

*[proposedfinaldraft]*

## **Registrar Constituency (RC) Position Paper Regarding the proposed Wait List Service (WLS)**

The RC opposes the revised WLS proposal in its current form. The concerns are as follows:

- 1) Price.
  - a. The price has not been justified on a cost plus a reasonable profit, or any other, basis.
  - b. The proposed WLS subscription price combined with the \$6 registration price continues to be too high. It effectively multiplies the total registry price on the most attractive deleted names about 6-fold. The effect is to undermine competitive registrars and raise the cost of registration for consumers.
- 2) Competition
  - a. WLS reduces competition by substituting a single model for the many and varied current registrar business models for registering deleted names for consumers. WLS pre-empts all other models. The current system imposes nearly no restriction on the business model offered to consumers.
- 3) Equal Access
  - a. The existing system allows each registrar equal access to registering deleted names. The WLS system limits registration to the holder of the WLS subscription. (THIS IS NOT A STRONG POINT SINCE WLS IS SIMPLY FIRST COME, FIRST SERVED)
  - b. With WLS, registrars with larger data banks of deleted names (e.g., the VeriSign registrar, which has a large legacy of expiring names) would have an advantage over smaller registrars due to the fact that the larger registrars would be able to offer many more WLS subscriptions with a guaranteed chance of "ripening" (because only the registrar-of-record would know that it is about to issue a delete on a particular name). In contrast, other registrars would have to offer the same WLS subscription at a much higher risk. This fact

effectively unbalance the equal access to -registering any deleted name that exist today.

#### 4) Transparency

- a. VeriSign runs the primary registry, the largest registrar, and the subscription service. As long as the same company is operating this vertically powerful chain of companies, it may be possible for it to shift domain names from the \$6.00 registry to the \$41.00 WLS. In fact, only the registry would know all of the WLS subscriptions and the timing for deleting names. Such information could be abused by its registrar. Considering that there is a history - some of it still unresolved - of VeriSign not deleting expired names, and the fact that a WLS subscription will be allowed for names that are past expiration, the RC is doubly concerned that VeriSign's operating the WLS provides new opportunities for domain name hoarding. The current system provides sufficient transparency to ensure that no registrar is not advantaged relative to another. The current system provides less incentive for a registrar to not delete names that are more than 45 days past expiration. The expectation of a pending WLS system release provides incentive for registrars to hold names past expiration. VeriSign effectively bears no cost, and has the most to gain in extra WLS fees, for its holding of expired names. VeriSign registrar has dramatically decreased the number of names it would routinely delete and increased the number of names it holds more than 45 days past expiration.

#### 5) Grandfathering of Current Subscriptions

- a. The WLS proposal states that current Snapbacks would be grandfathered into the system. In other words, the registry would respect and effectively make whole those consumers that had used a Snap Names approach to obtaining a registered domain name. It is unfair to favor one secondary market provider above others. A number of entities, including domain name auction brokers and registrars, have offered consumers the opportunity to place orders on registered names. All of these should receive equal treatment - meaning grandfathering into any WLS system.

While the RC continues to oppose the WLS in its current form, and believes that denying its introduction would be reasonable, it recognizes the need for a permanent solution to the apparent problem of deleted names not being released or being released in a manner that undermines other registry functions. Therefore, the RC welcomes the Names Council's consideration of alternate ideas for addressing these issues, many of which have been discussed by the RC