
ICANN Transcription

Transfer Policy Review PDP WG

Tuesday, 22 August 2023 at 16:00 UTC

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DEVAN REED:

Good morning, good afternoon and good evening. Welcome to the Transfer Policy Review PDP Working Group Call taking place on Tuesday, 22 August 2023. For today's call we do have apologies from Jody Kolker (RrSG), Steinar Grøtterød (At-Large), Owen Smigelski (RrSG), Catherine Merdinger (RrSG), Juan Manuel Rojas (NCSG). They have formally assigned Christopher Patterson (RrSG), Lutz Donnerhacke (At-Large), Heidi Revels (RrSG), Rich Brown (RrSG), 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. If anyone has any updates to share, please raise your hand or speak up now. All members and alternates will be promoted to panelists. Observers will remain as an attendee and will have you access the chat only.

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Please remember to state your name before speaking for the transcription. As a reminder, those who take part in the ICAM multi-stakeholder process are to comply with the expected standards of behavior. Thank you and over to Roger Carney, please begin.

ROGER CARNEY:

Thanks, Devan. Welcome, everyone. I don't have a lot to go over just before we get started. I just want to say thanks again to those that are commenting on the working documents and reviewing them. Really appreciate it. It helps move the work along a lot better and solidifies the talking points that we have at each session. So that's great. Encourage everyone to continue doing that as we move forward. We have just a couple more sessions and we're hoping to wrap up this bulk of our sponsorship or portfolio transfer, whatever we're going to end up calling it. So hopefully our offline work helps accelerate our face-to-face or virtual meetings here.

Other than that, I think I'll just open up the mic to any of the stakeholder groups that have any comments they want to make, bring forward from discussions they're having offline of this meeting and need this group to address. So anyone, any of the stakeholder groups have anything they want to bring forward? Jothan, please go ahead.

JOTHAN FRAKES:

Hi, thank you, Roger. So I work in the Registrar Stakeholder Group and I have opportunity to talk to people in technical roles

throughout and also sort of project management roles, other roles that kind of touch the operations, the technical engineering systems that happen inside of registrars. And this particular theme that we're talking about right now, whatever we're going to call the large-scale transfer of some or all of a registrar's registrations or domains under management at a given registry, is something that's quite a heavy bit of operation. TOSS, I think is what Theo is hoping we're going to talk, where we toss names between registrars. I don't know if that works, but we'll try it.

Anyway, the process at hand is something that typically requires some manual intervention or departments within companies that aren't usually leaning on the EPP system, the shared registration system, that are having to use some sort of out-of-band processes in order to do this work. And given that the policy was written back when there was just maybe a dozen plus top-level domains and now we have many multitudes higher of that, that we have a more challenging and complex and rich scenario for which a successful consummation of such a, whatever we're going to call it, requires a lot of project management and just touch points to make sure that something goes successfully from start to finish.

And in talking with colleagues amongst the registrars, one of the things that they'd look for, they do feel that they're getting good support from ICANN themselves on this, and they do feel that they're getting good support from the registries on this. So this is really more of a refinement, but what we're talking about would potentially be where ICANN would be providing some sort of a project management role that would oversee the entirety of such a transfer in certain scenarios where you've got multiple registries

involved, multiple top-level domains, a high number of registrations, that would help to see that thing through from end to end. That way, that all of the registrant experience is consistent, even, smooth. The registrars have a smooth and consistent process, and the registries all have a smooth and consistent process.

There kind of needs to be some sort of a steerer, for lack of a better term, or project manager or project lead for each of these different TOSS or whatever we're calling them, whether they're partial or whole.

And I know that we had been discussing the fee as well, that perhaps that person could identify how that fee might be divvied up based upon the domain center management at each of the entities, registries, registry service providers, etc.

So the more we socialize the idea of some sort of a project management leadership role within ICANN, that starts to give way to a little bit more comfort that this is going to be a process, maybe end to end, that could go smoothly. It isn't necessarily diving down into the technical details much. It would still layer on top of whatever we're talking about as policies. But I wanted to introduce into the mix that we talk about some sort of a project management role as part of this. And I hope we're not getting too prescriptive in the tactical implementation of whatever we're doing. It just seemed like a good way to make sure this would go smoothly. And so I thank you all for listening to that and hope that that idea is welcomed. Talking amongst some peers and the registrars, it seemed like it might be a good way for a lot of our registration fees to go towards making sure this would be a nice, successful

process. And I see I have awakened Rick, so I'll pass to him to comment. Thank you.

ROGER CARNEY:

Thanks, Jothan. Yeah, and I'd say you hit on a lot of topics that we still have open, which is great that there's discussion going on outside of the group here. And all those things need to get some resolution, whichever direction it goes, whatever it is, we need to resolve those items to complete this work. So hopefully we hit on a lot of those topics today, and we can make our way through most of those topics today. Many of the things you talked about are actually on the agenda, so that works out great. Thanks for that lead in, Jothan. But I'll go to Rick real quick. Rick, please go ahead.

RICK WILHELM:

So I guess maybe what I would say is, the thing that I would offer is when we get to it, the key thing I think about Jothan's comment is the context of what situation is being brought up for this kind of a project manager thing matters a lot in my mind. And I think it matters a lot about what kind of a portfolio we're talking about and why the portfolio is being transferred. For example, if it's due to a registrar being deaccredited, or if it's due to the, in other words, either an involuntary deaccreditation or a voluntary deaccreditation, or if it's due to, in other words, a full thing, or if it's due to a so-called BTAPPA.

BTAPPA I think is a completely different kettle of fish. And sort of like last time in the last call, one of the things that I think you'll

recall me saying is that I think it was good that we were focused on one type of scenario. And during a couple of things that Jothan was talking about there, I was observing that it seemed to my ears, it was kind of flipping back and forth between a full portfolio transfer of both voluntary, involuntary, and then kind of every once in a while I detected notes of a BTAPPA-like process. And it's difficult to evaluate the merits of a possible use of an ICANN-sponsored portfolio or project manager when we're sort of switching between different scenarios like that.

So I'm withholding comment about the merits of the possibility of an ICANN-sponsored project manager until we get more specific about the context in which that might be considered. And I think that would be better to get more granular around that. Thank you.

ROGER CARNEY:

Right. Thanks, Rick. Yeah, and it's great. And it'll give everybody a few minutes here to think about it before we start talking some about some of those specific points. So I appreciate that discussion from both of you there. And I think that, yes as we kind of, and I even jumped the line last week, obviously trying to see if things can be on both sides. But I think, Rick, you made a good point. It's very good to keep these things partitioned as we work through them. And it makes it a little easier to walk through, okay, this is a, we'll use Theo's language here, this is a full toss. And these are the set of rules for that. And this is a parcel toss. And these are the set of rules for that. So, and again, I think even if some of those end up crossing over, those being separate does clear things up, I think, especially when it comes time to actually start executing on them. So, again, thanks to both of you for that.

Any other comments before we jump into our agenda today? Again, a lot of this we're going to get covered today. And all those points we need to get resolved at some point. So, okay, great. Maybe I'll turn this over to Caitlin and she can run us through our work plan real quick. Caitlin, please go ahead.

CAITLIN TUBERGEN: Thank you, Roger. And thanks, everyone. This is just a friendly project management reminder. What you see highlighted on the screen is meeting number 101, which is today's meeting. And so, we have two more meetings reserved for the topic of ICANN approved transfers, which includes both topics, the full portfolio transfer and the change of sponsorship. So, hopefully we'll get into the meat of those conversations today and get to some more preliminary agreements.

So, without further ado, what we thought we would do is recap the agreements quickly from the last meeting and then move on to the meat of the discussion, which were some of the sticking points from the last meeting. So, you may remember that we briefly talked about registry operators having the flexibility to charge fees and also waive fees as they see fit. The change that we made to this preliminary agreement is that we pared down the language per the request of some members of the working group. Specifically, we took out the details around a non-exhaustive list of examples where a registry might choose to waive a fee. And we put that as a footnote just to help those who are reading the group's report understand examples of when that might occur, but noting that, again, it's non-exhaustive. So, the asterisks that you see within this agreement point to footnotes that are in the working

document. The other, of course, notes what a full portfolio transfer is. And again, that's what we're talking about right now, which is when there is a termination of an RAA, whether voluntary or involuntary, a registrar no longer is going to be operating. And so, those names need to move. Or secondly, it could be the termination of an RRA where a registrar is no longer offering names within a specific TLD or set of TLDs. And so, those names need to move to a registrar who still has an RAA and excuse me, RRA in place with a registry.

And then, the second change that the group agreed to make, this was about the variable nature of the fee that a registry may choose to charge. And registries are free to set up their fee schedule how they would like, but they're required to notify registrars prior to the initiation of a full portfolio transfer. And the reason that word is highlighted is it used to read that the registry needs to notify the registrar prior to the completion of the full portfolio transfer. But the group agreed that initiation is preferable here just to prevent a situation where a transfer is underway and then a notification of fees comes about to prevent abuse in that scenario. So, I see that Sarah has her hand raised. So, Sarah, please go ahead.

SARAH WYLD:

Thank you. If you could please go back to the previous screen. Oh, that's too far. Oh, no. There we go. Thank you. Okay. Hi, this is Sarah. The two examples in the non-exhaustive list are both examples where ICANN terminates a registrar for some reason. The first one is that it terminated due to a breach. And the second one is that they're unresponsive to renewal notices, which also

now that I'm reading that, the registrar is not responding to renewal notices. Are they supposed to?

But okay. So, these are both examples where a registrar is involuntarily terminated. And that's fine if that's, well, it's not exhaustive. But maybe we should have an example that's not an involuntary termination. Although now that I'm saying that, I'm not certain if we want to suggest that the registry is going to do this, waive the fee in that case. Caitlin, I'm just seeing your renewal notice to renew their RA. Oh, okay. So, either way, they're both examples where the registrar is being involuntarily terminated. Perhaps a second example as such that Jothan is suggesting would help instead of two of those. Thank you.

CAITLIN TUBERGEN: Thanks, Sarah. And we can certainly add another example. I do understand the point being made. The reason that we did include these examples specifically was just in response to the charter question, which was dealing specifically with the difficulty in procuring a gaining registrar and examples of involuntary terminations or unresponsive registrars. But that being said, there's no harm in adding an example that doesn't have to do with ICANN terminating a registrar. And I also see Rick's suggestion, which makes sense from our side. So, happy to add that. So, we can take a note to add another example here. Not about a terminating registrar from ICANN's side. And then the group can comment on that or provide another example. So, I'll take that as a staff action item. Were there any concerns with this agreement, which was, again, noting that registries need to provide notice

about their fee schedule prior to the initiation of a transfer? Oh, Theo, sorry, please go ahead.

THEO GEURTS:

Yeah, thanks. And I asked this last week, and maybe I did it in a terrible way. But again, if ICANN terminates a registrar because they're bankrupt, for example, can the registry still charge ICANN \$50,000? Because that is somewhat lingering in my head when I read the previous slide. I don't think it's very clear, but that is somewhat that is in my mind when I read that recommendation or agreement there, that if a registrar is being terminated by ICANN for bankruptcy, that the registry can charge ICANN \$50,000 if there's more than 50,000 domain names. Thanks.

CAITLIN TUBERGEN:

Thanks for the question, Theo. I think that topic does come up a little bit later. Rick had made a comment related to another agreement about who bears the brunt of that or who is responsible for paying that fee. So we'll get to that later in the discussion. I will note that previously, the agreement, and let me go back so I can see what we're talking about here, that it used to be that there were scenarios where the registry operator must waive the fee. And those examples include when there's an involuntary termination and a gaining registrar needs to be procured. But the group was not comfortable with there being any Must. So that is why it's currently in May. But as I noted, we will discuss the topic of who pays the fee, who is ultimately responsible to the registry operator a little bit later in today's discussion. So thank you for raising that.

I didn't see any concerns or hands raised with respect to this topic. So unless there are any objections, we'd like to move into the discussion that we were having last week about what those fees would look like or if they should even be part of the policy. And this slide should look familiar because this is identical to what we discussed last week. But I wanted to remind the group that the preliminary agreement that we discussed last week was that in the event the registry establishes a mandatory fee for full portfolio transfers, the working group recommends, and we have bracketed language because there hasn't been any official agreement. And I do take Jothan's point that when we discussed this last week, agreement is a little bit of a tricky term here because the group hasn't really agreed to this.

So what support staff and leadership discussed doing to kind of move this discussion forward, and you may have had a sneak peek of this in the email with the agenda, is taking this agreement, quote unquote, and dividing it into concepts that we seem to hear being batted back and forth last week to see if within the concepts that we're about to present, if there are any pain points or any disagreements so that we can kind of pinpoint what the group does agree to, if anything, with respect to mandatory fees, or how we can make the preliminary agreement more solid in terms of what the group does agree on. So apologies because the text might be a little bit small, but within the working document we did provide these and also in the email, so hopefully you had a chance to kind of get a preview of these.

So the first concept, which should be familiar to the group, is that the working group recognizes that a fee may involve be involved

in a full portfolio transfer, but believes flexibility is necessary and the number should not be explicitly prescribed in the transfer policy. So we had discussed previously that we should remove that reference to \$50,000 to allow registry operators to have flexibility here.

The second concept is that the working group also recognizes, however, that a price ceiling is helpful to include in the policy language to avoid abusive pricing. The third concept is in light of concept two, which is that price ceiling, the working group believes the fee for a full portfolio transfer must not exceed \$50,000 or \$1 per domain name transferred. And again, the reason that language is bracketed and highlighted is because there really hasn't been an agreement to this number. It's just what we provided as an example and are asking the working group members to provide other suggestions if that number is not agreeable.

The fourth concept is something that we discussed a little bit about last week, which is the concern about if there are multiple registry operators involved, what does that mean and how would that work? So what we thought we heard, which we have as concept four and is up for further discussion, is that if a full portfolio transfer involves multiple registries, the affected registries must ensure the collective fee does not exceed the recommended ceiling and the fee should be apportioned based on number of domain names. So we included an example of what we thought we heard last week, which is essentially that if a registrar has 60,000 names under management under two TLDs, for example, 40,000 names under .ABC and 20,000 names under .DEF, the

combined fee cannot exceed \$50,000. Again, that number is subject to change. And so since two-thirds of the names that are management are registered to .ABC, .ABC registry may bill the registrar for 66.66% of the fee and .DEF may bill the registrar for the remaining 33.33% of the fee.

And then this concept kind of goes to what we discussed also last week, but that Jothan kind of touched on at the beginning of the call, which is how are folks going to know how much they can charge? Is there going to be some sort of authoritative entity here?

So following the completion of the transfer, the registry operator must provide notice to ICANN that the transfer is complete and the notice must include the number of domain names that were ultimately transferred. Following receipt of the notices, ICANN will send a notice to affected registry operators with the reported numbers and corresponding percentages of the domain names involved in the bulk transfer. And then the registries may choose to charge a fee. And forgive the lack of technical knowledge here. At least in my past life, when we were dealing with registry, or excuse me, registrar terminations, we would have a general idea of how many names were going to be transferred, but some of those names were already in the process of being transferred to different companies before that bulk transfer went through. So that's why we have in the proposed language that the registry operator will notify ICANN of how many names, and then ICANN would notify all affected entities. But folks that are more technically savvy may say ICANN would already know that. And so anyway, that's why we have that in bracketed language.

And then lastly, the last concept within this set of concepts is that we thought we heard last week that in order for registry operators to have flexibility, there shouldn't be a recommended price floor or the minimum that can be charged. Rather, a price ceiling was recommended to prevent really high or potentially abusive pricing.

So that concludes the concepts that we broke out based on discussions from last week. And with that, I'll turn back to the previous slide and turn it over to Roger and note that we do have a couple other agreements to talk about that don't specifically deal with the pricing, how it's billed out, and this specific amount, including the issue of who is responsible for paying it, that we will get into after we kind of discuss these concepts and see what the group thinks. So now I will turn it over to Roger and open it up for discussion on these concepts. Thanks.

ROGER CARNEY:

Great. Thanks, Caitlin. And thanks for running through this. I think, and hopefully if we missed something from the last week or two, someone can bring it up. But I think this hits on all the multiple talking points that we've had over the past few weeks, and we kind of need to get them aligned and in place so that we can start moving forward, as Jothan mentioned last week, a true agreement that we're trying to achieve. And hopefully breaking them up like this, we can get there. So let's go ahead and jump in. And Jim, please go ahead.

JIM GALVIN:

Thanks, Roger. First, thank you. Well done. Excellent work, Caitlin. This really does, at least conceptually, as you're naming it, concepts, match my recollection of the discussions up to this point. So thank you for that. This is good.

As a point of clarity, I was going to ask, I want to make sure I understand the highlighted text here. I think what's important here is that it say the total fee for the transfer must not exceed \$50,000, or whatever rate we come up with. Currently, we've been tossing around this number of a dollar per domain name. You know, I'm not 100% sure that's the right dollar amount. Even \$50,000 may not be the right dollar amount, but at least it's what's always been present. So I just want to make sure that that's what that represents. Yeah, the math all looks kind of interesting. It works out as far as I can tell as I look at it. I'm trying to think about whether it's possible to simplify that description. But for right now, I'm supportive of all that. I just want to make sure that concept three refers to the total fee. And, Roger, we will have more discussion at some point here about how to come to an agreement about the rate schedule. Thanks.

ROGER CARNEY:

Yeah, for sure. Thanks, Jim. Yeah, and again, if people have ideas on this, the \$50,000, great. This is the example we're going to use, and it makes it simple for everybody to do the math or whatever it is. When we get to that spot, yes, I agree with Jim. I don't know that these numbers are right. That's fine. And we don't need to say that they're right right now. We just need an example to move us forward. And I appreciate that, Jim. I too thought the same thing. You know, it's that total fee can't be this number. And

four gets into that a bit. And 4A gets into that a bit. So, I think we can clean that up as well. So, good. Thanks for that. Lutz, please go ahead. Lutz, if you're talking, I cannot hear you. Okay. We'll let Lutz work on that and we'll come back. I know he had a comment in chat too. So, let me jump to Jothan while Lutz works on that. So, Jothan, please go ahead.

JOTHAN FRAKES:

Yeah. And Lutz, feel free to interrupt me if you get your audio working so that you can go soon. So, Caitlin, this is fantastic. Great work. I like the idea of splitting this up. I did want to comment on concept two that I feel like abusive pricing might be strong wording. I put it in the chat that I suggested perhaps predictable, consistent pricing might be a replacement for that. I'm very sensitive today about throwing shade in some of the ways we present things. And that seemed like a good way to represent that.

I wanted to ask, because I know there's more to cover, one of the things that I think we discussed in this, and I don't see it covered in the concepts, is around registry families within an affiliated controlled unit such as how, let's pick, I'll pick on Identity Digital, how Mobi, Pro and Info are top-level domains amongst their very, very large orphanage of many, many, that if there was a transfer occurring here, that this might be conceptually bundled somehow at a, I don't know how to properly present that, but essentially where an entity manages a variety of TLDs under common ownership, that there would be a way to consider that as part of the ICANN approved transfer, rather than set the fee per TLD, that it could be set, split amongst those. And that might be considered

here, but I wanted to make sure that it is considered in the concepts. Thank you.

ROGER CARNEY:

Great, thanks, Jothan. And not specifically stated in here, but I think that the idea is embedded in 4 and 4a, where those dollars are split amongst all TLDs involved. So, if a registry operator has four of them involved, they're going to get a cut of those dollars for each one of those four, and not be able to charge the amount total for them. So, again, not explicitly stated about families here, but at the TLD level, I think, and maybe it doesn't, and someone can correct me, but I think that that should handle those scenarios where a registry operator has multiples. Theo, please go ahead.

THEO GEURTS:

Yeah, thanks. So, I saw these concepts earlier this morning, my morning, and I was pretty pleased with it. So, I ran them with our commercial guys, so to speak. Of course, they weren't happy because it should be as low as possible. But they did hit on a few things that might be interesting for this group. So, they didn't have a right dollar amount. Also, they were split amongst themselves, which is pretty cool, because one is advocating, okay, but we have smaller portfolios that where resellers are operating on different profit margins that could be below the \$1. That's valid. Okay, keep that in mind.

But one pointed out on concept four, and he didn't fully bake it yet. So, I'll try to replicate it as best as I can. But he sort of pointed out, he said, if you look at concept four, that looks great on paper,

assuming that every registry operator charges the same price level. And from what he read previously, that is not a given because it could be more expensive at one registry than at another. And then it isn't even up to the size, maybe perhaps.

So those aren't always the same price levels. I mean, one registry operator has to charge more because there's more manual work involved, compared to somebody who is a fully automated. So, don't think the math here that we see in concept four, we should take that as a given, just as an example on how that maybe can work. So, that were the comments from the commercial people. Thanks.

ROGER CARNEY:

Great. Thanks, Theo. And that's a very good and valid point to keep in the back of your mind as you're thinking through, especially as we think through the actual dollar amounts in concept three. The hope for my side anyway is that the dollar amounts in three will hopefully handle those issues where they charge different amounts. But yeah, I think that's something to take into account. And maybe there's a concept six here or something that talks about the difference in pricing. But yeah, thanks, Theo. That makes perfect sense. And it's great that brought up. So, Rick, please go ahead.

RICK WILHELM:

Thanks. I guess I was going to ask where Theo was, but only a different way I was going to come about it. My question was, concept four seems like it assumes that there's a standard rate

card that is being assumed in concept four. And that was really my question that was coming up. I don't necessarily have an opinion on that yet, but it was more of a clarifying question about concept four. Thank you.

ROGER CARNEY:

Great. Thanks, Rick. Yeah, both of those slants that hit on that problem of our concept one of flexibility. And again, I say problem, I don't think it's necessarily something we can't overcome. We just have to think about it and come up with a plan to work around that or work with it, I should say, so that we can still allow flexibility, but be able to address that. Because, I mean, you can get into some kind of funky scenarios where a registry or a TLD may charge 70,000, okay, they hit the limit. But they're only getting half of the records. So, they're going to be stuck with only getting 25,000 at most. So, yeah, it's just something we've got to work through, I think. So, good things to bring up. And whoever has that solution, please, please let us know or put it in the working document to solve that issue. Okay. Any other comments on these concepts here? Again, this is what we kind of thought we heard and hopefully Lutz maybe has his mic. Lutz, please go ahead.

LUTZ DONNERHACKE:

I do not understand the procedure here or the intentions of this issue here. Maybe I get some help. From what I understand or from the first impression, it sounds like, please keep our business at the lowest possible cost. But that's not the reason behind.

I think that the reason behind this whole discussion here is that the transfer was initiated by an ICANN activity. For instance, if a registry is going to shut down, it should not harm the registrar who is using this registry in question. If the registrar is changing all the domains he has to another registry or to a bunch of other registries for a lot of top-level domains, it's a sole business decision that should not be regulated in any contract here. Do I understand correctly that the whole discussion is about transfers which are requested by ICANN?

ROGER CARNEY:

Thanks, Lutz. Yeah, and I think the two points that you made there. We're talking about whole portfolio transfers, so all domains sponsored. And there's two scenarios where that is. A registrar may support 100 TLDs and have registrations in all the TLDs. Or the other scenario is that they're just getting out of a TLD or several TLDs, but either way, it's completely out of that business. So either they're getting rid of their whole portfolio, no matter how many TLDs they have, or maybe they're just getting out of a set of TLDs for whatever reasons. Maybe the terms of service don't agree with them. Maybe the RRA was updated and they can't follow those rules anymore, so they have to get out. There's different reasons why just getting out of a specific TLD fully is possible.

So I wouldn't say that these are necessarily—I guess you could call them ICANN, but I would say they're not necessarily ICANN issues except for the ones that we documented as, yes, the termination of the RAA or non-responsiveness from the registrars

on any other reason. So still, basically a termination of the RAA for whatever reason.

LUTZ DONNERHACKE: Yeah, I understand this, but I don't think that we are under responsibility to limit the economical risk of operating a reseller or registrar. That's not our job here. Our job is to keep the ecosystem running. If somebody chooses the wrong partners, it's the sole problem of the organization who had made the choice. It's not the problem of ICANN. If ICANN is organizing something and saying, "Then we have a problem and then we have to regulate it so that it is possible to continue with operations," that I understand. I do not understand any regulation for any other businesses. Thank you.

ROGER CARNEY: Yeah, so I would say the tough part on that is, and I would agree with you on that basis, is we don't want to do that. But the tough part here is the registrant impact here. If a registrar is no longer able to support a TLD for whatever reason, they may not have the funds to pay for any of it. And again, that happens more probably in the involuntary side of things, I would guess, but whatever, I think it's possible on either side. So you still have to account for the cost of doing this process and still taking care of the registrant. And if a registry wanted to charge \$100,000 to move all these names, whatever it is, whatever they wanted to do, I don't know that you would have... Who gets charged for that? Because the one that's leaving or getting rid of their sponsorship probably is not going to pay that. So I don't know how you cover that. And I think that's the point here is trying to, if that makes sense, Lutz.

LUTZ DONNERHACKE: Yes. We can continue. Thanks.

ROGER CARNEY: Great. Thank you. Okay. Yeah. And again, I think that's kind of the reasons we were trying to look at concept one here, removing the idea of the fees out of the policy, because today it does state a certain \$50,000 for 50,000 domains. And I think that concept that Lutz brought up, it is the right one is we don't necessarily need to do those. Maybe there are specific examples that work, but I don't think it works here. And here, I think that the idea of basically no floor, but a ceiling. And again, maybe it's only in certain circumstances that that exists, maybe it doesn't in others. And that's something to think about. Okay. So it sounds like we're fairly good here. Obviously, there's a missing component in 4 and 4A about around the flexible pricing registries have, and how do you account for that when it's multiple sponsorships getting out. So I think that that's something we have to look at and hopefully someone has the solution there and can put that in there for us.

And again, the dollar amount highlighted here on the screen, I think that that is something that everyone needs to think about and see if that's practical and is it needed? Again, I think we all said, or we were saying, it seems like a ceiling is important, but maybe that's not, or maybe the ceiling should be higher or whatever it is. So. Thanks, Jothan. And vertical integration, that's an interesting issue that hasn't been discussed. So I think that that would be good to point out where that has impacting. So Jothan, please go ahead.

JOTHAN FRAKES: Yeah. Rather than just throw it over the fence like that from the bleachers, let me give some context and so that it doesn't sound like I'm just throwing shade because I'm obviously very sensitive about that today. But if you had, on the one hand, a registry that had common ownership with a registrar and there might be two different registrars that are moving, really whatever the fee is, it's an internal balance sheet move for the registry entity. And so I think in and around this might be covered under concept two slightly without it being overtly stated. I guess the concept around abuse, I was trying to think of abusive scenarios. And I guess if you had a registry where they acquired the registry and had a common ownership registrar and wanted all those domains to end up at that registrar, they could price these transfers out of the reach of people and then gradually absorb fees by taking them on because they could pay whatever amount because they can invent the dollars on the balance sheet.

And so ICANN is not a competition authority. We hear that over and over again. However, there are probably some considerations in and around vertical integration. I don't know if they fit here or not, but I don't think we should ignore them because they will inevitably elevate themselves to our attention. Thank you.

ROGER CARNEY: Great. Thanks, Jothan. And I agree. I think there's some scenarios that you can see unfolding now. Do the registry agreements cover those? I know that, and not specific, maybe Rick can help me or someone else. I know that part of the registry agreement, their

code of conduct that they have, they also have rules that stipulate certain vertical issues. And the registrar one, I don't recall specifically, but as Sarah mentions in chat, I think obviously they have to be considered separate entities. And that was the whole, I think, intent from the beginning of vertical was that they are treated separately. And the important part of that has always been the separate and equal treatment of registrars. So, but Theo, please go ahead.

THEO GEURTS:

Yeah, thanks. So what Jothan is hitting on, even if you treat them as separate entities, it's still a budget that moves from one side to another side. And eventually it ends up in one big pot, regardless how that bookkeeping is being managed. And I think that sort of touches upon the fact that there is still a real cost here. And regardless of a vertical integration, when you are doing stuff, when you have a developer working on it, or developers on both sides or on all sides, there are still all these costs there.

So I think basically, there is a cost. And that is basically sort of your ground floor on what this is going to cost, regardless of what we are setting here, like a \$50,000 or \$1 per domain name. I think we should drive to the real costs here, and how to make that accountable. And that should be the cost of it all.

And I'm aware, being having that accountable, and sort of be that ICANN compliance can kick in when the price goes way too high, that there's a very complex process. But nevertheless, it is a fair process. And regardless that it's complex, it will eventually lead to

a cost price that is, in my opinion, going to end up as a reasonable price. Thanks.

ROGER CARNEY: Great. Thanks, Theo. Rick, please go ahead.

RICK WILHELM: Thanks, Roger. I'm not sure if I understand the concern about [VI] in this particular context, because recall that we're talking about, ICANN-approved transfers where an accreditation is going away, either because the accredited registrar is abandoning it, or because they've been de-accredited or something like that. And so, I believe that the successor registrar is selected via DARTP.

And so, I'm not sure how VI and sort of abusive fee setting or something like that comes into play here. So, I'm not saying that it's not correct. I'm just saying that I don't understand it. And where there's a vertically integrated registry and registrar, because the vertically integrated, the registrar gets selected via DARTP, if I recollect accurately, and Owen isn't here to—I mean, he's sort of the local DARTP expert, at least to me. And so, but I mean, I don't think it's the preliminary concern. I think that figuring out the formula for concept four is probably more important. Thank you.

ROGER CARNEY: Great. Thanks, Rick. Sarah, please go ahead.

SARAH WYLD: Thank you. If a registrar is paying the fee, and then different registrars each do bulk transfers, are we going to end up in a situation where different registrars pay different amounts? And are we okay with that? That's a question.

And then, what Rick was just mentioning, I thought was about, I think Rick was just talking about ICANN approved transfers, or like transfers that happen when ICANN says they have to because there's a registrar got deaccredited. But I think I thought we were talking about those and voluntary transfers at the same time together. But I did see that it says ICANN approved transfers on screen. So, I think I just got confused on that second note. Yeah, thank you for correcting me there. Okay. So, still the first question, can transfers cost different amounts for different registrars? Is that okay or not?

ROGER CARNEY: Thanks, Sarah. Yeah. And I think as we went through this when you get this language, to me, when you look at it, technically, yes, they could charge different amounts. And it gets back to Theo's push that's been for weeks now, what about the cost? And technically even if two registrars did sponsorship changes, the cost may be different, even if it's the same number of domains, because the domains aren't always the same. So, there is differences in it. So, I think that, yes, the registrars could. And I think that that's the whole point of one of the concepts must be number five. No, I don't know which one it was now. The idea that, now I've lost my thought there. So, I'll stop there. Jothan, please go ahead.

THEO GEURTS: Hi, thank you. So, can you advance to concept five? I think we had talked about we do not recommend a price floor. And I think that's a very fair thing to state. But I wonder if the registry could have flexibility to identify a minimum cost, but have to publish it, or make it available to the registrar, so they understand what that is. I don't know if that's different materially from not recommending one versus having one. So, that at least a registrar, what I'm looking for here is predictability of pricing, so that registrars can understand all the prices going in. We're discussing a potential ceiling without talking about a potential floor or a minimum price. I suppose the minimum price shouldn't be assumed to be zero. But we would want them to be published, or at least provided contractually or otherwise clearly available in a consistent manner to registrars, so we understand, again, clearly what that price would be, so we can make good decisions. Thank you. And if I missed that, did I miss that? It might have been covered. Maybe I missed that.

ROGER CARNEY: Thanks, Jothan. Yeah, and again, I think we kind of touched on it last week in the idea of that, and does it make sense to have a minimum. And again when we say in our concepts that there's not a mandatory fee, which to me implies that it may be zero. So to me, the floor may be zero. As you point out, a registry might not say that. A registry might say that their floor is 10 cents a domain or whatever. And maybe they do it by domain, I don't know. But I think from the policy concept, the floor is zero, because we're

allowing registries to waive the fee completely. So at least that's how I had thought it was. Rick, please go ahead.

RICK WILHELM: I would be really careful by saying that people have to charge a required minimum price.

ROGER CARNEY: Yeah, and I think that's how we hit that, Rick, was that seemed like a hard thing to do.

RICK WILHELM: I mean, like, if some sort of a lawyer is going to show up and be like, look, y'all. So, like, yeah. Thank you.

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

JOTHAN FRAKES: I agree with you, Rick. And I think this has a careful dance and interrelationship with concept one, where the registry does have the discretion to waive, or can have the discretion to waive that, that brings it back to zero. And I think that each scenario is going to require consideration but that can be clear up front. So I think that's a good intervention. And I think if concept one were to remain where it is, that might be there.

I think the problem would be where the registrar assumes it's a zero cost fee, and isn't made aware that there might be a fee, or some sort of a minimum, that it's going to cost at least this. That way, the registrar can make business and planning decisions, et cetera. Thank you.

ROGER CARNEY:

Thanks, Jothan. Yeah, and I think that that was the point of one of our concepts, was that the registry, before initiating sponsorship, has to provide that number, what it is going to cost. Thank you. Agreement four. Okay. Thank you. And back to our concepts. Anything else on these?

Again, obviously, there's a few things we want to clean up here, which is great. And again, I think if anybody can solve Theo and Rick's quandary of concept four of the variable fees by registry, and how to delve out—maybe there's a simple solution. I'm just not thinking of it for sure. And maybe someone has it. But please take a look at the working document and add any comments, even if it's a partial solution or just a line that we can walk down and start working out. So Jothan, please go ahead.

JOTHAN FRAKES:

I really am not trying to throw sand into the gears here. We do a lot of this, I think, based upon our presumption of all of this moves, considering that every domain has the same unit price. I'd like, if we do make that assumption, that we carve out that—because there's a new concept of premium names, and you and I recognize this because we're co-authors on the RFC together,

Roger, that there are domains that have a different per unit price, potentially for registrations and renewals and transfers. That as we contemplate this, the unit price per domain is not all the same all the time. So if we're defining and assuming that it is the same all the time per unit, that we should somehow perhaps identify that. And maybe that's part of the communication that's in the initiation. But we need to make sure that's there.

The other thing that I'll suggest here is that the new TLD program introduced the concept of reserve names, that in partnership with some registrars may have been allocated, that may have additional scope or work by the registry in order to perform these transfers, that those names should also be considered at the same per unit price if they're being considered. That a domain is just a domain in the concept of— like, maybe we have a concept that says a domain is just a domain, that every domain is handled the same way and considered as a single unit as part of this process so that we don't get premium name surprises or run into constraints or extra scope and effort around reserve names or other types of allocations that may be a little bit more thorny or unpredictable or require additional cycles to process. Thank you.

ROGER CARNEY:

Great. Thanks, Jothan. And that's one of the things I was thinking about a few weeks ago, and we talked about the actual transfer of sponsorship is technically very simple and straightforward. The process up front is the one that's going to take a while. And I think that I don't know—I agree with you. I think when I was thinking about it, we would treat a name as a name. And I wasn't concerned about what people value a name as and the other

reserve issues or UDRP issues or URS issues on them. And to me, that process up front handles those things. But obviously, those things do have to be looked at and taken into consideration. And it goes back to maybe some of what Theo's thought process was. That cost can be different because of those issues. You know, if there's a bunch of something that has to be taken care of, and maybe it's done outside of it, maybe that cost goes up a bit. And again, maybe why when you look at it from a cost perspective, a domain is not a domain. But here, I think we were trying to stick with a domain to domain and whatever is being transferred is going to be on that same fee schedule. So just my thoughts. Thanks. Theo, please go ahead.

THEO GEURTS:

Yeah, thanks. So those are some good points from Jothan and though I do not agree with all of them, some of them, I mean, those reserved names, that is a very good one, no doubt about it. And we should have some thoughts about that. When it comes to the premium domain names, or the non premium domain names, I think from a database perspective, it's still a couple of bytes in the database. And there is no issue there. Of course, when you are talking about premium domain names, in terms of renewal, those prices can be very different compared to a regular domain name. But that again, if you are doing a toss, a voluntary one, that gets settled at some point at the new registrar. So I'm not too worried about that. And when you talk about the process, like UDRPs, etc. Yes, that drives up the cost a little bit or some. I mean, we already have identified it because when we are doing a toss for .NL, we filter out exactly which of the domain names in that list that we've

gotten from the reseller, which are on a server transfer prohibited. Why? Is there a UDRP or is there some kind of registry lock? There's a couple of reasons there and the registry does the same thing. They're also checking to make sure that UDRP process are not getting disrupted due to these transfers. So yes, and that's why I said, like a couple of times ago, these processes take time because you need to factor in a whole bunch of stuff here. And you know, it's good to talk about it and recognize that there are these issues. You've also got to sort of make a decision like is this part of the policy or not? Or can we just make sure that the registry and the registrars take care of these things themselves? I'm not saying that the UDRP stuff is a good example where a registrar should be in charge of that process. You're saying like, there's a whole lot of nuts and bolts here on an operational level that needs to be discussed like reserve names and other stuff falls completely outside of the policy. Thanks.

ROGER CARNEY:

Great. Thanks, Theo. Yeah. And I think you just said the key there. I think all that stuff has to be discussed prior to initiation of this. But it does, to me, fall outside the policy of this. And that's the operational aspects of just taking care of those domains under management. So Ken, please go ahead. Thanks.

KEN HERMAN:

Thanks, Roger. Help me understand. I'm still trying to get my head around a lot of this. Regarding concept four, didn't I just see a slide that said that the registry operators needed to provide a price for a domain—list of domain transfers prior to initiating such

transfers? So for concept four, wouldn't there be for multiple registries, similar requests to each of them? And so you really don't need to do a pro rata for thousands, tens of thousands of domains? Or is there some something nuanced there that I'm missing? Thanks.

ROGER CARNEY:

Great. Thanks, Ken. No, I think you've hit on a topic we've, we've kind of touched on over the few weeks is, yeah, you're right. You know, if there's five TLDs that are involved, each one of those, according to agreement four, I think it was, would provide the registrar, hey, okay, to move these 50,000 or 60,000, we'll say get away from the round number we always hit, 60,000 names, our cost for that, or our price for that, it's going to be this, our fee. And then the next TLD is going to say, well, for those 5,000 that you have, this is our fee. And the issue comes into is when those five fees add up to \$200,000 for that registrar to get out of that. So how does that work? And how do you handle that? And I think that's the complexity that we're trying to work through. And maybe can you have a solution that maybe someone else does. That's the point, is you could get into a scenario somebody that sponsors 20 TLDs and each one of those today could charge \$50,000 a piece to move those and that gets kind of obscene.

KEN HERMAN:

So, yeah. Okay. What I got from the concept four was the ceiling on each of those for the quotes. Okay. I understand better. Thanks so much.

ROGER CARNEY: Yeah. Thanks Ken. And I think that you've really hit onto Theo and Rick's point too, is four gets pretty messy when, when it does involve 10, 20, whatever it is, registry operators, TLDs, and they can charge as much as they want, or as little as they want, obviously, and that's what concept three is trying to control. But again, it gets exponentially hard when you're talking about allowing each of the registry operators to set their own pricing, but still have it controllable in a way. Great. Thanks.

Any other comments? We got about 20 minutes and we've really worked through these and I'm glad that people see that this seems like the breakout of what we've been talking about the last couple of weeks. And again, if anybody can solve the quandary in four, that's great. If anybody has numbers for number three, that's even better. Okay. Theo, please go ahead.

THEO GEURTS: Yeah. So I think at some point, maybe we should consider a tiered price system, but that has its drawbacks also. Basically we are sort of struggling with the fact that there is no real competition between the registries. I mean, you can't sort of play them out against each other. Like that is just impossible. Like in the real world, that is a little bit hampering us, but yeah, maybe a tiered price system would help also, but I think again, it's still boils down to the cost and they need to be realistic. And I think that's the solution in the end. Thanks.

ROGER CARNEY: Great. Thanks, Theo. Yes, Jothan. I think both of those fit. Okay. Maybe we can jump on to our next topic, Caitlin.

CAITLIN TUBERGEN: Thanks, Roger. And staff will take the action item to go back through the discussion from today and make some notes to the recommendations based on some of the recommendations that we heard in chat. And during the discussion, there were a lot of good suggestions.

The next agreement, again, we're still talking about full portfolio transfers, not partial. And this preliminary agreement was the working group recommends that the entity voluntarily requesting a full portfolio transfer, typically the losing registrar, must be responsible for paying the relevant registry's fee, if any. And we include the rationale below. This was a suggestion early on from some of the working group members, that when you look at charging a fee, when there is a recognition of the work involved in performing the transfer, typically the entity requesting that transfer occur would be responsible for paying the fee.

But as Rick noted in the working document, the way that the language and the transfer policy is currently written is that the gaining registrar assumes that fee, if any. And that's in partial recognition of what Rick put in his comment, which you can see on the bullet on the slide, is that oftentimes the losing registrar is turning into a non-entity. Maybe they are deciding not to renew their accreditation. Maybe they're bankrupt. And ICANN is requesting this transfer so that their customers have a home when everything is said and done. And so perhaps it's not the losing

registrar that should be responsible, but rather the gaining registrar.

So here we have the entity voluntarily requesting a full portfolio transfer, which generally, what that means when it's voluntary is that the entity requesting the full transfer has nominated a gaining registrar and ICANN performs the typical compliance check to make sure that the gaining registrar nominee is in compliance with its agreement, there's no sort of collusion going on, and will approve that transfer based on the requirements and the transfer policy. And sometimes those companies have already worked out some sort of a payment agreement. But I did want to bring this up with the working group to see if anyone had any further comments, since this is definitely a concern. If there is an entity that yes, they're voluntarily requesting a transfer, but that's because they can't pay their bills and no longer want to operate as a registrar, and can the registry trust that they'll pay a fee when they're not able to operate anymore? Who would they go after for that fee? So thanks for bringing that up, Rick, and I'll turn it back over to Roger.

Oh, sorry, I see a comment from Lutz. And I think this is a comment, a question that kind of came up earlier in the discussion. So ICANN approved transfers fall under Section 1B of the transfer policy. And an ICANN approved transfer would occur when a registrar is either requesting to move all of their names to another entity, that would be a voluntary full portfolio transfer. There are still requirements in place for ICANN to check, for example, that if it's voluntary and the company says, hey, I want to move my names from A registrar, we're no longer going to operate

to B registrar, ICANN would check to make sure that B registrar is indeed accredited at all relevant TLDs, and ICANN compliance would run a check to ensure that they are in compliance with their agreement.

And there are situations, which Roger touched on earlier, where you have either an unresponsive registrar or a registrar who is in breach of its agreement, and its RAA is being terminated. In those cases, ICANN would also approve a transfer of all of those names, because those customers will need a new home.

So the process is the deaccredited registrar transition procedure is used in both of those instances. The main difference being that sometimes in a voluntary setting where a registrar says, I no longer want to be accredited, here is who I recommend transferring the names to, ICANN would still do a check on that proposed gaining registrar. And usually that is favored if that registrar is indeed in compliance with its agreement and accredited in the relevant TLDs, because presumably, the losing registrar in that case would be more inclined to work with someone and they've already been discussing with that gaining registrar when that portfolio transfer will happen and how, rather than if ICANN is having to nominate a registrar and there's no communication from that losing registrar, it becomes difficult to move those names. Because ICANN would then be in the position of trying to reach out to the customers and the gaining registrar is reaching out to the customers who it's going to eventually have in its portfolio. And obviously, one situation is generally more smooth than the other, but it does encompass both.

The important point, and hopefully this isn't getting lost in all of my talking, is that in these situations, whether it's voluntary or involuntary, it's all of a registrar's domain names. It's not part of them. So this registrar is either not going to be operating in a TLD anymore and we need to find a new home for those customers, or it's not going to be operating at all anymore and we need to find a home for all of the customers and all of the TLDs. So with that, I'm going to turn it back over to Roger and hopefully that answers Lutz's question.

ROGER CARNEY: Great. Thanks, Caitlin. Let me jump to Rick. Rick, please go ahead.

RICK WILHELM: Yeah, sure. Thanks, Roger. And Caitlin, great explanation there. I really appreciate it. This was something that I had a couple of weeks off from the group due to other commitments and I came back and I was looking at this thing and it was like a complete 180 from the previous agreement. And I was chatting about it with my colleagues and we couldn't quite narrow down exactly why this got flipped as a 180 and couldn't really capture any, see any rationale about why it was 180 from the losing registrar to the gaining registrar.

There's rationale on the page here, but it says the gaining entity, but when we looked at these things that we talked about, the ICANN approved transfers, we didn't think that the concept of seeing the losing entity as the requesting entity being completely

accurate in this context. I think that Caitlin did a much better job of summarizing it.

And also remember the gaining registrar is picking up a bunch of customers. And so we think that's just completely inconsistent and backwards from prior process. And as the registries who are going to be looking to pick up whatever fee this is, we think we're going to have a hard time, very, very hard time collecting from the losing entity because they have no intent on paying this and such. So thanks.

ROGER CARNEY:

Great. Thanks Rick. Yeah. And I think you're walking the right line. I think that the important part was what Caitlin was trying to describe, the differences in how these work and where the entity paying for that is. And I think we started with whoever requested to transfer a sponsorship, that's who would pay for it. And I think that that got changed through this, through talking, but I think whoever requested, which may not necessarily be, even if the losing registrar is voluntarily giving up, they're not requesting it. Their designated new sponsor would be requesting the transfer and then the losing registrar would be approving it. I don't know. That's how I had it in my head. And that's why I thought we were talking about, was whoever requested the transfer would be the one that would pay for it. So just my thoughts. Theo.

THEO GEURTS:

Yeah. And I think you're right, Roger. I mean, I think what gets confusing is the examples of typically the losing registrar and it's

the one most likely the requesting one. So that language of the losing registrar is just, I think it's just redundant. It serves no purpose. I mean, there will be always two parties at this process on the registrar side and they will decide who's going to pay the tab here and they will notify the registry like, okay, we are going to pay for this and not the other guys. So I think that's the most simple approach there. Thanks.

ROGER CARNEY: Great. Thanks, Theo. Rick, please go ahead.

RICK WILHELM: But this has been working this way since 2000-something. And then now we're flipping it. And I'm not getting—there's been something that's been working and where we've had this exact situation related to ICANN-approved transfers and it's not broken. And now we're flipping it to change who is paying. And no one's been complaining of a problem with the way it's been working. And so I don't get the rationale to flip it at all.

And so as the registries, let me be more direct. We are opposed to this. And so there is not preliminary agreement about this because we are going to have a hard time getting this payment. And so what's going to happen here is these transfers are not going to go through until payment is received. So if this stands, the way this is going to happen is these transfers are not going to go down until the payment is received. So that's kind of operationally what's going to be happening and such. Because we don't think that

operationally the way that this happens is that these folks aren't going to be going concerns in most cases. Thank you.

ROGER CARNEY:

Great. Thanks, Rick. Yeah. And again, I think that typically the losing registrar language is the tough part. And I think the reason we got to requesting—whoever was requesting it, may have been kind of trying to straddle too much topics here. And it was the involuntary and voluntary side of things. And maybe we got them pushed together. And when a registrar goes out of business, no one's really requesting the portfolio to be moved except for the community. The community is really asking for it to move. And all those customers, all those registrants are asking for it to move, not a contracted party. So I think that maybe that's how it got loosely pushed across. So just to think about that. So Jothan, please go ahead.

JOTHAN FRAKES:

Yeah. Thank you. Yeah. So I agree. Maybe having something in a pending state is good, but we're running into a situation where you can have those names that have some sort of an anniversary date or activity date, or may have been in the process of moving states, like in the process of a transfer or had been placed inadvertently on client hold. There's a variety of statuses and things that get affected while something's in a pending state like this. So a certainty is probably better than having things sit for a little while in a pending state. Although I totally respect and understand why one would do that. I think we need to make sure that it's... I mean, continuity for the registrant in all cases possible is really the most

important principle here as far as when we're doing the transfer.
Thank you.

ROGER CARNEY:

Great. Thanks, Jothan. Yeah. And I think... And I'll ask Rick and everyone else, if the losing registrar part of this is removed, is there objection to the rest of the language? I mean, it's in print anyway, but Rick, please go ahead.

RICK WILHELM:

So one of the reasons why you actually want to flip this and make it be the gaining... The group should want this to be the gaining registrar, is then you actually incent the registry to have some reason to waive the fee. The registry has no reason to waive a fee to an entity that is going away. If you've got something going to the gaining registrar, then there's the possibility for some sort of a cooperative forward-looking program or relationship or something like that. And right now, whatever discussions led up to this actually ensure that the fee is not going to be waived. And the registry is going to be sitting there holding the transfer until the fee gets paid, because the person paying the fee, they have no forward-looking business relationship.

So once again, I would just say, please flip it and restore it to the status quo ante. And I think you will find that the reason that it was that way is for, so we could have a much more forward-looking point of view on this. And so I really don't care how we got here, but just please take us back to where we were, because I think it will have everybody, the registries and the registrars working on

the front foot going forward, as opposed to the way we are now, as it sits on the paper. Thank you.

ROGER CARNEY: Great. Thanks, Rick. Does anyone have any issues with changing this to gaining sponsor, gaining registrar? Jothan, please go ahead. -

JOTHAN FRAKES: No, I have the opposite. I violently agree with Rick on this. And I think it's a really great suggestion. That sentiment is a very important thing. I commented in the chat that I wanted to get it on the record here that if this is viewed by the registry as something they have to deal with as some operational costs, some kind of lost stuff or obligation versus seeing the potential in the vibrant new person who's going to breathe life into this, that just makes so much sense to me. So I think that's a really great suggestion. Thank you.

ROGER CARNEY: Great. Thanks, Jothan. Okay. Again, great discussion, great cleanup. So we'll take notes. And anybody that has comments, please put them in the working document as normal. But I want to jump in and let Caitlin at least introduce the last couple of things to give everybody a week to think about what we're going to talk about. So Caitlin, please go ahead.

CAITLIN TUBERGEN: Thanks, Roger. I'm going to go through these as quickly as possible. There's two preliminary agreements where there were suggested changes for the change of sponsorship or the partial bulk transfers. So this again is in contrast to the full portfolio transfers. The group definitely needs more discussion on this topic as a whole to see if it even supports this being added to the policy and applying to all registries, but that discussion will hopefully happen next week.

But the previous discussions on the topic, the comments that we received, the first one is that in the event of a change of sponsorship as permitted by the registry operator, registrar shall notify or ensure the resellers where applicable notify affected registrants at least 30 days before the change will occur. And there was a comment from a few working group members that this notice needs to provide opt-out instructions where applicable. We have where applicable here because if the entity is going out of business, there is an option for the registrar to stay. So they might not be able to opt out, but they could transfer elsewhere.

And then lastly, another comment from Owen on the preliminary agreement. In order for this partial or this change of sponsorship to be permitted, the losing registrar's existing registration agreement with customers must permit this type of transfer. And Owen had noted not only does it need to permit this, but the registrar needs to ensure that the customers have agreed to these specific terms. So we added some highlighted language to account for Owen's suggestion and recommend that folks take a look at that and see if they agree.

And again, we'll take note of the discussion we had today and apply relevant changes to these agreements on the concepts from earlier in the discussion and see if we can get them closer to what the working group has agreed to and has in mind. So with that, I'll turn it back over to Roger to close us out.

ROGER CARNEY:

Great. Thanks, Caitlin. And thanks, everyone. Sorry we went over a minute or two here. Appreciate the great discussion today. I think we're on a good spot with these concepts and moving forward on those. And please take a look at these last two things that Caitlin just introduced. We'll try to cover them thoroughly next week, and we'll try to review all the updates from the others. And again, please go out to the working documents and update and make comments so that we can facilitate a better dialogue as quickly as possible. Thanks, everyone. Talk to you next week.

[END OF TRANSCRIPTION]