

>>Chuck Gomes: Thank you, Louis. And thank you members of the Board, as well as the audience here today.

I'll try to avoid getting too detailed. But to give you a high enough level view for those of who you are not familiar with this about what the wait-listing service is.

It's basically a service whereby potential registrants that we call subscribers may purchase a subscription tied to a currently registered domain name in dot com and dot net only, not in dot org.

Only ICANN accredited registrars would be able to offer the subscriptions. Only one subscription per name would be allowed in the trial of this offer. And it would be -- happen on a first-come, first-served basis.

If a name is deleted that has a wait listing subscription on it, it would be registered to the WLS subscriber after any applicable grace periods.

Now, I'd like to just interject a note there.

Whereas we do believe that there would be positive impact on what was often referred to as the deleted names problem and the special batch auto-delete pool that we created last summer, I don't want anybody to think that this is a solution to that problem. We solved that problem by creating three pools. It's a very expensive solution because of how many times our hit system gets hit. But there is equivalent access for all registrars, even those going after deleted names.

Another point that's important is, we made a decision to outsource much of the technology development for this to a company that had some -- had done significant development work in this area already, SnapNames. But I do want you to understand that if this service is offered to registrars and through them, to their customers, the interface between registrars would be directly with VeriSign Global Registry Services, not with SnapNames in any way whatsoever.

Now, just a quick history. I'll be very brief, because Louis covered just a little bit of this.

The -- you'll recall, in the summer of last year, summer of 2001, we actually encountered an equivalent access problem in our systems because of how heavy we were getting banged in the -- in our systems. There were actually some registrars that could not get access at all.

We actually had to shut it down temporarily to put in a temporary solution. And you will recall we talked about that in the Montevideo meeting in September. At that time, we formed an ICANN delete group made up of many registrars, registries, any other interested parties.

Out of that group came four ideas that were discussed over a period of a month or two.

One of those was the concept of a parallel registry. That became what we eventually called the wait-listing service.

In October, after the ICANN delete list had done quite a bit of discussion on this issue, we came out with a statement saying that we would be willing to offer that if our registrar customers were interested in it being offered. And in addition to that, we would continue the three-pool solution that solved equivalent access problem at our cost, even though that was originally intended as a temporary solution.

After that, it appeared that there was very strong opposition from our customers to offering that. So we basically set it aside.

Then in November, after the meeting in Marina del Rey, the registrars constituency requested a proposal from us. That proposal was provided on December 30th of 2001.

We received comments on that proposal in January. We were primarily focusing on the registrar community, because they were our customers. It was never our intent to make this a consensus process, but, rather, it would be foolish for us, as a business, to offer a service that our customers weren't interested in.

So we received comments. The proposal actually was more widely distributed than just registrars. And we accepted comments from anybody that provided them. We submitted a revised proposal on January 28th, 2001. And I think a very important thing to remember with regard to that proposal, not only did we incorporate some changes from the community, from registrars, suggestions there. Certainly there was some input incorporated by the intellectual property constituency. But we also incorporated throughout this process some suggestions from ICANN's staff.

But another important part of that proposal, because there was really no process for getting community feedback, we actually spelled out in that proposal some procedures for getting feedback from the total community. It outlined a schedule and deadlines for comment. The revised proposal was made available, as well as some other documents, and the original proposal, et cetera, were all posted.

It was submitted to the registrar's constituency, certainly, the constituency that was absolutely most important to us in this regard. But it was submitted to all constituencies, and the Names Council as well as the General Assembly, requesting feedback from all of them. We did receive feedback from the registrars constituency. And the results were mixed. But in our analysis, there was a substantial portion of registrars that at least justified going forward with a trial of the service to see if it made sense in the marketplace. We did not receive any feedback from the Names Council and did not receive feedback from most of the constituencies that were all alerted to this. But we did provide opportunity for that.

Then in March, at the end of the feedback period, just before Accra, the -- we presented an analysis of the feedback we received. That analysis is available on our web site as

well as on ICANN's web site.

And we felt like there was enough support to warrant going forward with a trial of this service.

The topic was on the agenda at the general assembly meeting in Accra and was discussed there. I was available in the audience there for answering questions.

And then later then that month, we submitted the request to ICANN for an amendment to Appendix G, which is required for any registry services that we would offer.

Now, some key points about the service is that we -- it's a new service. And we believe from the very beginning -- believed from the very beginning that it was a revenue source for registrars, and all interested registrars. It would not be forced on them; it would be their option. But in a time when everyone was experiencing declining businesses, we thought this would help all of us, including -- including registries.

Another important point is that there is no impact to existing registrants, unless at such point in time they decide not to renew their name and it is deleted. But then it's no longer registered to them.

It provides a common user interface, a common user experience, in contrast to a multitude of experiences that are available at the registrar level today.

And a key point, and one of the reasons why we believe it's preferable to offer it at the registry, even though we are the sole source, is that at the registry, the service has 100% efficacy if the domain name is deleted.

Whereas the competing services at the registrar level are limited in terms of their chances of getting the domain name.

I'll be very honest with you.

There are registrar-based services that will likely experience negative impact in a case or two.

Their particular business in going after the deleted names will probably be change drastically.

And it certainly was not our intent to harm our customers' businesses; okay?

Our intent was really to offer an improved service to consumers, while at the same time offering new business opportunity for our customers.

Would hope that the negative impact that some of these business models would experience would be offset by participating in the wait-listing service which is open to

all.

And we believe that, in large part, would be true.

Finally, in conclusion, and in response to feedback from our registrar customers as well as others in the community, since we have put the request into ICANN, we would like to submit the following three changes to our proposal.

Number one, an interim redemption grace period, a topic you talked about earlier today, will be implemented with the WLS until the redemption grace period is fully implemented.

It's my belief that it will take probably at least in the com net registry as much as six months to get the redemption grace period in place, because to go through a full cycle and make sure there are no negative impacts to our registrars, to registrants, et cetera, it will take some time once the requirements are defined.

So we would implement an interim procedure to cover this.

We have been supportive of a grace period since ICANN first talked to me about that early this year.

In fact, a very important point is that in our original proposal of the wait-listing service, we actually built in a redemption grace period.

I didn't use that term, but that was built in from the very beginning.

We later, at ICANN's request, removed that from our proposal because of the fact that staff felt like it was more constructive to separate the two issues so they could be worked separately.

So we're fully supportive of that.

Number two, there will be no special treatment of existing SnapNames, SnapBack holders as we had originally proposed.

We had suggested what we thought was a reasonable way to deal with some customers of SnapBacks that have SnapBacks right now.

We are going to remove that from our proposal.

There will be no special treatment.

Number three, pricing will be simplified, eliminating the rebates, and offering a set price to registrars of \$24 per year.

I'd be more than happy to answer questions as we proceed today or even after today, and I'll make myself available for that.

Thank you.