
ICANN Transcription

Transfer Policy Review PDP WG

Tuesday, 14 May 2024 at 16:00 UTC

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JULIE BISLAND:

Good morning, good afternoon, good evening, everyone. Welcome to the Transfer Policy Review PDP Working Group Call, taking place on Tuesday, the 14th of May 2024. For today's call, we do have apologies from Prudence Malinki, (RrSG). She formally assigned Essie Musailov as her alternate for today's call and for remaining days of absence. As a reminder, the alternate assignment form link can be found in all meeting invite emails. Statements of interest must be kept up to date. Does anyone have any updates to share today? Please raise your hand or speak up now if you do. And seeing no hands.

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. As a reminder, those who take part in the ICANN multi-stakeholder process are to comply with the expected

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standards of behavior. With that, I will turn it back over to you, Roger. Please begin.

ROGER CARNEY:

Great. Thanks, Julie. Welcome, everyone. I don't have a whole lot. We'll go over our quick session that we had at the CPH Summit last week. But just a reminder that we have three more weeks until ICANN 80. And I think Christian said that we have about nine more sessions before we want to take our report to public comment. So we've got a lot of work to do. A few more decisions to make.

But let me go ahead and jump into the update from the summit last weekend. We did have a bit of a logistical problem last week. So we didn't get a whole lot of time on the transfer discussion. Again, for those that don't know, the contracted parties met last week, registries and registrars. They try to do that annually and go over any operational or partnership issues that they have. And last week, I presented an update on the transfer PDP. And I provided an update on where we stand, what we've accomplished over the past three years, where we're heading in the next year. And I wanted to call out and I was able quickly to call out the 14 recommendations that we've created so far that impact both registries and registrars operationally. Again, we only had maybe a little more than 30 minutes to talk about them. So we didn't get a lot of time to discuss it. There were a few discussions, but all pretty high level on, you know, the TAC security and the one-time use of it and all those things. So again, we didn't get into a lot of discussion, mostly just an introduction of those recommendations that do have operational impacts on both registries and registrars.

There's a PowerPoint slide from that. And again, it just goes through those identified recommendations that impact both. So I think that's all for me. I don't know if any of the attendees wanted to talk about it or if anybody had questions.

Okay, great. Okay, I think that's all for updates. I will just open up the floor for any stakeholder groups that want to bring anything forward, any conversations they've been having, any questions that they have for the working group, anything that they want to bring forward. So any stakeholder groups have anything they want to bring up? Steinar, I don't know if it was recorded or not. There are meeting minutes from it that I can share to the list. To be honest, it was during a lunch session, so I don't know if we actually got it recorded. And again, with the logistical problems, we went from supposed to be an hour down to about 30 minutes by the time we got started. So I don't think a recording, but there were minutes on it that I can distribute. Okay. I think then we can go ahead and jump into our agenda items for the day. I think Christian is going to update us here, so I'll turn it over to Christian.

CHRISTIAN WHEELER: Thanks, Roger. Yeah, just really quickly, just as an item of business, we had the COR recommendations and rationale as kind of an action item from the group from last meeting, just to go through it and make sure there's no rationale text missing now that we've kind of solidified these recommendations. We haven't seen any additions to the documents, so we're assuming that everyone is good with all the rationale that's currently in here. But we did just want to open it up for brief discussion now, if anyone has any questions or suggested input for the rationale for these

recommendations so that staff can take it back and add it to the draft of the new initial report, which we're working on in the background and we'll share soon with the working group. So if anyone has any updates or questions with regard to the rationale that's in this document, I'll drop it in the chat too. Then please go ahead and add it now. Otherwise, or rather, raise your hand and we can discuss.

Otherwise we will be moving on from a change of registrant data and going back to group two recommendations as part of the next part of our agenda. This is all kind of part of finalizing that initial report. So if anyone has anything else to say with regard to change of registrant data, please go ahead and raise it now. Thanks.

ROGER CARNEY:

Thanks, Christian. Yeah, and again, I think when we went through this process and we started talking about this, the one big decision that the team made was focusing in on the registration data aspect of this and changes to those. When we go to public comment, I foresee comments coming back about the ownership items that used to be part of the policy. So I think that the team made a conscious effort to move away from the ownership ideas and into the specific change of registration data issues. So I suspect that in public comment we'll see some comments asking about that. So I think that be prepared for that. And if our rationale isn't strong there, I can see comments coming in on that. Okay. Anyone else, comments on that, or else we'll move away from change of registrant data and move on to some open items that

we still have. Okay. Christian, I think we can go ahead and move forward.

CHRISTIAN WHEELER: Thank you. And I'll turn it over to Caitlin, who will refresh us on some of the group two recommendations and where that came from.

CAITLIN TUBERGEN: Thank you, Christian. This is Caitlin Tubergen speaking. Today we're joined by a couple of our colleagues from the GDS operations team. And as you know, we've been working with an ICANN org liaison who will look at the group's policy recommendations and look at them from an implementation point of view to point out any potential questions they might have to see if changes may need to be made or the working group would like to consider some changes before publishing the recommendations for public comment.

So to rewind slightly, the last time we discussed these recommendations was in Hamburg. You might remember that there were some cow emojis and farm emojis and we were trying to describe to the public that attended that session what the working group had in mind for how to handle ICANN approved transfers as well as partial transfers, or I believe the group is calling them change of sponsorship. But as a reminder, there are several recommendations around section B, which is where the policy around ICANN approved transfers is prescribed. And B2 has a clause about fees, specifically that when there is an ICANN

approved transfer involving more than 50,000 names, there could be a one-time flat fee of \$50,000 for any registry that's involved in a transfer involving more than 50,000 names.

And the group spoke at length about this, about how the landscape of the domain name industry has changed significantly since this policy language was introduced, that many full portfolio transfers, or as a reminder, when the registrar sells its full farm to another registrar and all of those domain names are transferred, there's likely a lot of registries involved. And so the group took a look at what the fee should look like for that, and if there should be a change to the domain name threshold or a change to the fee amount.

So with that being said, Christian, if we can go to the text of the recommendations. This is where the recommendations ended up following that session in Hamburg. There were only a few very small tweaks to the recommendations after that session. And sadly, there are no cows or farms on this document. But I just wanted to quickly remind the group where the recommendations ended up before we hear from our operations colleagues about some questions they had about the recommendations.

So the first is the fees associated with the full portfolio transfers, over 50,000 names. And really the group is keeping the status quo in terms of the trigger will be 50,000 or more domain names that would trigger any sort of fee. And the registry has the option to charge a fee, but it also can waive the fee. And then we had a lengthy discussion about how in terms of an involuntary transfer, or in other words, where a registrar is terminated or decides not to renew its accreditation agreement, in those cases, there would not

be a fee charged. And that is in recognition of finding a registrar to assume names of a failing or terminating registrar is difficult when there might be fee implications.

So in terms of the fee ceiling and minimum domain name threshold, again, recommendation 35 notes that it's really status quo. There's going to be retaining that 50,000 domain name minimum to trigger a fee, as well as the price ceiling would remain \$50,000. It notes, however, that when there are multiple registry operators, that collective fee cannot exceed that \$50,000 threshold. And so the following recommendations discuss how the fee can be apportioned and how that process would work, which as you remember from looking at the language that we just had pulled up from the transfer policy, there wasn't really any discussion of apportionment or multiple registry operators or how that would be apportioned.

So recommendation 36 talks about if there are multiple registry operators and one or more of those registry operators determine that they're going to waive that fee, that the other involved registry operators are not able to adjust their fees to a higher percentage due to a registry's waiver.

So the recommendation 37 and onward talk about how that process would work. And so the idea is that once a bulk transfer happens or a full portfolio transfer happens, when the registry operator effects that transfer, the registry operator would notify ICANN that that transfer is completed and also how many names were implicated. And that's because sometimes I think we talked about how the documents involved or the data that ICANN has may not be accurate in terms of the exact amount of names

transferred in part because oftentimes when a registrar is failing or terminating, names are moving out by the day and so the statistics might not be reliable and therefore the working group had suggested having registry operators send a notice that the transfer was complete and how many names were ultimately transferred. And then having received notice from the affected registry operators, ICANN would notify them of the percentages of the names in total. So for example, a registry would report that they had 51,000 names and another registry reports that they have 52,000 names, ICANN would notify the registry what percentage of the domain names came from that particular registry operator. And then following that notification from ICANN Org, the registry may then determine if it would like to charge a fee to the gaining registrar and that fee would be a percent based on the percentage communicated from ICANN Org.

And then lastly, in terms of the full portfolio transfers, the recommendation 39 notes that any fees charged by the registry operator would be ultimately paid for by the gaining registrar and the working group discussed that. I mean, that's in recognition that the gaining registrar is assuming a portfolio and therefore would be responsible for any payment of those fees. So with that being said, if we can scroll back up, Christian, I think, yeah, to the beginning recommendation 34, and I am going to turn it over to our colleague, Michael Song, who works in operations and does a lot of work on full portfolio transfers and has some experience and his team had some comments on these recommendations that they wanted to bring to the working group. So without further ado, I will pass it over to Michael.

MICHAEL SONG: Thank you. Thanks, Caitlin. Hi, everyone. Michael Song from ICANN Org. So yeah, thank you again for having me today and just giving us this opportunity to share some of our thoughts on some of these policy recommendations. So I am from the service delivery team under [Jean] and we manage various registrar and registry services, changes, things like terminations, name changes and whatnot. I'm actually the service operator for the bulk transfer process. So whenever a registrar terminates their RAA or registry terminates RAA, we would process that request.

So one thing our team kind of discussed about these policy recommendations is possibly some of the it could potentially be like an operational nightmare for us to kind of process this and kind of make all this happen. So I thought the best way to try to illustrate that would be to kind of use the example of an actual termination that we processed and kind of maybe how this policy would kind of affect our processing of that termination.

So I want to be an example. So there was a voluntary termination from a registrar that we processed and this registrar had about 50,100 domains. So this would exceed that 50,000 minimum threshold across 395 different TLDs. So just kind of, you know, I guess try to understand how, you know, I guess what would need to be done operationally to make this policy happen is we would need to basically manually reach out to all 395 TLDs, so we would have to, you know, basically go in and create cases for outreach, basically asking them to, you know, please tell us, you know, please confirm that all domains have been transferred and please confirm the number of domains have been transferred as well.

And typically, you know, it can take us up to three times. Some registrar operators are more responsive than others, but it could take up to three times outreach to basically get a response from them. So, you know, already we're looking at, you know, 395 times three is 1,185 outreaches. And then hopefully after that, if we get all the responses back, so, you know, we get confirmation all domains are transferred. They tell us exactly how many domains were transferred and now we know, okay, is the threshold, is actual number of domains transferred over or under 50,000? And if it's under, you know, obviously we wouldn't charge a fee, but if it was over, that's when we need to do the calculations, you know, based on, you know, domains managed per TLD. And then you have to do another outreach and basically communicate to them and say, okay, this is the amount of fee that you are eligible to charge.

I see Volker's comment and I agree, it should be very automatable, but currently the way things we do now, like we're not able to auto create, you know, cases in bulk and things like that. So all this will be done manually, unfortunately. So that's one of the kind of explain to a group just kind of operationally what it would take on our end to kind of manage this process. So let's see if anyone has any questions or comments.

THEO GEURTS:

Yeah, thanks. And this is Theo for the record. Yeah, that doesn't sound like much fun, that example. I mean, yeah, the registrar goes belly up, so to speak, and then you get into a situation where you need to do all that stuff because, well, it's non-voluntary. Yeah, you've got to do a lot of work when there's a lot of registries

involved and it will be even worse. So I hope there's a path to automation there because when we do a second round, maybe we're going to have 20,000 registries apply for 20,000 TLDs, you know, yeah, the future does look bleak somewhat.

But when we are talking about voluntary portfolio transfers, things will be much more smoother there because those portfolio transfers will be based on a calculation like, okay, how many domain names are there in TLD X? Oh, that's only 20. Oh, that's going to be a normal transfer. We're not going to request transfers for that. So you're only going to get for the voluntary transfers that will only be the large ones, Verisign.com and some of the other big ones there. But yeah, for the involuntary part, yeah, that sounds pretty painful. That's it. Thanks.

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

JIM GALVIN: Yeah, thanks, Roger. Jim Galvin, Registry Stakeholder Group, Identity Digital. I just want to offer a comparator for you. Certainly registries are very empathetic to the problem that or the concern that you're facing here in wanting to do this. And I just make the observation that registries frequently have to coordinate with hundreds of registrars and do this routinely. So very well aware of the fact that there's obviously some work involved here. We certainly have gone to doing our part to automate as much of this as possible and developing the resources that we need to make this possible. So yes, I do understand that you have an issue, but

given registries do this kind of thing all the time when we have to coordinate with registrars. So we know it's a solvable problem and would certainly be happy to talk more with you about how we do what we do, if that's helpful to you in thinking about the kind of solution that you're going to have to build in order to meet this need. Thank you.

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

VOLKER GREIMANN: Yes, well, this is basically a balancing act that we came up with between balancing the cost of potential costs of such a bulk transfer versus the interest of keeping some form of fee available. I mean, the easiest solution would be to say, okay, bulk transfers, why should there be a fee in the first place? Is it really that important to make? How often does it happen? Is it such a great part of the income of a registry? Does it really involve that much of a cost to process such a bulk transfer? We've been over this over and over and ultimately this is the best solution that we came up with. I mean, personally, I would feel that no fee is better, but we obviously couldn't get there. So that's where we are.

ROGER CARNEY: Great. Thanks, Volker. Any other comments? Michael, want to follow along on anything that was mentioned?

MICHAEL SONG:

I also want to mention, I mean, I understand the fees, but I mean, in the example I gave, because there's 395 TLDs, that \$50,000 is basically split between 395 TLDs. So, I mean, in terms of per TLD basis, I don't know how much money each registry operator is really making when there's so many TLDs involved in situations like that. And then in terms of the effort, in terms of outreach, I also want to mention that sometimes it does take, like there are some ROs that are unresponsive. So for instance, let's say there's an RO that for their TLD, there's only one domain. So I mean, their incentive to provide this information is probably very little because I mean, their portion of the pie is very small. So yeah, so I mean, that's also another issue is some of the ROs we've had trouble just reaching out to. So I mean, this process, because I mean, we can't figure out what the fee should be until we basically hear from every RO, every TLD and get the final numbers of how many domains are transferred. So I mean, that process alone could potentially take months if some ROs are non-responsive and yeah. So I just wanted to bring that up and just in terms of the benefit of the fee versus like just the amount of work in terms of potential how many TLDs this could be split between as well. So yeah.

ROGER CARNEY:

That's a good point, Michael. And I wonder, and maybe I'll pose it to the group, if there's a threshold here where if an RO is not responding, then that's accepted as a waiver or something like that, but just something to think about. Theo, please go ahead.

THEO GEURTS: Maybe we should go to Rick first because he has a correction.

ROGER CARNEY: Okay, Rick, please go ahead.

RICK WILHELM: Yeah, I'll be brief. Thank you. Rick Wilhelm, Registries. The amount that each registrar is due can be immediately determined based on the portfolio of the sponsoring—of the registrar that's involved. And because that's the intention, my recollection of what we recommended. It's not necessary to hear back from the registry whether or not they're going to charge a fee to determine what they're allowed to charge. And so ICANN does not need to survey the registry to determine whether or not they're going to determine the fee for any one registry. They only need to look at the names in question that are going to be transferred and figure out the registry that's involved, which is self-evident, and then decide from there who's involved. But they don't need to wait to hear back from anybody. It's deterministic and as Volker says, automatable from the get-go about what amounts the particular registry is due. Whether they're going to charge that or not is, or they're going to assess the fee is up to them, but there's not any kind of circular dependency on this. Thank you.

ROGER CARNEY: Thanks, Rick. Theo, did you have anything to add to that?

THEO GEURTS: No, I still need to process Rick's comment there. Thanks.

ROGER CARNEY: Great. Thanks, Theo. Okay. Any other comments? Michael, anything additional? Sorry, Michael. Caitlin's the one up. Yeah, sorry. Caitlin, go ahead.

CAITLIN TUBERGEN: Thanks, Roger. I just had a question to Rick's comment because of my ignorance. Can we just scroll down slightly, Christian, to the notification to ICANN recommendation? Recommendations 37 and 38 talk about the process of the registry operator notifying ICANN, and then ICANN sending a notice to the affected registries. My understanding was that the group came up with this recommendation because it wouldn't be self-evident how many names there would be, or there might be some sort of issue with names coming out, or being transferred out. I see Rick's hand is raised. I think, Rick, if you could just explain this to ignorant people like myself. I guess my question is, if it is self-evident, do we need these recommendations, or is there something that would make more sense in terms of logistics? If it's already self-evident, does ICANN need to be involved?

RICK WILHELM: Sure. The reason why this recommendation is here is that from the time when the transfer request is initiated to the time when the transfers actually happen, there can be small movements in the number of domain names that are involved because any particular registry database of a registry that's interesting is a dynamic

environment. There will be small movements in the number of domain names that are in play. Names can be expired, or deleted, or something like that. There will be movements around the edges, around the number of names that are actually done. But when it comes to ICANN's initial take on who's going to be involved, and what numbers of names there are, and the initial assessment of what fees someone could be involved in on an initial take on that, they can just look at the portfolio and see about what it's going to come out to. The final fees that anyone is going to be due is only going to be coming after the names that actually do get transferred, which happens after the registry operator does make the transfers that get done. That's the reason why this, based on my recollection, why this is actually happening here.

Here's the thing. What my take would be is that the registry operator only gets the fees that they want to get reimbursed for if they submit this "invoice," and I'm making quotes, my camera's not turned on, to ICANN. If they don't submit the notice to ICANN that they transfer these things, then they don't get to charge their share. They're not going to get reimbursed on their share of the \$50,000. If the registry doesn't submit the note to Michael that says, "Hey, here's the names that I transferred, and here's the date with this portfolio," then they're not going to get that portion of the \$50,000, their pro rata portion of the \$50,000. That's just the way that it goes. If they don't submit the paperwork, then they don't get the coupon. It's sort of like when you do those rebates for something that you buy at the ... If you buy an oil filter or something, I don't know, that's the last thing I applied for a rebate for. Roger is shaking his head right now, even though he doesn't have his camera on. If you don't want the money, then don't send

in the thing to Michael, and then you don't get the money, and that's your problem. You being the registry, right? Then Michael doesn't care, and the folder just hangs open. I guess that's kind of my take on it. Thank you. Hopefully that's helpful, Caitlin.

ROGER CARNEY: Thanks, Rick. Anything to follow up on that, Caitlin?

CAITLIN TUBERGEN: I don't have anything at the moment, Roger. I don't know if Michael still had an intervention. Thank you.

ROGER CARNEY: I'll turn this back to Michael for more comments from him.

MICHAEL SONG: Thanks, Caitlin. Thanks, Roger. Yeah, so I'm trying to ... Because you're saying that ... Sorry. You said an RO ... So using the RO's incentive to report that information, like how many domains are transferred, and that they were transferred, the incentive would be the fees. But for registrar operators that only have a few domains, and their portion of the fee is very small, I don't think they would have much incentive. And then, for example, looking at this, the combination I was referring to where there were 395 TLDs, I mean, 376 of those have less than 100 domains. So most of those, I feel like they would get a very small portion of the \$50,000 pie, and there wouldn't be very much incentive for them to send this information. Yeah, sorry. Go ahead, Rick.

RICK WILHELM: Yeah. So it would matter hypothetically if there is a registry operator that operates a family of those TLDs. PIR is not one, but there are registry operators that operate a whole bunch of ... That are a portfolio operator. And so you might only have 100 domain names per TLD, but stretched out over 100 TLDs, then pretty soon as the saying goes, you could be talking money that is enough in your situation to be real money. Now, it may not be real money to somebody else, but it may be enough to help defray your costs of processing these transfers. So that's one of the reasons why, for a registry operator that has one TLD with only 10 names in it, your share of a 50,000-name transfer, let's say it's a 50,000-name transfer, that would be at, let's say, a dollar a name, and 10 names, it's only \$10, then so what? But if you've got 100 names across 100 or 200 TLDs, then for your registry operator in your portfolio, then that might start to add up to be enough money for you to be willing to file that claim. I'm using colloquial words and kind of putting them in air quotes. Does that kind of make sense?

MICHAEL SONG: Yes, makes sense. Yeah. Thank you.

ROGER CARNEY: Theo, please go ahead.

THEO GEURTS:

Yeah, thanks. You know, I'm still sort of trying to entangle this a little bit, in the sense like, okay, you know, the example of the involuntary one, that's clear to me. I mean, but those don't occur that much, I hope. At least I hope they don't, because that's going to be problematic, I guess. But you know, we also deal with these situations where a reseller just quits their business, and sometimes you have to deal with the mess, so to speak. And that's never fun. I mean, you suddenly got to do all kinds of stuff that you aren't going to get paid for, but you are contractually obligated, so you need to do it anyways. So you're going to take that hit, and that's just the cost of doing business. So I'm wondering if there's a problem now with the involuntary ones, or with the voluntary ones? Because do we see a problem there also? Because I don't see it. So I would like to have that clarification there, or maybe the separation of the two issues. Thanks.

ROGER CARNEY:

Great. Thanks. So there's definitely two different issues. And maybe Michael can speak to that a little bit. But on our recommendations, involuntary transfers have no fee. So that's not an issue with those. It's the voluntary ones where it could be full or could be partial, that the fee may apply. And as we discussed, we went through this quite a bit. Many registries, even today, that have BTAPPA don't actually charge a fee. They can if they want to, but don't have to. And when we discussed it, it was assumed that's probably the truth. And like the examples we gave, if someone's got 100, or 10, or maybe even 1,000, they may not even look at trying to charge a fee for it. So again, it's one of those

service kind of issues that you go through, and you're hoping that in the instance that you're going to make a better partnership and a longer-term one after the transfer anyway. But Jothan, please go ahead.

JOTHAN FRAKES:

Yes. So I thought, Michael, that was really good data. And thank you for walking us through that. And it's good to understand all this. One scenario, I guess when we're breaking it down, and let's say it's 50,000 domains, so we're estimating it's \$1 a domain. Imagine a scenario whereby the gaining registrar, that 25,000 of those names are on a vertically integrated registry, and then 25,000 of those are with other registry operators. Is there any difference in the economics there, potentially? Thank you.

ROGER CARNEY:

Thanks, Jothan. Yeah, I guess I don't have an answer to that myself. Just off the cuff with the question, I would say no, there's no difference there. But again, I don't know. So, Theo, please go ahead.

THEO GEURTS:

Yeah, thanks. And this is Theo for the record. So about the fees, I think we should wait till the public comment there, because I think we're going to get dinged by these prices that we put there. I have a feeling that parts of the community are not going to be happy that a working group is setting fees here. So I think we maybe are a little bit too early on a discussion here. Thanks.

ROGER CARNEY: Thanks, Theo. And just a reminder that we're not creating fees. The fees are already set. We're just making clarifications of how they get distributed. So Jim, please go ahead.

JIM GALVIN: Thanks, Roger. Jim Galvin for the record. Registry Stakeholder Group. I'm sorry. I think I was following all of this conversation, but I just feel like I want to come back to the point that I was making before, because I'm a little bit lost here as to what problem we're trying to solve. I believe that we spent quite some time creating a set of rules, if you will, for how to apportion the fee. And all of that seems reasonable to me and still does, and it did at the time. And I thought I understood that the problem being brought before us here is that there's a coordination challenge. And I'd appreciate trying to understand if that's really true or not, if that's where we are, because if that really is where we are, I just want to repeat what I said before. Maybe I'll say it a little bit stronger now. And with all due respect, I mean, registries deal with this every day. We have hundreds of registrars to coordinate with, some responsive, some not. Sometimes we have deadlines when something has to be done by a certain time, and we have to deal with this all the time. And so I'm struggling to understand what part of the coordination problem ICANN finds untenable since registries solved this problem 20 years ago and still have a solution in practice. So I guess I'd appreciate a restatement of what problem we're trying to solve here. Thanks.

ROGER CARNEY: Great. Thanks, Jim. Any comments on that? And again, just under my understanding, I'll let Michael speak to it. But yeah, I don't think it's necessarily about the fee specifically. Yeah, the management of the process, but I'll let Michael talk to that.

MICHAEL SONG: Thanks, Roger. I guess I'm understood that registries do this all day, and I understand you guys could do it, we should be able to as well. So basically it's kind of, I'm coordinating this whole process. So a registry operator will basically only know how many domains are in their TLD for each domain. Let's say like, oh, there's 1000 domains in with their TLDs, they wouldn't know if that registrar has over 50,000 domains and now they're qualified to charge a fee. So it would be kind of up to us to basically kind of gather all the information like, oh, I think it's even in the policy that the registry operator has to report to us that all domains have been transferred and the number of domains transferred. So we need to gather all the information and then from that, figure out, okay, is it over 50,000 or is it under 50,000? If it's over, okay, then we need to basically figure out what portion of the \$50,000 fee each TLD is eligible to invoice for. That whole process of just gathering all the information and just doing the outreach to all the ROs to get that information and then also communicate the fees as well is kind of what I'm saying would be just a potential operational nightmare.

In terms of voluntary and involuntary terminations, yes, involuntary terminations, I understand there's no fees, so that's taken care of. But voluntary terminations, I mean, there are a lot of situations where registrars that are families, they'll decide that they want to

terminate one of their creds and then transfer those domains to another cred. So in those situations, we could potentially have these large transfers, over 50,000 domains across hundreds of TLDs. So I mean, those type of things do happen with voluntary terminations. So yeah, thank you. Oh, sorry. This is kind of the last thing I'll say, our preference was to kind of not have this \$50,000 fee shared between all the ROs because we just thought operationally that would be operationally difficult. So one suggestion that we kind of came up with potentially, a proposal is to have a minimum threshold as well. So for instance, like, okay, if the registrar has 6,000 domains, then only TLDs, let's say with above 1,000 domains, will get a share of that \$50,000 fee. Whereas any other TLDs under that maybe wouldn't qualify. And that would kind of reduce the amount of TLDs that we would have to reach out to. And basically, each TLD can kind of get a bigger share of that \$50,000 versus like, some TLDs getting maybe like a couple of dollars, basically based on how many domains they own. So yeah, thank you very much.

ROGER CARNEY: Great. Thanks, Michael. Any other comments on that from anyone? Catherine, please go ahead.

CATHERINE PALETTA: Thanks. Just to that last point, when we're talking TLDs versus registry operators, right? So some registry operators, like the one I work for, you know, have, maybe you have only 100 domains in 200 TLDs, you're talking about still a large lift. And so with that, with that method of looking only at the TLDs, that doesn't

necessarily capture the work of the registry operator in doing the work. So maybe not for that suggestion, looking at the TLD level, but the registry operator level, though you then maybe have to also look at the RSP level, because if the RSP is the one doing the work, that snowballs. And so maybe that's just an argument for not doing the baseline at all. But thanks.

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

THEO GEURTS: Yeah, thanks, Roger. Maybe you can educate me here a little bit. I'm still confused about a previous comment there. The way my thinking was going when we created all this about the fee, we took the BTAPPA fee, which is, as far as I know, outside of the ICANN policy. We took that fee, put it in here, didn't change anything. You know, just let it be what it was. But when you do that, you know, take something that is outside of a policy and put it inside a policy, you are setting a fee within a policy. Unless I missed a couple of memos here. Thanks.

ROGER CARNEY: Great. Thanks, Theo. And again, I think that, you know, the BTAPPA solution, as you mentioned, the fee was there. And I think actually maybe staff can even correct me. I don't know if there's mention of it in the policy or not. But in the BTAPPA, that was in RSEP. So it was a contractual issue as soon as it becomes an SCEP. So the fee does exist today. And now is it in policy or

contract? That's a different argument, I think. But Rick, please go ahead.

RICK WILHELM:

Yeah, let's not conflate BTAPPA with these ICANN approved transfers. This fee here that we were talking about, which is completely different than BTAPPA, this one used to be that if a TLD exceeded 50,000 names, then you'd have a \$50,000 transfer. And the thing that we did here was we changed it quite drastically. We kept the number the same, but we said if a particular registrar portfolio exceeded 50,000 names, whereas previously it was a TLD having 50,000 names. And so while the number didn't change, the structure of this thing changed quite drastically. And so to expose way more transfers to this fee, because previously it was only if your particular, if one TLD picked up these things, so way more names are exposed to this fee than previously. Because previously it was only those names that were part of a group at a registry that had more than 50,000 names, whereas now all the names that were at any TLD are exposed to this fee. Thank you.

ROGER CARNEY:

Great. Thanks, Rick. As I walk through this and think about it, we've created a lot of recommendations over the last three years and a few of our goals are to be more standard and make it more, I don't know, I would say easier, but not sure if that's the right word, but maybe less complicated process. We can argue that we've probably made this process a little more complicated, again, not affecting registrant here. So it is more complicated for

registries and registrars. But what we did do is clarify a lot. And as Rick mentioned, we did flip this where it was, the numbers were based on a TLD and now it's based on a registrar. And obviously at the time there was discussion of if that made sense or not. And that we got to, if a registrar was moving a million names and there was five TLDs, that could be \$250,000 to do it. If it was split evenly, because each TLD can charge that amount. And there was discussion around that and that's how we ended up doing that flip. But again, I think that this may be a little more complicated, but it's more clear. So again, the complicated may be in air quotes there as Rick mentions, air quotes. But I think that it's more clear on how the process is done than it is today. So just my thoughts, but Ken, please go ahead.

KEN HERMAN:

Thanks Roger. This is Ken Herman for the record. Clarity might be a little difficult for some of us to gain. My simple question is, does either of the ways we're thinking about doing these kind of thing impose an additional overhead cost to ICANN itself? Just listening to the discussion about the example, it seems like ICANN's performing a lot of work. The fee however, goes to the registries, which perhaps as we've heard to some of them, have a lot of work to do and is appropriate. So I'm interested to know, does any decision that we take here have any, and what kind of impact would it have on the ability of, or on the cost I guess, to ICANN in terms of sorting out who's getting what? Thanks.

ROGER CARNEY: Great. Thanks Ken. Yeah, and again, I think someone put it in chat earlier that, obviously the fee was talked about and as you mentioned Ken, it may be a cost recovery kind of concept, but also as a deterrent so that there's not constantly moving things around. But it was, and again, registries will have, and again, depending on which one you're talking about here, registries and registrars will definitely have cost in any of these moves to make them happen. So that was the optional fee. Again, it's not a mandatory fee that needs to be charged. But to your point, Ken, does what our recommendations say increase the burden on ICANN? And again, I think that it obviously does and I think Michael was bringing that forward, especially on his example. It's a fairly large lift. As people have discussed, ICANN [in involuntary] situations, everyone's kind of held to that with no money today and we're suggesting the same thing going in the future. But everybody has to work together to process those. And again, is some of that leverageable for voluntary ones? I'm sure that's true. But our recommendations here on this balk does increase the workload for ICANN for sure. I don't know if Michael wants to say anything to that as well.

MICHAEL SONG: Thank you and agreed.

ROGER CARNEY: Any other comments here? Again, I think our recommendations are pushing new work to ICANN. And I think that personally to me when I look at it, it is a little more complicated than what is today. But it's also broadening it. So we knew that it was going to do that.

And to me, it's much more clear on the expectations of who's doing what and who's responsible for it. So just my thoughts on it. Okay. Any other comments here before we move forward? And I don't know if Michael, did you have anything else that you wanted to address here before we moved on?

MICHAEL SONG: No, that was it. Yeah. I think we also got some really good clarity in terms of how this is put together as well. So I think that's something I'm going to bring back to the team to discuss. But I appreciate the opportunity.

ROGER CARNEY: Great. Thanks, Michael. We appreciate you being able to step on and provide your input on this as well. So that's great. Okay. Any other comments on this? Caitlin. Oh, Caitlin, go ahead, please.

CAITLIN TUBERGEN: Thanks, Roger. I had one other comment to note. And this is going back to the cows and the farms analogy, moving a little bit further in this document, Christian, to the BTAPPA recommendations. If we can -- yes, right there. Preliminary recommendation 40. When the group discussed the BTAPPA recommendations or the partial portfolio transfers, in Hamburg, the working group had these draft recommendations. And at the time, registry operators were socializing the recommendations with the registry stakeholder group to determine if this is something that the registries would be amenable to including in the transfer policy to be applicable to all registry operators, or

alternatively, if it was just for the registries who offered BTAPPA and the similar -- or the current process would continue to exist, which is a registry would file an RSEP if it wished to offer the BTAPPA service. And our understanding from the conversation in Germany was that the Registry Stakeholder Group was amenable to having this be included in the transfer policy. And I say that because we now have this italicized recommendation, which is not something that the working group had discussed after Germany, but I wanted to flag that if support staff's understanding is correct, we thought it would be helpful to include this language to be ultra clear for the language in the initial report, as well as to any potential folks that are implementing the policy, what the working group had intended. So that isn't something the working group saw, but we included it and of course are open to discussing it. It was a question that we received from Michael's team as well, of we're confused of what the working group is suggesting here. So we put that in italics to represent that it's not agreed to. And I think Rick was also one of the ones who was socializing this with registries, so I see his hand is raised, so I will give him the floor now to discuss that. Thanks, Rick.

RICK WILHELM:

Thanks. So I'm not sure. I thought that we had no objection within the registries on it, but I'm going back through my notes and I don't see exactly where that is. We've got a call tomorrow and I'll bring it up for clarity because in -- so I'm not sure. We're going to revert and get more clarity on this. Because what we wanted to do was I think that the thing was we also hadn't been able to show them the clear language on the BTAPPA, what the terminology would be on

loosening the restrictions around BTAPPA on this. And so it was -- because it's kind of a package deal, if you will, right? That we have like, oh, well, we'd include it in the policy, but then it would also include the flexibility that the registries were looking for. And I don't think that we had finalized that language in these recommendations unless I'm mistaken about what rec number that is. Right? Because we've got some other things here, but I'm not sure where we had that specific language around that. Is that -- unless I'm incorrect on that. Thoughts? Thank you.

ROGER CARNEY:

Thanks, Rick. Yeah, and again, thanks, Caitlin, for bringing that up. I think that we were at the point of picking the pin up off the paper, but we needed to confirm that when we left Hamburg. So I think that we were at the spot of, yes, this is the way it is, but we just needed confirmation. So, Rick, if you can take that back and get confirmation, that would be great, because then we can pick the pin up on this and be done. Or if it's not, then we can take a look at it again. Rick, please go ahead.

RICK WILHELM:

Do we have the language? Is it in one of these recommendations that I -- about the language --

ROGER CARNEY:

The expansion part?

RICK WILHELM: Yeah, about the expansion part.

ROGER CARNEY: I think it is. Maybe Caitlin or Christian remembers. Is this at 41? Is that where it is? That's the registrar agents. But the expanded to include circumstances where an agent elects to transfer, I'm not sure if that's exactly the sticking point that we were looking at, because it was like the elimination of the term acquisition agreement was the -- because right now, the way that the boilerplate RSEP is, it's got that word acquisition agreement. And at least me personally, I was looking for that to be replaced by some broader language, which would be just sort of an agreement between involved parties or something like that. A little bit hand-waving there.

ROGER CARNEY: I think that was the intention of 41, was to expand that. And as you said, expansion of that probably means more of replacement of the wording when you look at it.

RICK WILHELM: Okay. So I'll bring it up as a generalization without specific wording, then. Thank you.

ROGER CARNEY: Great. Thanks, Rick. Does that help, Caitlin?

CAITLIN TUBERGEN: Yes. And Roger, just to clarify this document that we're currently looking at, we had a working document that we were working off of, and the recommendations were numbered, you know, one, two, three, four. And I think Christian's about to pull that up. And there's a lot of highlighting and responses to charter questions. This is kind of where we cataloged all of the working group's information. So that document shows where we landed after Hamburg, and in terms of the -- I'm sorry, this is the ICANN approved transfers. But the document that we were looking at today, what support staff has been doing in the background is taking the recommendations from all of the groups of questions and putting them into a consolidated initial report. So this numbering corresponds to adding these recommendations to the previous recommendations from group 1A, group 1B, or the change of registrant data recommendations, which is why the numbers look different. But we can point Rick and others to the most recent version of the ICANN approved transfers. Yes, so that might look a little bit more familiar. The language is identical. So this one might be a little bit easier to read. So we can share both. But that might be some of the confusion, is it looks new because it is a separate document where we were just compiling the recommendations without all of the additional text and red lining where it was a little bit confusing.

ROGER CARNEY: Okay, great. That makes sense. Okay. Any other comments here on this? Any other things we need, Caitlin or Christian? Okay. All right. So we have about 22 minutes. So Christian, do you want to take us on to the next?

CHRISTIAN WHEELER: Last is AOB.

ROGER CARNEY: Last is AOB. Excellent. Any other comments? And again, I think that -- thanks, Caitlin, for that explanation there. I think that we are on that process of pulling everything together so it all fits nice and neat into one picture. But obviously over the next nine weeks, we need to make sure that picture is what we intended it to be and that it is still workable as a complete picture. So again, I don't know if that's eight or nine now, sessions, but we need to get working on that to make sure we can hit that publication for the final report for public comments. Any other business? Anyone? Okay.

Great. Thanks, Michael, for jumping on today and providing the input on those recommendations around the bulk transfers. Greatly appreciated. Okay. So I think we can conclude the call today, and we will be back up next week.

JULIE BISLAND: Thanks, Roger. Thanks, everyone, for joining. Have a good rest of your day.

[END OF TRANSCRIPTION]