

ICANN DNSO Registrar Constituency

Members Teleconference Notes: 01.09.02 16:00 – 18:00 EST

Re: Verisign WLS and Competitive Proposals

Purpose: To define Constituency consensus and position on the various proposals.

Chair: Rick Wesson, ExComm

Proposal Presentations

VRSN: not present on call.

AfterNIC: presented RRS.

Registrar Commentary & Statement of Position

Allwest Communications - Opposed to WLS, Opposed to AfterNIC, Affirm status quo

Enom - Opposed to WLS. Supports everything except WLS even at lower price. So many things wrong that he doesn't know where to start. It removes differentiation amongst the registrars. Increases FUD amongst registrants (will tell registrants that it is an insurance policy). It appeals to a limited market (the educated ones). Bottom of the barrel proposal (in relationship to the others presented). More comments on the RC list. Affirm AfterNIC. Affirm status quo.

GoDaddy - Oppose WLS. Will not participate at any price. Conflict of interest, even prior to this with the registry.registrar connection. Extends scope of natural monopoly and limits registrar competition. Cost to Verisign is minimal, or it should be. Registrant protection not taken into account, it should be. Willing to take legal remedy. Possibly favor the MIT/Tucows proposal, but not prepared to fully support it without further examination. More than a 15-day grace period, propose 45 waiting period. Status quo is best but willing to explore other options. Against AfterNIC's auction model.

CORE - Oppose WLS. Oppose AfterNIC's proposal. Echo other's comments specifically with regard to the ethical problems and the rights of the existing registrant. Tucows/MIT proposal seems to be better than the status quo, but more work and consultation is required.

PSI-Japan - Concerned about lotteries, not taking a position on specific proposals at this time. Abstaining "not confident to render a decision on a specific proposal".

Register.com – Opposed to WLS. Supports RRS. WLS: Prices are too high. Margins will be razor thin. Concerns about moving further innovation into the registry thus increasing the scope of their monopoly. Speculator angle also causes some concern -guarantees of acquisition will promote technical gaming of the FCFS. No comment on MIT/Tucows. Not happy with status quo. Affirm AfterNIC.

InterCosmos – Opposed to WLS. Likes the concept of the WLS, does not like the price. Recognizes that SnapNames is in the corner if this proposal isn't accepted. Will likely offer it due to competitive concerns. Not a fan of auctions, therefore

opposed to the RRS proposal. Doesn't like the status quo – 4 or 5 registrars are soaking up all of the connections. The registry should give us more options. If VeriSign imposes the service we would offer it. Not a big fan of auctions. Opposed to the status quo. Abstain on the MIT/Tucows proposal. Opposed to WLS as it currently stands.

DomainBank - Echo's Intercosmos comments. WLS has a long way to go, but in theory it sounds like it may offer an even playing field. Opposed to WLS, RRS, status quo and abstain on the Tucows/MIT proposal.

eMarkMonitor - Abstains on all proposals. Observations on WLS, would encourage a longer grace period, followed by notices to earlier registrant etc. Pricing is high. Probably opposed to RRS model.

NSI-Registrar - Have not yet formalized comments on any proposal. Neither abstaining nor endorsing nor opposing.

ActiveISP - Not part of business model, in a listening mode and abstaining on all proposals.

MelbourneIT - There are two issues here - favors a technical solution to the technical problem and a business approach to the "new business proposal". VRSN has a requirement to provide minimum service levels and prices to registrars. Further work is required on the WLS proposal. Pricing is too high. Supports the WLS proposal, but only with modification. The technical problems still need to be resolved. The WLS proposal simply moves the problems around. Does not support the RRS proposal. Abstain on the Tucows/MIT proposal, oppose the status quo.

BulkRegister - Believes that the WLS proposal is anticompetitive. Is positioned in the marketplace as benefitting consumers when in fact it does not because of the anti-competitive attributes. Must be careful of consumer perception because of the positioning. The concept is okay, but increasing the scope of the monopoly is not. Opposed to WLS. Opposed to status quo. Would support a hybrid proposal generated from a mix of the current proposals as none of them completely solve the problem. Opposed to Afternic proposal for business reasons. Abstaining on the Tucows/MIT proposal in favor of a hybrid.

Dotster - Opposed to WLS. Echoes Paul's comments. Favors the competitive registrar model. Totally bad deal for the consumer. These are lawsuits waiting to happen for consumers. Not sure that Dotster can even implement it on their site because of technical concerns. Potential for gaming is too high. No incentive for losing registrars to delete names. The registry and snapnames will be the primary beneficiaries. Opposed to anything that has an up-front cost to the end consumer unless the registrar delivers a domain name to them in their accounts. Opposed to all current proposals.

Joker - Opposed to WLS. Not sure if that matters however. This is his biggest concern. The right way to solve this problem would be a joint effort run by registrars. Opposed to all other proposals.

Tucows - Opposed on the grounds that the current proposals do not provide sufficient guidance, insight or definition to sufficiently discern on a policy, business or operational level what the impact on our operations and revenue will be. Further definition of the proposals and consultation with the community must occur. Echo's MIT's comments. Favors - a technical solution to the technical problems that NSI is experiencing. Favors - a variable pricing model to the new business proposal. Favors - accountability to the various stakeholders (registrars, registrants etc.) Abstain on Tucows/MIT proposal.

CORE – Opposed to WLS, RRS. Ok with the status quo. Affirms the Tucows/MIT proposal.

Schlunde - Opposed to WLS and RRS. Improve the status quo. Abstain on Tucows/MIT proposal.

Mediaventure - pass, not on call.

IARegistry - Opposed to WLS. Abstain from the AfterNIC proposal. Modifications to that proposal are possibly the way to go. Has tabled an alternative hybrid proposal that he believes requires further attention. In favor of status quo. Favor MIT/Tucows Proposal. Disappointed that this gets fast-tracked and transfers policy gets ignored.

Speednames - Opposed to WLS. Opposed to Tucows/MIT proposal. Opposes RRS proposal. Opposed to Status Quo. Supports the statements of Ross Rader and Bruce Tonkin made earlier on the call.

NameScout - Opposed to RRS, in favor of status quo. Once the bulk batch deletes go away, the status quo become sustainable. Favors Tucows/MIT proposal, but probably requires further work. Opposed to WLS as it is currently written. This option needs further exploration and is not opposed to a parallel registry.

Alice's Registry - Opposed to WLS. An opt-out needs to be implemented if the WLS does get implemented. Gives registrants further choice - counter-insurance, insurance on IP. Opposed to the price and disappointed that the registry hasn't shown interest in displaying the status of the subscription on any forum. Opposed to RRS and status quo. In favour of Tucows/MIT proposal.

Round-up: the way forward:

Stubbs (NC) - Concerns about current situation. Creating situation to justify price increase. Limitation number of connections. VRSN should be able to provide technical solution without additional price increase.

Broitman (RCOM)- Concerned about SLA.

Wesson (Chair) - recommend a drafting team to present a counter-proposal for discussion within the RC.

Stubbs (NC) - serious concerns with Verisign's behavior. May try to use this to leverage a price increase. Have cut back connections and may use this to justify economic concerns that they may create. Verisign has more than adequate resources to devote to resolving the technical issues.

Broitman (RCOM) - how can the registry modify the terms of service (ie - connections) without consultation or explanation.

Nyholm (SpeedNames) - Is Chuck Gomes (Verisign Registry) on the line? Could Wesson or Palage provide a heads-up on Verisign's next steps? How will Verisign receive the proposal?

Wesson (Chair) - Cannot speculate. Let's try and keep things in order. Keep responses short and to the point. When will Verisign have the bulk batch deletes taken care of?

Beckwith (Verisign) - Don't know yet. Need a response from the internals. I will forward an answer when I get it.

Registrar Questions & Answers/Further Comments

AWRegistry - No further comments.

Enom - How many names does NSI-Registrar have queued for deletion? Will the queues be cleared before the WLS gets implemented?

Beckwith (Verisign) - Same question as Rob's basically. Don't know, but I will forward more information to the list.

Godaddy - No further comments on this. What can we do when VRSN rolls this out anyways? I'd be surprised if they made any changes or cancelled the roll-out.

Wesson (Chair) - Have asked this question of staff.

Broitman (RCOM) - ICANN wants us to treat this informally. They want us to take this to a number of constituencies with registrars acting as the primary stakeholder. Pretty confident that VRSN will not be able to move forward as written arbitrarily.

Stubbs (NC) - probability that this may never get released. More likely that they will cancel the program and go in for a price increase.

Wesson (Chair) - Spoke to someone to an analyst that claims that they are projecting a 40% increase in revenue next year.

RCOM - Useful to talk a little bit about the concept of auctions. Flat pricing model allows for too much gaming by registrars. Lets insiders take a crack at the opportunity. Shouldn't be dismissing the auction model so quickly.

DomainBank - No other comments.

eMarkMonitor - Membership should rank the proposals so that we know where to focus our efforts.

Verisign - No further comments.

ActiveISP - No further comments.

MelbourneIT - This is classed as a registry service and therefore constitutes a price increase. They need ICANN approval. Constituency needs a position on WLS. Constituency also needs a position on the best way to go. We don't want to confuse the two. This could lead to endless proposals.

BulkRegister - Concerned with the process of how we handle this. Public perception is that this is a done deal. If they manage to get it rolled out, then this is really a done deal. I wonder how much power the constituency has after this occurs. When we speculate on ideas and it goes out to the public, perception becomes reality.

Dotster - No further comments.

Tucows - Echo's MIT comments, favors the creation of a position statement and separately a counter-proposal.

CORE - Ditto.

??? - Ditto

IARegistry - WLS should be completely turn-down. They should fix the technical problem. Verisign-registry is a datawarehouse and should stay out of our business.

SpeedNames - Afraid of violent opposition. This does us a disservice. The proposal does have potential - we need to look at proposals that make us money. We should work with Verisign on this.

NameScout - Agrees with MIT, Tucows and IARegistry. We've already vetted the other proposals already - we need to make sure that we have a position on the WLS as a constituency. The biggest problem currently is with the price. Other proposals have merits, but they should be dealt with separately. We shouldn't be rewarding the monopoly however if the problem goes away as IARegistry has indicated.

Palage (ExComm) - Adjustments to price talk about net increase, its ambiguous.

Tonkin (MelbourneIT) - ICANN can't unreasonably withhold...

Palage (ExComm) - Talks about net increases...

Rader (Tucows) - Some of the terms are very defined...to the accountants...perhaps Ken Stubbs could clarify.

Hall (NameScout) - Nothing to stop NSI-Registrar from hoarding names and then grabbing the money when they see a subscription come through. We need to comment on the WLS. Comments should be constructive.

Wesson (Chair) - We need to formally reply to the WLS proposal, need to form a drafting team. Need volunteers. We also need a policy on how registrars delete domains. We can discuss this further on the list and at our meeting.

Volunteers: Broitman (RCOM), Tonkin (MIT), Stahura (eNom), DiCarlo (Dotster), Wascher (IARegistry)

Tonkin (MelbourneIT) - Time is of the essence.

Stubbs - The community is following this closely. We need to make sure that the goals of the document and the presentation are clear.