



one member. one vote. one domain.

Background to the .coop TLD Registry

Cooperative Businesses

Cooperatives are a global business model. They operate in most countries and in a variety of sectors. While the North American cooperative sector is active and successful, in terms of numbers of co-ops it is smaller in size than that of Europe, which is, in turn, smaller than the co-op sector of Asia.

This background paper primarily contains information about U.S. cooperatives, but a fuller review of cooperatives around the world should begin with a look at information found on the website of the International Co-operative Alliance in Geneva, Switzerland (www.ica.coop) which has members from around the world.

In general, a cooperative is a business owned and democratically controlled by the people who use its services and whose benefits are derived and distributed equitably on the basis of use. The user-owners are called members. They benefit in two ways from the cooperative. First, the more they use the cooperative, the more service they receive. Second, earnings are typically allocated to members based on the amount of business they do with the cooperative.

In many ways, cooperatives resemble other businesses. They have similar physical facilities, perform similar functions and must follow sound business practices to be successful. They are usually incorporated under state law (in the U.S.) by filing articles of incorporation, granting them the right to do business. The organizers draw up bylaws and other necessary legal papers. Members elect a board of directors. The board sets policy and hires a manager to run the day-to-day operations.

But in some ways, cooperatives are distinctly different from other businesses. These differences are found in the cooperative's purpose, its ownership and control, and how benefits are distributed. They are reflected in cooperative principles that explain the unique aspects of doing business on a cooperative basis. (*Coops 101: An Introduction to Cooperatives*, USFDA)

Cooperatives are guided by values and principles that have evolved over more than 200 years. Cooperatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. In 1995 the International

Co-operative Alliance, the international body that unites cooperatives globally, ratified the current definition of cooperative guiding principles, generally referred to as the “ICA Principles”. The ICA Principles are part of the set of eligibility requirements followed by the .coop TLD.

The ICA Principles

The cooperative principles are guidelines by which cooperatives put their values into practice.

1st Principle: Voluntary and Open Membership

Cooperatives are voluntary organizations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

2nd Principle: Democratic Member Control

Cooperatives are democratic organizations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary cooperatives members have equal voting rights (one member, one vote) and cooperatives at other levels are also organized in a democratic manner.

3rd Principle: Member Economic Participation

Members contribute equitably to, and democratically control, the capital of their cooperative. At least part of that capital is usually the common property of the cooperative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing their cooperative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the cooperative; and supporting other activities approved by the membership.

4th Principle: Autonomy and Independence

Cooperatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their cooperative autonomy.

5th Principle: Education, Training and Information

Cooperatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their cooperatives. They inform the general public—particularly young people and opinion leaders—about the nature and benefits of cooperation.

6th Principle: Co-operation among Cooperatives

Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional and international structures.

7th Principle: Concern for Community

Cooperatives work for the sustainable development of their communities through policies approved by their members.

(ICA Principles: <http://www.ica.coop/ica/info/enprinciples.html>)

Cooperative Business Today**Co-operatives – A Global Reach**

Approximately one million cooperatives serve more than 750 million members and account for production of one-third of the world's food supply. While agriculture is a major segment of cooperative business, the sector spans all conventional business categories from health to finance, and retail to industrial production. Cooperatives are generally national or regional in focus, but significant multi-nationals exist in insurance, banking, and manufacturing as well as very small, locally focused businesses.

Credit unions, which are member-owned financial institutions, have an active world-wide membership. Found in more than 100 countries around the world, there are 37,000 credit unions enabling 112 million members to grow and gain access to affordable financial services. Credit unions are one of the largest sectors of cooperatives in the United States and in Latin America.

Asia is the fastest growing region of the cooperative sector. There are approximately 400,000 cooperatives in India alone, but Korea, Japan and China all embrace large cooperative bases. For more information on cooperatives in the global economy, visit www.ica.coop.

Cooperatives in the United States

The National Cooperative Business Association (the national body representing co-ops in the U.S.) worked with the USDA in 2008 to confirm that there are more than 29,000 cooperatives in the U.S. account for more than \$3 trillion in assets, over \$500 billion total revenue, \$25 billion in wages and benefits, and nearly one million jobs

In the U.S., cooperatives are household names including REI, Touchstone Energy, Blue Diamond Almonds, Cabot Cheese, Ocean Spray, Organic Valley, Land 'O Lakes, and Nationwide Insurance.

dotCoop - the TLD for Cooperatives

On November 21, 2001, ICANN entered into an agreement with DotCooperation LLC (dotCoop), a subsidiary of the National Cooperative Business Association (NCBA), designating dotCoop as the Sponsor of the new top-level domain for cooperative sector organizations. The proposal for the creation of the .coop TLD was made jointly by the NCBA and Poptel, Ltd, a technology cooperative based in London and Manchester, England. Their proposal was supported by the International Cooperative Alliance (ICA).

DotCoop launched worldwide with complete registry services on January 30, 2002. The original registry operator was Poptel, based in Manchester, UK. The principal site is www.coop. DotCoop is based in Washington, D.C. where non-technical operations are located. Poptel, which later became an investor-owned business, sold the registry operator and its registrar business to the Oxford, Swindon and Gloucester Co-operative Society Limited in September 2004. OS&G merged to become the Midcounties Co-operative Society Limited in 2005.

DotCoop's contract with ICANN stipulated a six-month period following launch when registrations were accepted through the registry site. In July 2002, dotCoop began accepting applications from ICANN accredited registrars to become .coop registrars.

On October 1, 2002, DotCoop began accepting registrations through registrars. Poptel was the first accredited registrar. Other registrars were accredited in January 2003. DotCoop accepts applications for registrars on a rolling basis.

In April 2003, as required by the ICANN Sponsorship Agreement, dotCoop ran a process to allocate all of the registrations made before registrar-based services were available to eligible registrars. At that time, the initial phase-in of registrars was completed and .coop registrations are now available like other domain names through our network of special registrars.

ICANN Chartered Sponsored TLD

The .coop TLD is designated as a sponsored TLD and the scope of the sponsorship is designated by dotCoop's Sponsorship Agreement with ICANN (<http://www.icann.org/tlds/agreements/coop/>). Principal to its charter are the eligibility standards that determine who is entitled to be given a .coop name.

- members of the National Cooperative Business Association (NCBA), if otherwise eligible;
- members of ICA, if otherwise eligible;
- organizations formed as and/or considered cooperatives under applicable local law;
- associations comprised of cooperatives;

- organizations that are committed to the seven cooperative principles;
- organizations that are majority controlled by cooperatives;
- entities whose operations are principally dedicated to serving cooperatives; and
- for no more than 5000 registrants, persons or entities whose use of a .coop domain name would, in the opinion of the DCLLC Board, advance the interests of the cooperative sector in general or would assist in the development of cooperatives worldwide.

DotCoop is the sole entity entitled to determine eligibility for a .coop name.

Special .coop Requirements

Verification

.coop registrants may select from two options for providing information needed by dotCoop for verification.

- Cooperative References

.coop registrants may choose to provide a “cooperative reference” when they register their first .coop domain. This information is passed to the .coop registry system as part of the registration process. The cooperative reference data is not updated once the initial registration is accepted. Registrars may provide registrants information to assist them in identifying appropriate cooperative references based on information provided by dotCoop or from their own contacts in the cooperative community.

- .Coop Verification Code (CVC)

DotCoop provides an integrated pre-registration verification process that can be used during the .coop registration process with participating registrars. The process requires that the .coop registrant provide contact name and address information as well as email and telephone information to dotCoop. If the verification request is approved, then dotCoop will provide a .Coop Verification Code (CVC) that can be used within the registration process of participating .coop registrars. dotCoop will confirm CVCs when the actual registration is submitted by the registrar.

All registrars will be required to ensure that all applicants enter into a registration agreement with dotCoop. This registration agreement will permit dotCoop to revoke any ineligible registrations. All registrars must revoke any registration that dotCoop determines to be ineligible by polling for status changes.

Most registrations are immediately verified and can be activated right away, although registrations are subject to verification and possible revocation at any time. For a small number of verifications, a manual verification is performed based on country-based statistical sampling. These Pending registrations cannot be activated until they have been verified. Registrations that are pre-verified are not subject to the statistical sampling.

DotCoop tries to complete any verification of new registrations within 24 hours of registration but that may not be possible if registrants do not respond to requests for additional information on a timely basis. dotCoop will alert registrars of any registrant that is being verified. Registrars may choose to delete the registration within the normal 5 days grace period if they are concerned about eligibility of the registrant. Use of the pre-verification process avoids this issue and is encouraged.

Registrars cannot appeal rejections or revocations but are encouraged to provide information on eligibility requirements for .coop registrations to avoid ineligible registrations. All registrars will be required to implement revocation procedures based on dotCoop's determination of eligibility.

Reserved Names

dotCoop continues to have a small number of domains reserved for the Community Names program which relate to the sector organizations that are part of the International Co-operative Alliance. These are gradually being registered and activated.

DotCoop has established a Domain Category Policy which allows for the reservation of related domain names and to provide them with special pricing to particular registrants. For example, members of a particular cooperative organization could reserve names such as *xyzorg-local#.coop* for all of their members and negotiate a special rate a selected registrar and with dotCoop to allow them to have all of their members use similar domain names. The Domain Category Policy and the Bulk Pricing Policy address these options.

Registrar Application Process

Please refer to www.coop for current information and further detail.

Applications to be reviewed and approved as a qualified dotCoop Registrar must include the following:

1. Accreditation Application Form
2. Confidentiality and Non-disclosure Agreement
3. Credit Information Form

Upon receipt of applications, dotCoop undertakes a qualification review process. All registrars will be assessed against the qualification criteria set out in the

dotCoop ICANN agreement
(<http://www.icann.org/en/tlds/agreements/coop/appendix-S-01jul07.htm#part4>).

Applicants will receive an email confirming the receipt of their application and will be notified by email once a decision is made on their application.

If the application is accepted, DotCoop will provide access to the OT&E system for the testing of registrar software and communication. When the registrar feels that they are ready to proceed to an operational footing, the technical staff will provide a test and the registrar must successfully complete the test to become accredited.

When the registrar has successfully completed the OT&E testing and deposited funds in their Deposit Account, DotCoop will send information to access the production registry servers.

DotCoop will also add the registrar to the list of registrars on the registry site and will make announcements to registrants and potential registrants about the availability of a new registrar.

Registrars will become entitled to sell .coop domain names only following successful testing and completion of technical integration.

Contact Information

To download the Registrar Accreditation Application and related documents go to www.coop. If you need additional information please contact:

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