
ICANN Transcription

Transfer Policy Review PDP WG

Tuesday, 11 July 2023 at 16:00 UTC

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JULIE BISLAND:

All right, good morning, good afternoon, good evening, everyone. Welcome to the Transfer Policy Review PDP Working Group Call, taking place on Tuesday, the 11th of July, 2023.

For today's call, we have apologies from Raoul Plommer (NCSG); Owen Smigelski (RrSG), Richard Wilhelm (RySG), and Steinar Grøtterød (At-Large). They have formally assigned Juan Manuel Rojas (NCSG); Jothan Frakes (RrSG); Carolyn Mitchell (RySG); and Lutz Donnerhacke (At-Large), as their alternates for this call and for remaining days of absence. As a reminder, an alternate assignment must be formalized by way of a Google assignment form. The link is available in all meeting invite emails.

Statements of interest must be kept up to date. Does anyone have any updates to share? If so, please raise your hand and speak up

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now. All members and alternates will be promoted to panelists. Observers will remain as an attendee and will have access to view chat only. Please remember to state your name before speaking for the transcription. And as a reminder, those who take part in the ICANN multi-stakeholder process are to comply with the expected standards of behavior. Thank you. And over to our chair, Roger Carney. Please begin, Roger.

ROGER CARNEY:

Great. Thanks, Julie. Welcome, everyone. Just a few updates before we get into our agenda, which is really going to focus on our first charter question. But first off, thanks, everyone, for taking a look at the TEAC and TDRP recommendations and write-ups. I saw Sarah had a note on one of the items, which is a good catch, I think. So we'll talk about that shortly. But I just wanted to thank everybody for that quick review.

And also, Berry had just sent out the project plan or project update, and he sent that to council and sent it to the group as well. And just the highlights, I guess, is we're on track. We're making great progress. We still have a good chunk of work to do. But we're on track with our revised schedule. So we're looking good. I don't know if Berry has anything specific he wants to talk to you on that.

CAITLIN TUBERGEN:

Roger, this is Caitlin. Berry is actually going to be a few minutes late to the call. He doesn't have any updates to make. Thanks.

ROGER CARNEY: Great. Thanks, Caitlin. Okay. So I think then maybe we can just walk into the project update, Caitlin, and take us through the work plan.

CAITLIN TUBERGEN: Sure. Thanks, Roger. So everyone is used to these beginning of the call updates now. But for the alternates, we're just making sure that we kind of show a snapshot of where the group is, what we'll be discussing, and what the next big deadline is. So for our project plan, you'll see the highlighted blue box is our meeting today, which, as Roger noted, we're dedicating to ICANN approved transfers. The last topic bucket under group two, we'll be discussing charter question I1. And we'll map out the subsequent meetings based on how long we think this topic will take based on the group's discussion today. But the next topic that we'll discuss after the ICANN approved transfers is the group will be revisiting the topic of change of registrant.

Before we dive back into the change of registrant, staff has been working in the background on providing an update of where we are and what the group has agreed on to date, just so that everybody has a level set before we go back into the topic of change of registrant.

And the next critical date is, or at least per our project plan, the group will be submitting its consolidated initial report in August of 2024. So we have two topic buckets to complete before we wrap up the initial report. I'm sure I am echoing Roger's thoughts, but we hope to deliver the initial report well before that date. But we'll see how we are. We have plenty of time to get there. So that's it

from the project plan, unless anybody has any questions on that. Okay, back to you, Roger.

ROGER CARNEY: Great. Thanks, Caitlin. Yeah, and again, we have just a couple of charter questions for the bulk transfers. So hopefully it doesn't take us too long, but we're going to take our time and make sure we get those satisfactory to everyone. But I wanted to touch back on to Sarah's post to the list. I think it was this morning, Sarah, about the possible repeated communication during a TEAC. And she raised a good point that I think we probably need to clarify. And Sarah, do you want to jump on and maybe go through your thoughts on that?

ROGER CARNEY: Sure. Thank you, Roger. Hi, this is Sarah. So I will admit that I left my comment before reading the rationale, which does, of course, speak to the issue. But I think it still stands. So we had talked about that there should be regular updates. And those updates, like in the rationale, it says every 72 hours, updates at this cadence, give an indication of if the work is proceeding, right?

But I think what if there's a useful update after only two days, but also not a resolution, right? But the registrar might want to be able to send that to the other registrar. I don't think it should be prevented. I don't recall that we had intended to prevent an earlier update. And I do think that that's the effect of the language. So hopefully, it is not changing the intent of what we are recommending, but just making it a little bit more flexible so that

more frequent updates could also be provided, if appropriate.
Thank you.

ROGER CARNEY:

Thanks, Sarah. Yeah, and thanks for highlighting that. And I think this is a good catch, because as Sarah just pointed out, I don't think that we were trying to say that it has to be every three days. I think we were trying to say within three days, at least that's how I remember the discussion. So I think that this wording, at least every, it works better. And it's more clear. And as Sarah said, I don't think it changes what we intended. I think it's just clarifying what we intended. So but I'll definitely open it up to the floor if anybody has any concerns with that. But again, I think it's a good catch and a good add to it. But if anybody has any concerns or comments or questions, please jump on. Great, thanks.

Okay. And again, I think this is a good add. If anybody thinks about it and sees a reason or wants to make a comment, please drop it, respond to Sarah's email on list and we can continue that discussion. Otherwise, I think this is a good catch and a good add to it. So okay, I think we can move on. And maybe I think I'm gonna turn this back to Caitlin.

CAITLIN TUBERGEN:

Yes, thank you, Roger. As Roger noted, and as the agenda noted, our call today is really focusing on the first charter question under the ICANN approved transfers category. And we talked about this question and the accompanying policy language, as well as the

initial feedback we received from the various constituencies during our last call.

So two things that we'll be doing during this call is the first is just reminding everyone what the charter question says, as well as some of the feedback that was included in the initial report. The Registrar Stakeholder Group when it was responding through its initial input said it would be helpful to understand a little bit more with respect to statistics around ICANN approved transfers and how many of them involve 50,000 or more domain names, essentially invoking this fee. And so we have some numbers to share with the group. And then we have some questions that we developed based on some of the discussion from last week's meeting to help the group kind of further delve into its thoughts and how it would like to go about responding to this question.

So as a reminder, the question I1 is asking about some of the challenges that were noted in the final issue report with respect to that required fee in section 1B2 of the transfer policy. And as a reminder, the required fee in section 1B2 of the transfer policy deals with ICANN approved transfers where 50,000 or more names are implicated. And in those cases, there's a required fee of \$50,000.

So some of the feedback that we received in the final issue report is that in the event of an involuntary transfer as a result of either a non-renewal or a termination of a registrar accreditation agreement, there may be situations where there are registrars who don't cooperate. Maybe they go silent. Maybe they stop responding. And ICANN, through its deaccredited registrar transition procedure, will need to find a registrar to sponsor those

domain names upon the termination of that registrar. When there are more than 50,000 names implicated, that gaining registrar would be responsible for paying that fee.

And as our internal ICANN colleagues noted, in situations where registrars are being asked to possibly take on the names and their portfolio is unknown to them in terms of they don't know what the customer base is, there might be some noted abusive domain names, and it's difficult to find someone to take on names in those situations, particularly when there's a cost to the registrar.

This slide provides the information that the registrars asked for, and also we thought it would be helpful to the working group just to consider as we further talk about the charter question. These are numbers from the last five years, and we are happy to pull additional numbers from before that, but we just thought we'd start out here.

So in terms of ICANN approved bulk transfers that involve 50,000 or more domain names, there were nine of them in the past five years. Two of them were involuntary, meaning there were two registrars that were terminated that had more than 50,000 domain names, and accordingly ICANN sent out an application for registrars to take on those names. And what is probably not surprising is that that application process was difficult because at least in one case, there was registrars who agreed to take on the names and then backed out. And I think there was one situation where there were three or four gaining registrars or gaining registrars that had agreed to take on the names and then said, never mind, we don't want this. And it became very difficult and problematic for the customers that had their names housed at the

terminating registrar. Lastly, there were 141 ICANN approved transfers in the last five years, resulting from either voluntary or involuntary termination or voluntary assignments.

So this slide shows some of the questions that leadership identified based on the group's discussion from last week or two weeks ago, I guess it was. Apologies, that was two weeks ago. And so I'm going to turn it back over to Roger at this time to lead the group through these questions and see what the group thinks about those numbers and its thoughts on that required \$50,000 fee.

ROGER CARNEY:

Great. Thanks, Caitlin. Yeah, and I'll start with any questions or comments on the numbers that Caitlin went through. I know it seemed fairly self-evident, but I just wanted to see if anybody had any questions. The numbers aren't huge, but obviously, as Jothan just wrote, it's pretty impactful when it does happen and it's pretty impactful to those registrants, importantly, because a lot of times those registrants have been kind of put out, especially in the involuntary scenarios, put out of possible contact for any changes for a period of time before that. So I think that when you look at it, the numbers aren't big, but obviously, it's a huge impact.

But yeah, if no one has any questions or comments on the numbers, again, I think that they're very helpful. And when I first saw these numbers pop up, to me, my first question was, should there -- and we kind of get into it in the next slide, but should there be different paths, a voluntary one versus an involuntary one? Is there a big enough difference between the two scenarios that a

different path is recognizable and maybe a fee goes with one of them or doesn't or a different fee? So thoughts like that. Jothan, please go ahead.

JOTHAN FRAKES:

Yeah, thank you. Yeah, so this is where I'll put on my beard and talk about some tenure here. Being around since the formation of ICANN, I've had the opportunity to see where this has happened in the past. And we're looking back about five years. I mentioned in the chat, I might want to look back all the way to the beginning because there have been some really large ones. And when those have happened, and God willing, they won't again, but they can happen, they can be pretty problematic.

And in the case of a few of these, as the registrars mentioned in their comments, the gainer really inherits a lot of headaches, a lot of disgruntled customers, a lot of non-renewable domains. There's just a lot that we take on if we do embark on stepping up to take on those registrants who have been affected and have their names transferred over.

So the other thing here is, should there be a fee for the gainer? Because you're really almost doing a service to the community more than you're doing customer acquisition or any gain or benefit. That's my thought there on this, just after what I've witnessed happen and being in the trenches and actually helping to work with these.

If we're talking about 50,000, if we're talking about that per top level domain, and if we're talking about that in the case where

you've got volumes that may not merit it or aggrieved customers or at-risk registrations, it probably doesn't make dollars and cents and it's not going to get a lot of attraction to doing such an altruistic act of taking on and stepping up to create continuity for those registrants. Thank you.

ROGER CARNEY:

Great. Thanks, Jothan. And again, I think you hit on a few topics of why my head started to go, maybe there's a split here because like you said, it seems like the involuntary ones, there's a good amount of community, good faith, goodwill into it. But for the voluntary ones, maybe that's not so, the truth, maybe that's more capitalistic or it could still be, obviously, community benefit, but more of a true business decision. So anyway, something to think about. Volker, please go ahead.

VOLKER GREIMANN:

Yes. Thank you. And hello, everyone. Speaking from experience, we recently over the course of the last five years took on a very large registrar that was also very well known for abusive registration. So we volunteered to take over their portfolio, clean it up. And all that effort was stalled when a few registries suddenly started insisting on their transfer fees, which we weren't willing to pay because obviously, we thought the portfolio has had very little value, if any, renewals that wouldn't be forthcoming from that portfolio, but we were willing to take it on simply because somebody had to. And asking us to pay a fee for that simply wasn't in the cards. And that held up the transfer for months. And the few legitimate registrants that were there, they were obviously

the ones that were holding the shortest end of the stick. And I think it would be very wise to propose and to go with a policy where involuntary terminations of a registrar that leads to bulk transfer should be exempted from the bulk transfer fees simply for the same reasons that Jothan said. The registrar that's taken them on already takes on a lot of work, extra work that is not sure to pay off and expecting them to pay a five-digit fee on top of that simply so the registry can make a quick buck, I don't think is the right course of action. And therefore, proposing that these fees be scrubbed for those kinds of transfers is what I will propose here. Thank you.

ROGER CARNEY:

Great. Thanks, Volker. And I would maybe just pose just for you and Jothan and everybody to think about, we're kind of focused on the involuntary ones. You know, is there a separation? If not, that's fine. But just think about those two different scenarios and are there different paths and does it make sense or not? And as Jothan mentioned in chat there's a lot of things, especially back-end providers that have changed since this policy was written. You know, there's I don't even know, we'll say less than 10 for sure when the policy was written and now several dozen, hundreds of them. So Jody, please go ahead.

JODY KOLKER:

Yeah, I was a part of a large registrar that's taken over a registrar that just completely went offline. And then we kind of took it upon ourselves to take over those accounts or try to get them back for the customers, etc. And it was a great deal of effort to try to bring

all of those into our system. But not only that, the registrar that takes these over, these involuntary issues like this, or registrars going out of business, there's a lot of pushback from the registrants too. It's not always a money-making process, I would say, is that it is more of a, "Hey, we will help you out. We'll get this up and running for our community." And then a lot of those registrants will wind up transferring from whatever registrar that took that over because they have a different registrar that they want to use. So I just wanted to say I'm really behind not charging for taking over an involuntary registrar that's defaulted, etc. Thanks.

ROGER CARNEY:

Great. Thanks, Jody. Theo, please go ahead.

THEO GEURTS:

Yeah, thanks. And basically the problems that have just been described are just piling up when we move along into the future. You sometimes see these portfolios and you look at the abuse numbers and levels and you go like, "I don't even want that on my accreditation. I'm just going to paint a target on my back here." So it will become harder and harder to do these transfers to another registrar. And we're all commercially driven, at least most of us are. And it doesn't make a case to have a good business case there at all. I mean, like the other said, it's just a ton of work if you sort of start thinking about it and what you need to do integration-wise, etc. So in the future, it will be harder and harder to find registrars who will take on this admiral job, I must say. But from a business point of view, it's going downhill. Thanks.

ROGER CARNEY: Thanks, Theo. And I think the chat was going by and I didn't get everyone's read, but I think Steinar's mentioned something about where did the 50,000 come from? And maybe I'll let anyone speak to that that can drive to that. I think this was just a pass-through, but anyone have some history on where that 50,000 come from and what it's used for? Theo, please go ahead.

THEO GEURTS: So I do not have the answer to that. I mean, it seems like some arbitrary number that was being pulled at some point in time. But basically what we are arguing here is, what is a realistic fee? I mean, there are ccTLD registries who do a database switch in the database and it costs \$50 regardless how many domain names there are. There's not even a requirement there. And then you have registries that charge 50,000. And basically, if we are talking about the prices there, I think there's no middle ground in what's it going to be. I mean, for some registries, there is maybe a higher price required because they have to do more manual labor. Some are more automated. So there's tons of reasons why there is a fee anyways. But I think if we want to discuss fees, that we should drive to a cost price. I mean, I don't want to have registries to lose money on this, but I don't also want them to financially gain money. So in the end, it should be a cost price, whatever that is for that registry. And I mean, you can always maybe haggle about it, what was realistic or not. But the current prices are just insane for basically switching a few digits in a database from one registrar to another. Thanks.

ROGER CARNEY: Thanks, Theo. Yeah. And I think that's important. And it gets complicated, obviously, as the number of domains increases and the likelihood of multiple backends being involved and then having to work out those details of the, say, 13 different backends that is going to be affected by this move. So it's one of those where it does get complicated. And obviously, we don't even get into the whole things of some registrars have TLDs that other registrars don't support and things like that.

But I think we really hit on our question two here. And it sounds like there's general support that maybe that should be waived for involuntary transfers. But as Theo just mentioned, obviously, there is some cost associated to it. I mean, multiple parties are going to have some costs associated to it. So does a fee make sense? Does being part of the ecosystem incur a possible-- I won't say charitable-- a way to do this that's, as Theo mentioned, more cost-based versus fee-based?

So I think that, obviously, once you start doing a cost-based-- as Theo mentioned, maybe there's some negotiation there. But then maybe it's whoever is going to manage the process is the issue. But obviously, it can get more complicated as the more backends are associated. So yeah, thanks, Jothan. Theo, your hand's still up. Is that an old hand, new hand?

THEO GEURTS: No, it's a new hand. And besides the fees, the process itself, when I look back at the BTAPPAs that we did, it is riddled with all kinds

of processes and rules. And I'm not in a position to speak really about this. But if I would be a huge registrar that acquired other registrars in the past, complying with all those rules and regulations laid out in the BTAPPA, it sort of prevents a registrar to consolidate all those domain names on one accreditation. And that basically sort of forces-- from my point of view, but I'm not an expert on this, but from what I'm seeing in the market is that there are several large registrars who have multiple platforms to sort of keep up in the air and still have to do maintenance on it and still spend costs on it while making sure that it all gets really consolidated into one backend, one platform, whatever you will. And that is just not happening because due to all the rules and regulations within the BTAPPA, that just makes it sort of impossible, I think. Thanks.

ROGER CARNEY:

Thanks, Theo. And to Juan's question in chat, is it a total fee? It's not a total fee. It's a fee for each 50,000 or more domains by a backend provider. So if a registrar with 400,000 names is having all their names transferred away and there's three backends, then that'd be \$150,000 to move all those because each backend provider would get that \$50,000 fee. Jothan, please go ahead.

JOTHAN FRAKES:

Thank you, Roger. So do we have, I know we've talked about the sort of the involuntary one where we're basically helping the refugees for lack of better term as a gainer. And do we have any sort of drill down into some of the scenarios that exist when it's a voluntary one? Like some of the scenarios, because I wonder if

looking at this, we want to look at horses for courses and think about this in terms of maybe setting appropriate types of bulk transfer that suit specific scenarios where they're being requested. An example might be M&A or an example might be a large customer swing. I think each of these scenarios may require a more elegant and specific sort of surgical solution rather than the one size fits all approach.

And the other, I guess, comment or question I'd have is about, great, let's say we got to look into what that looks like. When you typically do a transfer, a transfer is an activity that adds a year of registration and it's a billable event typically when a domain name is moved from a registrar to a registrar. So would we contemplate bulk transfers that do not extend or affect the domain transfer in such a way? So if I transfer jothan.com from PLISK to GoDaddy, it adds a year to the registration term. But if I had Jothan 1 through Jothan 50,000 and I wanted to bulk transfer them over to GoDaddy, I pay this 50,000 fee, does that do that without extending those a year or does it add a year to those as part of the process? What's different between that and a typical just running 50,000 EPP transfer queries aside from the headache of all the auth codes? So there's two questions there. Do we want to look closer at the scenarios and consider different solutions here? And then secondarily, do we want to look at whether or not the registration term is affected by these transfers? Thank you.

ROGER CARNEY:

Thanks, Jothan. Yeah. And I think that it's a good question on if there should be a year added or not, and maybe something we can get answered. To your point on drilling down to the voluntary

ones, I think that would be important. I don't know. And maybe I'll call on Caitlin to see if she has any information. But something else to think about is should we remove the idea of fee from the policy at all just completely remove it and then it's up to the registries and registrars to work that out? Or are there safeguards in actually putting in language around fees that way things don't get crazy? Or again, I think that all that's kind of up in the air and we can do those things so we can remove the fee mentioned or we can just say that fees are only valid for this time or here. As Jothan mentioned, is there a process tick on involuntary that says, well, if it's involuntarily moved, we don't add a year or we do continue to add a year because then that helps that blow of the cost? But again, it depends. And adding that year gets a little tricky when you're doing that. So but let me go to Catherine. Catherine, please go ahead.

CATHERINE MERDINGER: Thanks. I was just thinking it might be helpful to put the text of the current policy on the screen. And just for specifically the hypothetical that Jothan was talking about, those hypotheticals, is section B or section I B, this part, I'm just thinking it's very specific to it's actually in section one—scroll up a little bit—to the acquisition of that registrar or its assets by another registrar or lack of accreditation of that registrar. And so I'm just wondering, are we looking to expand this definition? I feel like that's maybe where I need to start. What situations does this apply to? And currently, it's very, very limited. And so if it's just Jothan wanting to move registrars with his 50,000 names, it wouldn't come under this right, which is the bulk transfer provision, unless there's

another provision about bulk transfers that I'm not aware of. And so maybe I just want to take a step back. But I also think the add a year thing is really important when talking about these two situations.

ROGER CARNEY: Great, thanks, Catherine. Yeah, and I think that makes sense as well. And yes, in here on our first question, our first chart question, we are focused on these ICANN approved transfers, which are very specific it is a complete transfer. So it's one of those where we're not talking about 5000 of the 100,000 a registrar has, it's moving up all those assets. So Jothan, please go ahead.

JOTHAN FRAKES: Yeah, and I apologize for being so dominant on this. But there's a lot of inputs here. And I usually have to scream into my pillow. So I'm getting them all in. So another comment here on involuntary transfers. So it's been a rather ad hoc process of identifying potential—or at least the early version of this was rather ad hoc, where there would be some notice given to registrars that they're seeking—done by ICANN Org that they're seeking someone to assume the registrations of you know, a registrar that's being deaccredited.

Back when this was originally formed, the way that the registry registrar relationships worked, ICANN Org was aware of which TLDs that the registrar was accredited for. And that's different now. That's opaque, I think, to ICANN Org as to whether or not a given registrar has embarked on an accreditation agreement with

a registry. And it used to be publicly listed, but now it is not. So people don't know if PLISK can register which TLDs or not.

And I guess that's a long way around the barn to say that the registrant experience, if you're in an affected registrar that is being deaccredited, and you're already going through quite a bit of grief, that the continuity experience for that registrant should be a big piece of what's thought of here, and that the gaining registrar should be able to handle the comprehensive list of TLDs that the losing registrar or the failing registrar, if the involuntary transfer is occurring from rather than having to split up the relationship with multiple registrars, where other registries—like I may help to take on failing a registrar's customers for com, net, org, but I may not have .horse. And so they'll have to go and deal with a different gaining registrar for their .horse registrations. And I think that's a bad experience for registrant who's in a situation like this.

So I think it would be it would be helpful to ensure that we define that people who are putting their hat in to be the friendly shores registrar, I'm not sure what we'd call it the gaining registrar in an involuntary situation, that that their profile matches such that they could take on the entirety of the registrar operation. So that customer experience is not divided up among multiple registrars. Thank you.

ROGER CARNEY:

Thanks, Jothan. Catherine, please go ahead.

CATHERINE MERDINGER: Thanks. Maybe you're not talking about like the bid process that ICANN runs when they're deaccrediting a registrar, which I'm vaguely familiar with. But I'm fairly certain you have to say in that I'm accredited to sell XYZ. So I'm not necessarily seeing where that's a problem under our current policy, unless we're talking about a failing registrar that I'm voluntarily acquiring. Which seems like way outside of this kind of situation.

ROGER CARNEY: Thanks, Catherine. Interesting, as I as I read through this again, now I catch myself the first line of B1 is transfer all the registrations sponsored by one registrar. And result of a couple items here, but the second item, lack of accreditation of that registrar. Okay, so that's basically an involuntary. Or lack of its authorization with the registry operator.

It's interesting because then if it's or lack of authorization with a registry operator, that's possibly only a subset of all the registrations sponsored by a registrar. So I guess when I read this question out to everyone, is if a registrar has is accredited in 10 TLDs and one TLD deauthorizes them, does it go through this process? Because I would think that not all the registrations by a registrar would be moved, only those that are no longer authorized by that registry. Maybe that's not even making sense to people, but Jothan, go ahead.

JOTHAN FRAKES: Yeah, I probably need to start paying a fee of 50,000 to raise my hand. So the thought here also, so we're talking about partial

involuntary, I think there's partial voluntary. Some, I may spin up—I hate to kick .horse, but I may spin up and do registrations for .horse, be super excited about some kind of exciting campaign where I'm going to work with .horse as my registrar and gain a nice chunk of registrations, but then decide I no longer want to offer .horse or perhaps .horse moves from registry service provider A to registry service provider B who I'm not directly accredited with. So in any sense, there should probably be scenarios explored where there would be a partial voluntary bulk transfer. Yeah. Thank you.

ROGER CARNEY:

Thanks, Jothan. Again, I just wanted to check how I was reading it and if anybody else saw that possibility. So okay. Any other comments? Again, I think we are talking about—it seems like there's a couple paths here, and it seemed like there was some good support on removing the \$50,000 fee on an involuntary transfer. Now Theo did throw out the idea of maybe there's a cost factor and not a fee, and maybe that's worked out between the registry and registrar. But that's a different point. I think that what we're hearing here is maybe there's multiple paths and maybe Jothan just hit it and Catherine hit on it. Maybe there's even, it's not just involuntary or voluntary, but maybe there are multiple sets there of those that could happen. The involuntary one where the registrar is deaccredited by ICANN maybe is the simpler and obviously the more impactful one, but the simpler item. And maybe there's an involuntary by losing registry accreditation by the registrar or authorization as this says here. And maybe then there's the whole voluntary bucket and as Jothan said, it'd be

good to know. And maybe I'll ask Caitlin here if she has any more details or can get any more details on that voluntary bucket and not drill into specifics because I don't think we want to get into specifics of why someone chose that. There's probably some business decisions that we don't probably need to know, but if there's general buckets that kind of fall on that voluntary side. Caitlin, do you have any details on those?

CAITLIN TUBERGEN: Thanks, Roger. I think we may have touched on this during the last call, but at least in some recent years there's been some consolidation of registrars. So that would be a reason why ICANN would approve a bulk transfer. So there was a lot of consolidation with some of the dropcatching registrars, for example. And I did take note of some of the previous conversation because I know that the way this section B is worded maybe isn't the best in terms of subject verb agreement, particularly because I do know that when a registry terminates a registrar's RRA, ICANN would approve of transfer under this section of the policy to find a gaining registrar to house those names. So since that registrar is no longer able to sponsor those names, they would need to go to another registrar. So accordingly, this should probably be worded better to make sure or to make it known that if it's all names within one TLD and there's a termination of an RRA, those names would be eligible for a bulk transfer. I don't know. I hope that was helpful, but we can look at some of the numbers. But generally speaking, it's consolidation. It's also sometimes registrars just determine they don't want to be accredited anymore and they voluntarily terminate their RRA. So it's not classified as an involuntary

termination. But yes, some businesses just decide they're not-- generally speaking, those involve not very many domain names. So it wouldn't implicate this B. But that does happen not so infrequently where a registrar just voluntarily decides that no longer wants to be accredited.

ROGER CARNEY: Thanks, Caitlin. Catherine, please go ahead.

CATHERINE MERDINGER: Thanks. I have a question about the-- and this might be wildly out of scope, but I'm thinking about this language and also the registry service, the TAPPA. They seem to cover different scenarios. Do we want the transfer policy to cover more of the scenarios, which are more of the voluntary stuff that the TAPPA covers? Is it already supposed to be covered by this? What was the plan back in the day when we wrote this language? And I don't know when that was. Was it before the TAPPA? I don't know. But I'm just thinking how those two interplay. And do we want the policy to cover all types of bulk transfers, not just maybe ones that are ICANN approved? For example, looking at the standard amendment language for BTAPPA to add to your registry agreement, it talks about basically a newly accredited registrar requests the transfer of domains when they, I guess, were a reseller, right? They're a reseller now. I want all my domains moved to my cred. That wouldn't be ICANN approved, right? Because it's not the acquisition. It's not the deaccreditation. It's not any of these scenarios. And I'm not trying to go way out of scope. But I'm wondering-- it seems to me like I want B to not be ICANN

approved transfers, but some kind of transfer not at the request of the registrant. And in my mind, it should cover everything. Any reason that domains are moving without registrants trying to move registrars, I would want to be covered by this.

ROGER CARNEY:

Yep. Catherine, you're hitting a spot that makes perfect sense. And I think it's the leap from our charter question one on approved transfers, which is specifically written here, and our charter question two, which is more general and gets to your point of should it be bigger than that or not. And again, that's definitely an open question. And Theo's probably sending you some pats on the back for bringing it up, because he's had that thought going for many years now. But yeah, your question really hits on our charter question two, which we'll get to once we solve the current issues with this section B here. And as you mentioned, maybe it's just an integrated solution. Yes, I'm going to give you credit for doing your homework, Catherine. And you read all the way through, and you're just bringing up points early. Jothan, please go ahead.

JOTHAN FRAKES:

Yeah, thank you. I keep bringing up all the carbon rings, I think, on where we are with this, because it's not really been visited much and definitely needs a little bit of attention post-2012. And I guess my next point is-- and I'll broach it carefully. There are scenarios where-- and in an involuntary scenario, I think there's a situation where ICANN would put out to bid or at least do a call for potential gaining registrars. And I could picture a scenario where registrar A proposes that they would like to take on the involuntary transfer,

and registrar B would offer to take on the transfers. And one of those may be vertically integrated for some or all of the registrations in question.

Should there be a scenario that might-- I don't know-- keep a vertically integrated registrar from participating in that process, or if there are multiple parties that are vying for it? I don't know how to explain that very well, but I could picture that if registrar A is a vertically integrated registry for some or all of the TLDs in question, and registrar B is not, and then registrar B does not win the opportunity to take on the involuntary transfer, and registrar A does, I could see that being a situation where there might be some consternation or optics issues. Thank you.

ROGER CARNEY:

Thanks, Jothan. Okay, let's jump back to our specific questions on our charter, question one here. And again, I think that we've answered the second question here, and it seems like people are supporting the idea of not having or waiving the fee for involuntary transfers. We haven't really talked about the voluntary ones, and that's really that first section in B1 there that talks about acquisition or whatever, that the voluntary stuff really hits on.

But as Caitlin pointed to, some registrars will voluntarily at least close some of their portfolio, if not all. So voluntary could involve that as well. And an interesting thought that popped in when Jothan was talking there was, or maybe it was when Catherine was doing it, if someone does voluntarily stop supporting a TLD, which is possible maybe the, as Jothan said, maybe the registry operator moved back ends and now the registrar can't support it

for some reason, or they've updated their policies and now there's newer different requirements that the registrar does not feel capable of wanting to handle or could handle. So that they may have to, I don't know if that's considered voluntary or not it seems that's a voluntary option, but no longer support that TLD, that specific TLD.

So I think that when we're talking about that, it's like, should any of those—and again, it's getting back to the second point of when do we waive a fee? Or again, as was brought up earlier, should there be any talk about fees and maybe that just gets removed and transfers are allowed, or is there just a generic thing that fees can be charged or whatever there is when this occurs—maybe we just strike 50,000 out completely and don't talk about it anymore. As Jothan's mentioned a couple of times now, this is a really different scenario than it was when this policy was written. The whole ecosystem is much more expanded now. So I think it's definitely worthwhile.

And it sounds like everybody thinks, at least for the involuntary, that the fee should not exist or as this question says, maybe you should be waived. But you know, when we get back to that, should it be waived or should it even exist for voluntary ones? A lot of registrars are talking here and I haven't heard any registries come on and mention anything. Theo mentioned that there's a true cost the registries have to make these happen. They actually have to go in and a whole process that they had to follow on their side to move a set of names from somewhere to somewhere. Theo made it sound simple by flipping a tag on it, but obviously the registry has to go through quality assurance checks and everything else

and businesses to do all those things. So there is a cost there. And how can that be accounted or should it be accounted for? Maybe that is just a registry's cost of business. I don't know. It's something that can be talked about.

But again, I think what I've heard is everybody says \$50,000 doesn't seem appropriate for an involuntary wholesale registrar going out of business or whatever. It should not exist. Registrar shouldn't have to pay that. But you know, again, there's a lot of other examples we need to fill that gap in for. Volker, please go ahead.

VOLKER GREIMANN:

Yes, thank you. One thing that also always struck me as weird was the cutoff. Up to 50,000 domains, it's free. And over 50,000 domains suddenly costs a five digit number, even though the approximate amount of work involved for the registry is probably the same. So this kind of arbitrary level of now it's free, now it's not, where two or ten domains could basically make a difference of 50,000 that the registrar might have to pay, I think also needs some review again, because the fees should probably match the outlay of the registry. It should be on a cost recovery basis, maybe with a maximum fee set. But having this cut off at this arbitrary level, that makes no sense to me. So that's one point as well. Thank you.

And when we speak to voluntary transfers, I think we also would like to see a change in the fee to make it more—realistic is the wrong word, but something that we can appreciate where this fee is coming from and why it's raised at a certain level and not below

that. So maybe have it have tiers or something else, but pay nothing up to 50,000 and pay something for over makes no sense. Thank you.

ROGER CARNEY:

Thanks, Volker. Yeah. And you're right. That's an interesting line that's drawn where it's a zero fee for 40,000, but for anything over 50, it's 50. So if there's 2 million of them, it's still 50 and it doesn't seem to balance out, but yeah, good point. So Jim, please go ahead.

JIM GALVIN:

Thanks, Roger. Jim Galvin, Registry Stakeholder Group. Since you commented about registries not speaking up, I thought I would speak up and say a little something here. On the question of involuntary transfers and fees for that, I think it's likely that we could get support from registries for waiving that fee. It certainly seems sensible to do that. I mean, after all it is about the registrants and we're all just trying to service them, the registrar taking it on board, and we should want to facilitate that so that that registrant can continue to have their domain name and do what they want to do with it.

On the voluntary side, I've been listening to all of this conversation and thinking about what all of that means. I think we need to have some more conversation about that. It's hard to say what registries would really feel about that. It would be helpful to get a little more information and understand. One of the questions that we've been having in our own little back channel here is about what problem

we're really trying to solve on the voluntary side. At least based on the statistics that were offered up earlier, it doesn't seem to happen very often. And our little cabal talking to ourselves here was suggesting that we're not even aware that that fee comes up very often. That could just be us not knowing. So don't take that as a representative sample. That's just anecdotal.

So yeah, I want to try to understand what problem is being solved by even discussing whether the fee and/or the trigger needs to change on the voluntary side. I appreciate it was a charter question, but need to understand what was behind that question. Why did that question come up? What problem are we trying to solve? So thanks.

ROGER CARNEY: Thanks,, Jim. Jothan, please go ahead.

JOTHAN FRAKES: Yeah, thank you. So I anticipated what Jim was going to say about is this for the voluntary piece going to be an issue or not? And I'll tell you, one of the reasons we should look at this closely is that there are softer walls to beat one's head against as a registrar when they want to transfer a large number of registrations from registrar A accreditation to registrar B accreditation. If they've got the auth codes, which they can acquire relatively simply through automated process or in bulk or set in bulk to be identical.

The system as it is today, I think we have some things that after we're done with our work in this transfer policy review, and we've introduced a different set of standards for how one can acquire an

authorization code and how the authorization code stuff works, that a lot of the automated bulk that's occurring now that's opaque to the figures Caitlin sees would be very different. I think you'll start to see a more of a need for the bulk transfer requests because of how the transfer auth code stuff, sorry, TAC will work post our changes.

So I want us to think about it through that future state of this lens rather than the current state of this, because I know for a fact that registrars automate the transfer in high volume between each other through the use of auth codes currently through the EPP system as standard registrations. So thank you.

ROGER CARNEY: Thanks, Jothan. Volker, please go ahead.

VOLKER GREIMANN: Yeah. Yes. Interesting question there. What problem are we trying to solve? I can turn that around. What problem are we solving with this policy? I mean, ultimately we are discussing transfer policy and discussing what is outdated and what needs to go, what serves no purpose, what's ballast or what are we gaining by the current policy. So essentially I think it's a fair question to put everything on the stand and ask, why do we have this? What purpose is this solving? What is the effect it's having? And if we cannot answer that question, then I feel the policy has to go or the clause has to go, the fee has to go or whatever. We need to justify that fee and we need to make sure that the policy as it stands today is reasonable for the future and makes sense. Otherwise we

cannot explain it to our customers. The registries cannot explain it to us. ICANN can't explain it to us, but yet here we are paying nothing for 49,999 domains and paying 50,000 for two domains more. Makes no sense to me and therefore I feel that this needs to be changed and amended because the policy that we have, that we follow, needs to make sense. First and foremost, it has to have purpose. Otherwise it's redundant and it can't go. Thank you.

ROGER CARNEY:

Thanks, Volker. And again, I think when you look at what the policy is trying to achieve here, it's trying to, and to Volker's point that he's made a couple of times now, is that cliff or whatever you're going to call it seems a bit arbitrary, but obviously the \$50,000 fee was meant as a cost recovery concept at some point, but obviously, is the 50,000 domains that, the \$50,000 that, and should there be a graduating scale? Should there be something else? And again, should the policy even talk about it is another issue at all. So it's one of those where I think the purpose, and it seems logical that there's a cost recovery factor because there is cost to moving these.

And as Jothan kind of pointed out, sometimes it's handled today differently than we would want it handled. As he said, you can transfer a thousand names from one registrar to another just by brute force going through and getting the auth code and sending it and doing that. That's a pretty ugly kind of process to follow. And we probably made it even harder to do in the future when our recommendations go through.

So I think we know there's logical reasons for transferring large numbers that don't fit our registrant requested one off or even five off domains. When you're talking about hundreds of domains or thousands of domains or tens of thousands of domains, that process could probably be more elegant than, as Jothan mentioned, probably gets handled today. So Caitlin, please go ahead.

CAITLIN TUBERGEN: Thank you, Roger. I wanted to respond to Jim's question about what problem we're trying to solve. And you'll note that in the chat, I pasted some text from the final issues report for the review of the transfer policy. And specifically this charter question was in response to some feedback we had received from ICANN Org., our GDS colleagues in particular who are in charge of managing the deaccredited registrar transition procedure.

And they noted that in the instance of an involuntary termination that results in a bulk transfer to another registrar, it's very difficult to procure a gaining registrar when the portfolio is unknown, when a registrar is unresponsive. And as some of the registrars on the call have noted, the registrar that agrees to take the names is doing so usually at their own expense to help registrants. They don't always make money from these types of transfers. They can lose money. It's a lot of hours and can involve headaches. And frankly sometimes ICANN Org resorts to having to beg someone to take the names in some of these involuntary situations.

So that's the problem that the charter question was trying to address. And I think that at least in terms of the group's discussion

thus far, the waiving of the fee in an involuntary scenario would alleviate that problem. The group is now just looking at that -- the language from section 1B in its entirety to see if anything else may need to be updated. And so I think some of the discussions are going down those trails. But really the question was specifically about an involuntary situation where a gaining registrar is needed and might be hard to come by based on the unknown portfolio and payment of a fee. I hope that's helpful.

ROGER CARNEY: Thanks, Caitlin. Theo, please go ahead.

THEO GEURTS: Yeah, thanks. So going back to the comments that Jothan made, these are very important. I mean, he's right. I mean, we got some crude ways. I wouldn't call them brute forcing or anything, but they're very crude processes in where we can automate bulk transfers to accommodate our reseller customers. And all these automated systems and APIs that we've been building and connecting with other registrars, etc., as crude as it is, it does serve a function. And that function is that there's now a possibility for resellers to automate and plan their transfers. They can put in when domain names need to be moved on this and this date so they correspond with the invoice system that they have, etc. It's pretty complex if you think about it. When we were discussing the TAC internally, our CTO pointed out, the TAC is a great system but it'll completely destroy our automated transfer system for resellers. So there needs to be a solution for that. And I thank Jothan for pointing out more eloquently than I have done in the

past. But that was exactly the point I was trying to drive home. If we're going to do this with the TAC system, great, you improve security. But there's a big tradeoff because you're going to destroy a big part of the transfer process for wholesale registrars. And that is in nobody's interest. It's only going to make things a lot worse. And we need to find a solution for that exact issue. And you mentioned this, Roger. I just wanted to underline it. And shoutout to Jothan for bringing my point home so directly. Thanks.

ROGER CARNEY:

Thanks, Theo. Yeah, and again, we'll hit on both of these topics. And it's not something we need to keep separate at all. One draws into the other, and we'll get into those. So yeah, it's important to keep that in mind. So, Jothan, please go ahead.

JOTHAN FRAKES:

Thank you. I think I talked earlier and I probably sounded like I was throwing shade at vertically integrated registrars. I really am not. I really appreciated the authenticity of what Caitlin shared about how sometimes it is a plea to help the involuntary transfer scenarios. I wouldn't want what I suggested vertically integrated registrar—I would not want vertically integrated registrars to not be able to offer to be the gaining registrar in the case of involuntary transfers. The continuity and the registrant experience is paramount to all of us. I would really hate to see if there were something about competitive situations where there might be multiple involuntary transfer proposals coming from gaining registrars. I would not want vertically integrated registrars to be kept from being able to propose to be that. But I would probably

encourage that it would be the entirety of the registrant population that did come aboard with those transfers. Thank you.

ROGER CARNEY:

Thanks, Jothan. Okay. Any other comments or questions? I've got a few maybe simple poll questions I'll ask, but I wanted to get any other discussion out first. I think we've hit on all these topics. We didn't specifically talk to premium names, which Jothan brought up last week, I think, or the week before. I think it was last week. Again, I don't know that we need to specifically talk about premium names, but any other carve-outs. Just because, again, as Jothan mentioned, the landscape is a lot different today than it was when this policy was written. Premium names is just one of those things that is different and will have to be addressed during any one of these things. Again, I don't know the specific carve-out or call-out for it. It just has to be handled and known to be handled.

I think we've touched on all these questions now. I think maybe I'll ask a few questions and we'll just use the informal participation of green and red on the hands. Do we have those options for everybody? Do we have a yes, no option? Thanks, Sarah. That's what I just noticed. Jim, please go ahead. Jim just has a raised hand as well. I think we just have raised hands at this time. Maybe I will just pose the questions in a certain way to raise hands as a yes and then I'll pose the question as a no and then we can raise it as well.

Again, just to get a feel of where we're at because I think I've got a good idea, but just wanted to confirm in our last 15 minutes here. Talking about involuntary termination, should a fee be waived?

How do I say this? That's interesting because I think we've got two points here. Should there be a fee? That's a tough question now. I'm trying to figure out how to say it. Let's start with should fee discussion be excluded from the policy? If you think the fee discussion should be excluded completely by the policy, raise your hand. We've got two people that think it should be completely removed. The reverse, just so we know—

JIM GALVIN:

I did want to put my hand up. It sort of looked like I was voting for that. So the question was should we just not be talking about the fee?

ROGER CARNEY:

Should the policy just ignore the topic of fee at all? I'm going to reverse that question as, should there be discussion in the policy about fees? I'm not going to say specifically about 50,000 or whatever because maybe we'll change that. Should we be talking about fee in the policy? Raise your hands. We've got good support. At least we should probably be talking about fee in some manner. Again, specifically the 50,000 or not, we can discuss.

I think maybe my next question as we've gone through this, we've changed it. Sarah, Jim, do you want to raise your hands or do you want to say something? Sarah wants to say something? Okay. Good. No problem. Thanks, everyone. We'll make this work.

We'll be hit on this last question on our screen here because maybe this will drive us to—touch on Jim's question and Volker's conversation back and forth, is, what's the purpose of this fee? If

it's mostly cost recovery, does that feed into our last question here? Who believes that a tiered approach to a fee should be done volume and not a cliff volume like it is today, but maybe a tiered approach to less than 10,000, more than 50,000, whatever it is? Should there be a tiered approach to a fee in this process? Raise your hands if you think a tiered fee makes sense versus a single fee like it is today.

JOTHAN FRAKES:

We're seeing in the chat at least many of us who have our hands up that we'd like to at least be considering that discussion. We're not sure we support it. We'd like to understand it more.

ROGER CARNEY:

That makes perfect sense. Thank you, everyone, for chatting. Okay. You can lower your hands. Then I'll flip this. Who wants to leave it as is, a \$50,000 fee for 50,000 over, no fee for less than 50,000? Raise your hand if you want to keep it as is. Okay. I think that's useful. I think that's where I thought it was. I think that that makes sense. I think it fits in with the charter questions themselves and the issues report showing that people are asking about it. I think that's great. Okay. Caitlin, do we have any other slides, any other thing? Jothan, please go ahead before I go to Caitlin.

JOTHAN FRAKES:

Roger, one concept that exists today is that in this new world, there are multiple registry service providers or backends and integrations. Right now, this is atomic to the TLD. Is there any

way, and I don't know how we'd introduce this or if this is possible to introduce, that we could introduce the concept of this bulk being applicable across a bundle of TLDs that may exist at a given registry service provider? Because that same backend provider is probably going to sit behind the monitor or whatever application they do and process this bulk across any of the TLDs that may be, for example, inhouse TLDs or client TLDs. The concept would be, can these be bundled in some form? Let's not constrain that, but can it be a multi TLD type of fee?

ROGER CARNEY:

I think that's a great point to bring up, Jothan. We know that backend providers house numerous TLDs. Not only that, you bring up a good fact of, should it be tiered across and how does that get divvied up? If that's the case, that's fine. Or if you're packaging them and all—Identity Digital ones fall into this group, maybe it's 33 TLDs are affected, but they're all Identity Digital ones. Does that get grouped together and packaged and how does that work? Jothan, that's a new hand, I think.

JOTHAN FRAKES:

It's a new hand. I just want it to be elegant to where, because those registry service providers have what I would call house TLDs that are operated and they're the registry operator and the backend. Then they may also offer those registration services to third parties. You'd want to have the elegance to ensure that they can set up appropriate bulk scenarios by provider. Thank you.

ROGER CARNEY: Thanks. I think it's definitely something to look at, especially when we're talking about it, because that does become a factor. Again, as everybody points out, this is a different world than 12 years ago when this was created and we only had six, eight backend providers. It's definitely different and something we need to think about as we step through this. With seven minutes to go, I want to make sure I get everything we were supposed to cover. Caitlin, is this what we had for today?

CAITLIN TUBERGEN: Yes. Thank you, Roger.

ROGER CARNEY: Great. Thanks, Caitlin. Again, I think that we can start making a path down here and we see some support for a good direction here. We just need to start maybe laying out. Several people have started crossing that line into our charter question two, which is fine because it may end up being just one piece of the policy altogether. I think that we don't actually have to disconnect them, but we just have to focus on answering both of those questions. I think we have a good start here of being able to start creating some paths down here and getting the language cleaned up and answering the charter questions here. Any other comments from anyone?

I'm sorry that I forgot at the beginning and thanks to Steinar for posting it in chat. I'm going to open the floor up to the stakeholder groups as I normally try to do. We've got a few minutes, so if any of the stakeholder groups have anything they want to bring up. I

know Steinar posted in chat that the CPWG will be talking about the charter question G3 in the next meeting. Thanks for that. Does anyone else have anything to add? If Steinar wants to add on to that, that's fine as well. Anyone?

Okay, great. We'll give five minutes to everybody. Thanks for the discussion today. It was really good. I think we're going to make progress quickly on these two charter questions. Thanks, everybody. We will see you in two weeks. We won't meet next week. We'll see everybody in two weeks. Thanks.

JULIE BISLAND: Thank you, Roger. Thanks everyone for joining. This meeting is adjourned. See you on the 25th.

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