

## M. Funding for the usTLD

*NeuStar's financial model delivers a best value proposition to all stakeholders. Service is delivered at no cost to the U.S Government and at a fair and reasonable price to registrars and registrants.*

Funding for the administration, management, and registry operation of the usTLD is generated through fees assigned to registrars and, in the case of kids.us and the U.S. Reserved Names Program, the registrants themselves. Greater detail on NeuStar's pricing methodology for usTLD Administration is provided in Proposal Section O. As the usTLD Administrator, NeuStar will continue to provide these services at no cost to the U.S. Government.

Therefore, the purchase order related to the coordination and management of the usTLD is \$0.00, or no cost, to the DoC, or any other U.S. Government body that would assume control of the contract.

It is important to note that these fees are identical to the fees currently charged for the usTLD. NeuStar's pricing is fair and equitable and offers the best value to all stakeholders. We have organized our fees according to the four major components that comprise the usTLD.

- **Locality space** – NeuStar does not charge any fees to Delegated Managers or, in instances when we act as a registrar, to registrants. It is important to note that these stakeholders, while not being charged, still receive the benefits of significant improvements we have made to the space including: greater policy compliance, data accuracy, increased stability, and automated tools.
- **Expanded (second-level) space** – As usTLD Administrator, NeuStar is responsible for the accreditation and management of commercial registrars. Registrars are charged two types of fees – a one time accreditation fee, and a domain transaction fee.
  - **The accreditation fee** is a one-time, reasonable and competitive fee that covers the Accreditation Process. This includes application review and management, contract management, technical support and integration to the registry. This accreditation process is described in greater detail Proposal Section B, Subsection C.6.
  - **The domain transaction fees (registrations, renewals, transfers).** Services offered to usTLD Accredited Registrars for this fee include all of the core registry services.

Our domain transaction fee is highly competitive in the marketplace and, given the increased amount of policy administration and integrity, it represents improved value for registrars. Further, it is important to note that history has demonstrated that a decrease in the wholesale price (fee) of a domain name to a registrar that services the legitimate buyer community has not resulted in a corresponding decrease in the retail domain prices. For example:

### Highlights

- **NeuStar provides a proven, successful usTLD administration service at no cost to the U.S. Government.**
- **Delegated Managers continue to receive the benefits of NeuStar's administration at no cost.**
- **Funding derived from highly competitive, fair, and reasonable fees paid by usTLD registrars and, in some cases, registrants.**



TLD	Wholesale Registry Fee to Registrar	Retail Registrar Fee to Consumers (as of 7/23/07)
.com	\$6.00 per name/per transaction	\$11.99 (NSI) per year \$35.00 (RCOM) per year \$8.95 (GoDaddy) per year
.net	\$4.25 per name/per transaction	\$11.99 (NSI) per year \$35.00 (RCOM) per year \$8.99 (GoDaddy) per year

- kids.us** – Protection of the kids.us space is one of NeuStar’s highest priorities. As detailed in Section B, Subsection C.8 of this proposal, the kids.us space is regulated through strict content control requirements. In addition to the domain name fee, and to ensure the continued integrity of the kids.us space, NeuStar imposes an annual Content Management Subscription fee.
- U.S. Reserved Names Program** – NeuStar manages various categories of usTLD Reserved Names. These include names consistent with ICANN gTLD policies, names set aside for local, state and government use, names for kids.us and names for public benefit

The following table summarizes our usTLD administration fees:

usTLD Administration Fees		
Fee Element	Charged to:	Fee
<b>Locality-based Structure (e.g., DMV.state.va.us)</b>		
Adds, Transfers, and Renewals	Delegated Managers/Registrants	\$0 per year
<b>Expanded second –level Structure (e.g., FellsPoint.us)</b>		
Adds, Transfers, and Renewals	usTLD Accredited Registrar	\$6.00 per year
One-time Accreditation Fee	usTLD Accredited Registrar	\$1,000.00
Redemption Grace Period Restoration		
< 5 days	usTLD Accredited Registrar	\$6.00 per transaction
> 5 days	usTLD Accredited Registrar	\$40.00 per transaction
<b>Kids.us (e.g., nickjr.kids.us)</b>		
Adds, Transfers, Renewals	usTLD Accredited Registrar	\$6.00 per year
Content Management Subscription Fee	Registrant	\$125.00 per year



<b>usTLD Administration Fees</b>		
<b>Fee Element</b>	<b>Charged to:</b>	<b>Fee</b>
<b>Reserved Names (e.g. nasa.us)</b>		
Three-year term registration/renewal	Registrant	\$168 per 3 year term
Five-year term registration/renewal	Registrant	\$180 per 5 year term
Lifetime registration	Registrant	\$395 one time
Reserve qualified domain name permanently	Registrant	\$152 one time

Proposal Section O provides detail into how we derived these fees and, in conjunction with our costs, how they are fair and reasonable.