a registrar for a temporary period and will inform applicants of the normal procedure for making new registrations or maintaining existing ones.

Extending this service beyond the first year of operation will require Board approval and will only be approved for an additional one year period if the number of registrars remains too low to foster an adequate level of competition.

5.2 Administration of provincial and territorial subdomains

CIRA will consider requests for delegating responsibility of the territorial or provincial subdomains (such as .NB.CA or .QC.CA) to the appropriate provincial bodies.

The following conditions must be met for a request to be considered:

Formal provincial or territorial government approval must exist;

The organization seeking the responsibility must be a provincial or territorial government or a not-for-profit company incorporated in Canada and solely dedicated to this task (similar to CIRA);

The new registry will have to meet and maintain technical standards specified by CIRA;

A general policy agreement, including a technical cooperation agreement, will have to be signed by the registries;

Registrants holding domain names under the provincial sub-domain would be formally advised of the plan and have the option of transferring out of this provincial or territorial domain at least one year before the change takes place;

Registrants selecting to opt out of the provincial or territorial domain being transitioned will be guaranteed to have their domain name maintained in the new provincial or territorial domain and pointing to their new name for a period of at least one year after the transition at no extra cost;

Transition agreements for registrants who wish to remain under the provincial sub-domain will have to include registration and price protection for at least two years.

CIRA will be available to provide additional information and consider such requests upon

commencing operations.

5.3 Intellectual property and dispute resolution considerations

In moving to a first-come, first-served system for granting domain names, the potential for conflicts between holders of intellectual property (such as trademarks, trade names, corporate names and others) and domain name holders may increase. Policies and procedures to reduce these conflicts and minimize the need to seek recourse in the courts will be carefully considered by CIRA. For example, CIRA will explore options to ensure registrants have the knowledge and tools to avoid common pitfalls in domain name registration. Such tools will include notice provisions for those considering name registration.

CIRA will also consider providing information on dispute resolution services and will explore a wide variety of dispute resolution, including mandatory dispute resolution and name suspension policies and procedures. CIRA will examine the policies of NOMINET in the U.K., NSI in the U.S. and other appropriate registries and will also consider making available alternative dispute resolution mechanisms.

Domain name dispute resolution may involve very complex jurisdictional considerations. International developments in domain name dispute resolution will be monitored and, where appropriate and applicable, will be considered for implementation as CIRA policies.

In recognition of the complexities of intellectual property and domain names, the government of Canada is establishing a working group of intellectual property professionals to investigate domain name issues, both domestically and internationally. CIRA will hold discussions with this group to ensure a full understanding of domain name conflicts and appropriate ways to minimize these conflicts.

6 Financial model

The five-year financial model outlined below has been developed to demonstrate that CIRA can operate on a cost-recovery basis and meet its objectives.

The model is based on the assumption that CIRA will perform, as specified in section 2, all operational and management tasks internally. CIRA will have the right to consider contracting-out all or part of its operations and will evaluate the costs and benefits of doing so.

6.1 Revenues

6.1.1 Assumptions

CIRA will begin accepting registrations on Monday, January 11, 1999. At that time, all pre-existing registrants will have been advised of the transition and had the opportunity to transfer their registrations to the new registry. This is YEAR 2 of the model.

Number of registrars at the beginning of each of the five years: 24, 30, 36, 42, 48

Annual registrar fee: \$1,000

Registrar domain name registration fee / year: \$40, \$40, \$20, \$15, \$15

Estimated number of names in November 1998: 35,000

% of current names that will renew under the new system: 75%

After the second year renewals are expected to be at 95% decreasing by .5%/month.

It is estimated that CIRA as a registrar would get 50% of the pre-existing name renewal business and 10% of the new name business for the first year.

6.1.2 Revenue Model

| | # registrar | # New Names | # Renewals | Total # of Names |
|---------------|--------------------|--------------------|-------------------|-------------------------|
| Year 1 | | 0 | 26,250 | 26,250 |
| Year 2 | 30 | 32,500 | 24,938 | 57,438 |
| Year 3 | 36 | 41,782 | 52,262 | 94,044 |
| Year 4 | 42 | 53,876 | 80,872 | 134,748 |
| Year 5 | 48 | 53,876 | 109,443 | 163,319 |

| | Registrar Fees \$ | New Names | \$ Renewals | Total \$ |
|---------------|--------------------------|------------------|--------------------|-----------------|
| Year 1 | | | \$787,500 | \$787,500 |
| Year 2 | \$30,000 | \$1,430,000 | \$997,500 | \$2,457,500 |
| Year 3 | \$36,000 | \$626,737 | \$783,919 | \$1,446,656 |
| Year 4 | \$42,000 | \$538,757 | \$808,726 | \$1,389,483 |
| Year 5 | \$48,000 | \$538,757 | \$1,094,432 | \$1,681,189 |
| Total | \$156,000 | \$3,134,251 | \$4,472,077 | \$7,762,328 |

Note: all dollar amounts are in Canadian dollars.

6.2 Expenses

6.2.1 Assumption

All positions are full time employees.

6.2.2 Staffing

1 Executive Director

Overall responsibility for CIRA operations.

1 Domain Name Registrar

Overall responsibility for .CA operations.

1 Accountant

Overall responsibility to create and maintain the financial systems for CIRA. Areas of responsibility:

- General accounting system and procedures;
- Payables and receivables;
- Payroll;
- Registrar accounts (annual dues and monthly billing for registrations);
- User accounts (exceptional registrations);
- GST and PST management;
- Cash-flow management.

1 Computer System Administrator

Overall responsibility for installing and maintaining all CIRA computers.

Areas of responsibility:

- Server (up to 5) and workstation (up to 20);
- External and internal networking equipment;
- Maintaining .CA name resolution services operational at all times.

1 Database Administrator

Overall responsibility for creating and maintaining CIRA databases and developing electronic commerce applications. The databases include:

- CA domain name database;
- .CA contact database;
- CIRA registrar database;
- CIRA accounting database.

1 Web Programmer

Overall responsibility for creating and maintaining CIRA WWW pages:

- CIRA homepage;
- Registrar domain name registration pages;
- Public .CA domain name database search page;
- Public domain name licensee contact search page;
- Electronic commerce applications.

3 Customer service representatives (decreasing to 2)

Overall responsibility for interacting (telephone, fax and email) with registrars, clients and users for all inquiries and requests. The launch CIRA is expected to create a large number of inquiries from Canadians, requiring significant additional resources over the current system.

4 Computer Operators

Overall responsibility for monitoring CIRA computers 24 hours per day, 7 days per week

1 Secretary

Overall responsibility for secretarial and clerical functions. The secretary will also act as back-up for the receptionist.

1 Receptionist

Overall responsibility for receiving and dispatching calls, receiving customers, guests and couriers. The receptionist will also act as a back-up for the secretary.

Call dispatching, courier contact, secretarial work and clerical work.

6.2.3 Capital Costs

Computers (workstations and servers (not depreciated));

Networking hardware;

Software licenses;

Office equipment and maintenance;

Furniture.

6.2.4 Operating Costs

Rent;

Hardware and Software maintenance;

Telephone and fax leasing, usage and maintenance;

Office supplies and printing;

Networking Services (including Internet connections);

Professional Services (Accounting and legal, audits, elections);

Banking charges and interest;

Travel and other.

6.2.5 Expenses table

| | Staffing | Capital | Recurring | Total |
|---------------|-----------------|----------------|------------------|--------------|
| Year 1 | \$330,000 | \$320,000 | \$520,000 | \$1,170,000 |
| Year 2 | \$900,000 | \$75,000 | \$650,000 | \$1,625,000 |
| Year 3 | \$876,000 | \$75,000 | \$550,000 | \$1,501,000 |
| Year 4 | \$876,000 | \$75,000 | \$550,000 | \$1,501,000 |
| Year 5 | \$876,000 | \$75,000 | \$550,000 | \$1,501,000 |
| Total | \$3,858,000 | \$620,000 | \$2,820,000 | \$7,298,000 |

6.3 Revenues and Expense table

| | Revenues | Expenses | Net | Cumulative Surplus |
|---------------|-----------------|-----------------|-------------|---------------------------|
| Year 1 | \$787,500 | \$1,170,000 | (382,500) | (382,500) |
| Year 2 | \$2,457,500 | \$1,625,000 | \$832,500 | \$450,000 |
| Year 3 | \$1,446,656 | \$1,501,000 | (\$54,344) | \$395,656 |
| Year 4 | \$1,389,483 | \$1,501,000 | (\$111,517) | \$284,139 |
| Year 5 | \$1,681,189 | \$1,501,000 | \$180,189 | \$464,328 |
| Total | \$7,762,328 | \$7,298,000 | \$464,328 | |