

**ICANN Transcription
New gTLD Subsequent Procedures Sub Group B
Tuesday 29, January 2019 at 2000 UTC**

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<https://audio.icann.org/gnso/gnso-new-gtld-sub-pro-sub-group-b-29jan19-en.mp3>

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Julie Bisland: Great, thank you. Good morning, good afternoon, good evening, everyone. Welcome to the New gTLD Subsequent Procedures PDP Subgroup B Call held on Tuesday, the 29th of January, 2019. In the interest of time, there will be no roll call. Attendance will be taken by the Adobe Connect Room. If you're only on the audio bridge at the time, could you please let yourself be known now? All right. Hearing no names, I would like to remind all to please state your name before speaking for transcription purposes, and please keep your phones and microphones on mute when not speaking to avoid any background noise. With this, I will turn it back over to Christa Taylor. You may begin, Christa.

Christa Taylor: Good afternoon, everyone. Thanks for joining Subgroup B. As we can see from the agenda, there are five items, so the first one is obviously welcome and review of the agenda. The other topics are updating SOIs, then we're going to continue the discussion on the public comments on 2.7.1, the Reserved Names, and it's a continuation of the last call. We'll begin on line 93. Then, we have our fourth item, which is same, discussion of public comments, but we're going to move to 2.7.2 on Registrant Protection. And then, we have any other business. Is there anything we should be adding to the agenda? Seeing no comments or hands, going to move into the second topic, was any -- are there any SOI updates? Donna, please go ahead.

Donna Austin: Thanks, Christa, Donna Austin. So, I've recently updated my SOI to reflect that I'm no longer on the GNSO Council, and I'm now the Chair of the Registry Stakeholder Group. Thanks.

Christa Taylor: Wow, great. Thanks, Donna, and congratulations. Anyone else have any updates to their SOI? I'm guessing that's an old hand, Donna, so I'm just going to continue on, but if not, please interrupt me. Okay.

So, jumping into item number three, which is the continuation of the reserved names on line 93 of the document, and just wanted to kind of change gears here. So, line 93, we have section 2.7.1.e.3.1, and the question was, "Should there be any limit to the number of names reserved by a registry operator? Why or why not?" The first one we have is INTA saying no, there shouldn't be a limit. And we have the IPC that says there should be implementation of a suitable strategy for allowing the priority right to trademark holders when these reservations are released for registration, then a specific limit should not be necessary. However, as it is now, methods are inadequate to support a unlimited number of name reservations.

We then have the geoTLD group and dotBERLIN and the Hamburg Top Level Domain, all with identical comments, stating that there should be no limit to the number of names reserved by the registry operator. And they go on to say asking geoTLDs to follow a route where formerly reserved names have to go through a sunrise phase is simply not doable. And they explain a little bit on the logic there. So, actually, I'll just make it, because there's -- are there of them with the same, they say typically many reserved names under the geoTLDs are reserved for public administration tasks, which make those names unavailable for any other entity other than the administration itself. In our experiencing, issuing claims notices for reserved names is more than sufficient. We never had any complaints doing such releases.

The next comment is from the Registry Stakeholder Group, and they're referring to their response in section 2.7.1.e.3, and that section refers to -- or that comment referred to the registrar requirements are being circumvented, but it's not overly clear on the actual whether there should be a restriction or not. Then, we also have the RrSG saying that it depends on the release procedure and how and if they are going to sell the domains, with a reasonable limit on the number of reserved domains, for example 10,000. You will essentially create a closed TLD. And then, they go on saying If the registry operator is going to reserve an excessive number of domains, those must or should be disclosed to registrars prior to them signing a contract to offer the TLD as the size of the reserved list could be detrimental to registrar activity (sic - ability) to offer the TLD. Further, when those names are un-reserved, they should be allocated

through the registrar channel and not directly to the end customers by the registries. So, that's a -- kind of a new idea there.

We then have Jamie Baxter of dotgay with a divergent point of view, saying that he agrees with having a limit. However, there should be a path to exemption under certain circumstances, especially for those looking to innovate in the gTLD space or offer additional benefit to registrants and Internet users. Then, we have another divergent point of view from LEMARIT, saying that there should be -- that they support a limit of no more than 5,000 reserved names, including their IDN variant to avoid circumvents of the requirements from the Registry Code of Conduct set forth in spec 9.

We then have Yadgar with a divergent point of view. And I believe this is probably more suitable for the premium names section, but they refer to allowing registries to reserve as many domains as they want, and allowing them to also charge high premiums for domains. What ICANN has done to create a monopolistic registries which, for all intent and purposes, act exactly as domain investors, only they have a practical unlimited inventory. Then, they go on further saying giving one company the monopoly over a whole extension so that they can act exactly like a domain investor seems very wrong. And then, they add that -- or they propose that future extensions should have rules that will forbid registries from reserving an unlimited amount of domains and put some kind of cap in the number of domains that a registry can charge a premium for. So, suggested that we also add this to the premium names section for that to be further, I guess, considered.

Then, we have the Brand Registry Group saying that suitable measures should be employed to identify risk of confusion and, where risks are identified, reserve these strings. Doesn't really seem to be answering the question on should there be a max number, along with Valideus, who say the unlimited reservation of names does not raise concerns for brand owners where those names are subsequently released from reservation after the sunrise has concluded. And they also point out that -- see the response in the next section, which we're going to see in 3.3.

So, that's all the comments to 2.7.1.e.3.1. Anne, I see you have your hand raised. Please go ahead.

Anne Aikman-Scalese: Yes, thank you, Christa. Just (ph) says in 105 that we know that there were concerns and relates to brands. Certainly in line 95 of the Google doc, the IPC comments would have to be designated as concerns, because, for example, I know you read the last sentence of their comments, our comment, I should say, and it's much more similar to the Valideus comment. And it should -- so 95 should be concerns.

Christa Taylor: Perfect. Thank you, Anne. And sorry, I didn't really (inaudible) the agreement or disagreement initially because it didn't seem as fitting as maybe it should with a question. So, like last week, I didn't say whether they agreed or didn't. It was just more of the "Did they answer the question," but we'll make sure that's noted as a concern.

Anne Aikman-Scalese: Thank you.

Christa Taylor: Thanks.

Kristine Dorrain: Christa, this is Kristine. Can I get in the queue?

Christa Taylor: Please go ahead, Kristine.

Kristine Dorrain: Thanks. Sorry about that. I hope you can hear me. I just wanted to note that I think there's a lot of concerns with divergence about this topic. And so, I think probably we're going to be bringing this back to the full group. But I wanted to also highlight that the RPMs is touching on the same topics right now, so I'm going to bring this to them as well. But there's a lot of discussion going on between reserved names, premium names, whether or not no domains are reserved to the registry before or after sunrise. So, it would be really great to get some collaboration between the various groups working on this as the SubPro starts to make some more final recommendations. Thanks.

Christa Taylor: Thanks, Kristine. That would be great, and yes, we can always bring those to the full group, especially if we have those other concerns or other feedback so everyone can get a complete picture. So, that would be great. Any other comments on section e.3.1? Cheryl, I see (inaudible), but they do respond to the question on limits as agreeing to having one.

Seeing no other comments, I'm going to jump to the next section, which is on line 106. And the question is should they -- section e.3.2, "Should the answer to the above question be dependent on the type of TLD for which the names are reserved, i.e. a brand, TLD, geographic TLD, or a community-based TLD, and/or an open TLD? And if so, please explain. So, we have Jamie Baxter of dotgay with the new idea that he would likely include community-based TLDs as an approved type specifically because community support per registry use of additional reserved names should be shown through written endorsement at the time of the application submission.

We then have a new idea from the geoTLD group suggesting that there should be no limit to the number of names reserved by a registry operator. As mentioned before, geographic names spaces have a broad set of target groups and, thus, a large community with different needs which need to be respected. Goes on to say asking geoTLDs to follow a

route where formerly reserved names have to go through a sunrise phase is simply not doable. And issuing claims notices for reserved names is more than sufficient. We then have another -- sorry, that's the same comment for the geoTLD group, dotBERLIN, and the Hamburg Top Level Domain.

We then have the RrSG with a new idea suggesting that closed .brand TLDs should have unlimited reservation and that limitations should be weighted against the impact of the community due to such reservations. We then have Valideus stating that restrictions would be irrelevant for single-registrant TLDs, for instance spec 9 and spec 13 brands. We then have the IPC, similar idea, that -- does not believe that there should be any limitations on reservations for exclusive use TLDs. Same with FairWind partners. They refer to section 2.7.1.e.1 with the removal limit for brands.

Then, we have the Registry Stakeholder Group with their note that we saw I think before on -- that registrars' requirements are being circumvented. Then, we have LEMARIT saying no, the limit should be the same for all TLD types. And finally, we have the Brand Registry Group referring to section 2.7.1.e.1 and 2.7.1.c.3. for the recommendation that -- also acknowledges that concerns raised regarding confusing strings, such as 5 and S, should be avoided, and suitable measures should be employed to identify risk of confusion and, where risks are identified, reserve these strings. So, not really answering the question there, but the idea has been captured.

Any comments to that section? Thank you, Cheryl. Seeing no comments, I'm just going to jump into the next section, and then we can always come back. So, we're on line 118, and the question on section 2.7.1.e.3 is, "During the 2012 round, there was no requirement to implement a sunrise process for second-level domain names removed from a reserved names list and released by a registry operator if the release occurred after the general sunrise period for the TLD. Should there be a requirement to implement a sunrise for names released from the reserved names list regardless of when those names are released? And please explain."

We have the RrSG saying that supports sunrise for names removed from the reserved names list only if it's commercially feasible. And they go on to say that mechanisms which would make this process commercially feasible, if a mechanism cannot be developed, then a sunrise process for these names should not be required. We have the IPC saying, as they stated above, is that this this is not necessary as names that are released post-sunrise are done so inconsistently and in a non-uniform way. A sunrise period for subsequent releases of reserved names is the best way to give priority to trademark holders.

We have LEMARIT saying, after release, names -- they should pass a sunrise period for at least 90 day and that the trademark holders should of course have the opportunity to register the names corresponding to their brands before names go into general availability to the public. We have INTA that has the concern to -- on the reservation of unlimited number of names and releasing them later. That is circumventing the rights of protection mechanisms. And where the names are released after the registry sunrise period has ended. There is currently no obligation to offer them names for sunrise registration, but only to run a 90-day trademark claims. They further go on to say reserving trademark terms and releasing them later denies access to one of the measures, and to allow trademark owners to have recorded their trademarks in a trademark clearinghouse a right of first refusal, for example where a TMCH record existed during the original sunrise and trademark owner was prevented from registering the domain name due to the term being reserved. And finally, they should be given sufficient notice to ensure that they are able to participate.

We then have Valideus with a concern that the registry would run a -- sorry, while this may not have the intention for many registry operators, the ability to reserve names and release them later after the end of the sunrise has the capacity to be used by the registry to circumvent the new gTLD RPM requirements. And ideally, they would run a second sunrise period, but this is likely to be impractical, so they have -- but they do support the development of measures to allow trademark owners with a trademark record in the TMCH to have a right of first refusal if a matching domain name is released from the reservation after the sunrise period. And then, we have the Registry Stakeholder Group, which is referring to their comment above, which is 2.7.1.e.3, which is I believe there should be a sunrise period.

I'm just going to check on that, but I'll -- meantime I'm checking to see if anyone has any comments to that section. Yes, the Registry Stakeholder Group is -- the comment in the above section was on line 85 saying reserved names already have to go through a claims period allowing trademark misuse to be detected. And they go into the geoTLDs where there's no other mechanism to reserve names for public services. Any comments to section 2.7.1.e.3.3?

And Cheryl's been bringing us back to line 125, which is section 1.e.4 with a question, "Some in the community object to the measures for Letter/Letter two-character ASCII labels to avoid confusion with corresponding country codes adopted by the ICANN Board on 8th of November 2016. Is additional work needed in this regard?"

We have the ALAC, who has the concern that avoidance of end-user confusion is paramount consideration to the ALAC and all practical and reasonable measures must be considered and implemented to safeguard this end-user protection principle. We then have the Brand Registry Group stating that no additional work is required. We have the RrSG that discourages any additional work in this regard. We have INTA also in agreement that the measures seem to be complete, so no additional work needs to be necessary, along with FairWind Partners with the (inaudible) agreement, and the Registry Stakeholder Group's also with the same agreement.

Valideus, who also notes a prior comment which is in agreement with it, and then we have two divergent point of views. One is from the Government of India that opposes the release of two-character country codes at the second level, and they'd like to reiterate that they have always objected to the release of two-character country codes at the second level and have communicated this with the ICANN Board previously. And then, finally, we have the GAC that wishes to draw the attention to two sections, which is, (i), work as soon as possible with the GAC members who have expressed serious concerns with respect to the release of their two-character country code/territory codes at the second level in order to establish an effective mechanism to resolve the concerns in a satisfactory manner; and secondly, immediately take necessary steps to prevent further negative consequences for the concerned GAC members arising from the November 2016 Board resolution.

So, that is the end of section 2.7.1.e.4. Anyone have any comments to that section? Anyone still awake? No. So, that does the entire section for reserved names, which is 2.7.1, and we'll move onto the next section. And Rubens, I will turn it over to you.

Rubens Kuhl:

Thanks, Christa. Good time of day, everyone. Rubens Kuhl here. We'll now start the next tab in our Google doc, which is section 2.7.2, Registrant Protections, which was a section mostly dealt by Work Track 2.

We'll start by one general comment. It was made by SSAC that actually goes into two different things. One is background screening, and the other is financial evaluation. So, while we'll soon discuss the comments in 2.7.2.c.3, which was also added there, we should point out that this -- we should probably also be copied to 2.7.7, Applicant Reviews, since this also mention financial evaluation procedure (ph), not only background screen.

But we can then move on to our actual questions and comments from reviewers. We'll start first by 2.7.2.c.1, which was a recommendation to maintain the existing EBERO mechanism, including triggers for an

EBERO event and the critical registry functions that EBEROs provide, as well as each of the protections identified above.

And we had support from ALAC to this idea, also support from Neustar, and those were the more simple agreements. We now have some qualified agreements from Registry Stakeholder Group and Valideus, and let's see what those two has to qualify in that regard. The Registry Stakeholder Group in line 9 say that requiring both the EBERO and the Continuing Operations instrument is unnecessarily burdensome. So, the Registry Stakeholder Group is trying to take to the community policy to determine to have one of those but not both of those protection elements.

Then, we have a qualification from Valideus that the recommendation -- that they agree with the recommendation, but the relationship between an EBERO event or a registry failure event that's covered by an EBERO and the invocation (ph) of the continuing operation instrument to be clarifying. So, besides agreement and agreement with qualifications, we have one disagreement of line seven from the Brand Registry Group. The Brand Registry Group said that they appreciate the purpose of the EBERO system and why it was introduced, but say that it doesn't relate well to some models of registries, particularly Brand TLDs, where the registry operator is the single registrant or with affiliates and trademark licensees. So, this capture the whole spectrum of agreement, qualification and divergence for this option of keeping the EBERO system as it is. Any comments, remarks on that?

Seeing none, let's move on to the other option. The other option would say that single registrant TLDs, including those under specification 13, which are Brand TLDs, should be exempt from EBERO requirements. That is supported by the Brand Registry Group, the Business Constituency, Neustar, FairWind Partners, Registry Stakeholder Group, and at least one those with no qualifications.

Let's look also at other comment that were made that also agreed but posed some qualifications for agreement. One is from ICANN Org in line 14, which said that, as such, it would be helpful if the PDP Work Group could clarify whether the EBERO exemption suggested in this preliminary recommendation intend apply only to single registrant TLDs or if the exemption extend to all registry operators with specification 13, some of whom may not be single registrants. I believe the recommendation said by itself that (inaudible) specification (inaudible), but if someone is asking that is not because it's not clear enough, so it's possibly something for the full work group to address how to better qualify that it also applies to specification 13 Brand TLDs.

We also have line 18 from Valideus, commented they agree with the recommendation. TLDs with only one registrant that also happens to be

an affiliate of the registry operator do not require the registrant protections created for other TLD models since there are no third party registrants to be protect. For the sake of clarity, we think such an exemption from EBERO requirements would meet (ph) with an exemption from having to obtain continuing operations instrument and should apply to registries who have an specification from -- have an exemption from specification 9, which is the (inaudible), of the registry agreement. So, they are agreeing but saying that not having an EBERO requirement also means (ph) to be not having a continuing operation instrument. So, that's what Valideus is clarifying in their comment.

We have also a qualifier from MarkMonitor. They noted that some of those protections are inapplicable and can be unduly onerous on .Brand registry operators, in agreement but telling why they agree instead of just agreeing. And we have an agreement from SSAC, and the qualifier they add that, if any gTLD is exempted from EBERO requirements, there must first be some assurance that no other domain outside the exempted gTLD can ever rely up on the exempted gTLD for resolution. The scenario they are describing is that, for instance, if there is a .SSAC as a Brand TLD and there is a domain called nameservers.ssac, and that some registrant use domain name servers in that domain, for instance to register a .ORG domain, let's say ssac.org, has nameserver of nameserver.ssac, and those name servers are not protected. They are concerned with that case, so it might be something to look at as a warning to those not seeing EBERO protection, so what are the impact of not having. But otherwise, we had, as (inaudible) said, a sea of green in this question, which is good.

And not seeing also any comments or remarks here from the room, let's move to 2.7.2.c.3, line 21, which is the recommendation to continue to allow publicly traded companies to be exempt from background screening requirements as they undergo extensive similar screening and extend the exemption to officers, directors, material shareholders, et cetera, of those companies. And we have agreement with that idea from the Brand Registry Group, from the Business Constituency, Neustar, FairWinds (ph) partners, Registry Stakeholder Group, and Valideus.

We also have one agreement with qualifier from ICANN Org, and they have a suggestion to consider whether there should be some flexibility to address those issue as was done in 2012, and to consider whether background screening should be performed during initial evaluation or at contracting. The preliminary recommendation include that both companies and directors should be excluded, but based on their experience, in some cases, some issues were uncovered in the background screening of the publicly traded company as well as its officers/directors/shareholders. So, they are suggesting the work group to taking their experience into consideration, and also considering the large number of change requests on the question 11, for the questions

that they've been given of the company, whether that background screen should be performed during initial evaluation or contracting (inaudible). If it keeps moving during the evaluation, it ends up generating a cost burden on them while they do that contracting. They would do it a single time with a snapshot of those officers and shareholders at contracting. So, this is the suggestion ICANN Org is bringing in.

And we have lines 29 and 30 divergences from the IPC and the SSAC. What the IPC says is that they believe ICANN should subject all registrants, including public traded companies and their affiliates, a background check which provide more transparency in the application process and prevent disingenuous registration. I believe when the IPC said registrants, they are mentioning applicants and not domain registrants, which is something that's usually not done unless perhaps for verified TLDs. Most TLDs don't do background check on the registrants, but from context, I believe we can assume it was meant to be applicants.

And SSAC made the comment, which as I mentioned in first general comment, that publicly traded companies must not be exempted from the financial evaluation. The barrier to publicly traded is very low in some jurisdiction, such as penny stocks in the United States, and such companies do not undergo extensive screenings. For example, USA, not all public companies are subject to the Securities and Exchange Commission's reporting requirements. Exemptions should not be extended to officers, directors, material shareholders of those companies, all of whom should be subject to background screening.

Just a side comment to that. I don't believe that ICANN allowed any stock exchange, even in larger countries such as U.S., to trigger an exemption. Only very large exchange, such as NASDAQ and NAIS (ph), but their comment is too worthwhile in the (inaudible) that there are some conditions that might not be of size of the country but could trigger insufficient investigation, but even in that case they are opposing that exemption to background screening.

So, with that, let's see if someone has any comments on 2.7.2.c.3. Seeing none, let's move to 2.7.2.c.4, which I already included the lines in the chat. It's suggesting wants to "Improve the background screening process to be more accommodating, meaningful and flexible for different regions of the world, for example entities in jurisdictions that do not provide readily available information."

And we have most agreement. Let's see what are the agreements without qualifiers, from Neustar, Registry Stakeholder Group, Valideus, and IPC. But we have two agreements with qualifiers from the Brand Registry Group and from Business Constituency. Let's take more closer look at them. From the Brand Registry Group, they said that Whilst

incremental improvements may be made, the BRG believes the existing screening process is a reasonable baseline for using in the future. Any subsequent change should not reduce the effectiveness of the screening process. And what the Business Constituency suggesting is should include a thorough review of prior complaints and breaches involving DNS activities by the applicant and its executives. Why I believe a somewhat light review of those is already included in 2012 AGB, I believe Business Constituency knows that in saying that there should be an extra mile there for a more thorough review of those complaints specifically regarding DNS activity.

And do we have any questions on 2.7.2.c.4 regarding background screening? Hearing none, we then go to 2.7.2.e.1, for we had a single comment. The proposal is "The deliberation sections section below discuss several alternate methods to fund the EBERO program. Please provide any feedback you have on the proposed methods and other methods fund EBERO in subsequent procedures." The Registry Stakeholder Group response was an over-arching response to each of the ideas, repeating the idea that requiring both EBERO and COI is unnecessarily burdensome. So, it's actually repeat of previous comments, so let's move to 2.7.2.e.2.

"Should specific types of TLDs to be exempt from certain registrant protections? If yes, which ones should be exempt? Should exemptions extend to TLDs under specification 9, which have a single registrant? Or for TLDs under specification 13 for which registrants are limited to the registry operator, affiliates, and trademark licensees? If you believe exemptions should apply, under what conditions and why? And if why -- why not?" It's a very open-ended question, so we have even the agreement or divergence, both come with qualifiers.

The first one is from MARQUES Association, that they believe there should be a uniform application process for all without categorizations. But with this uniform process should be directed down a path (ph) which facilitates participation and fair evaluation. So -- and they end up qualifying that they support exemptions for brands applying for a single entity registry exclusively for their own purpose. The Brand Registry Group also supported the idea of an exemption from both specification 9 and (inaudible) and particularly Brand TLD registry operators, which is not the case of the Registry Stakeholder Group that said that, no, there should be no exemptions, and the Registry Stakeholder Group -- the Registrar Stakeholder Group is concerned that extensions would open the door for gaming or abuse. If exemptions permitted, it should be only on a case-by-case basis. So, while they're not opposed exemptions wholesale, they think that shouldn't be a category rule. It could be some specific case but not all.

Neustar also agreed, support single-registrant TLDs, and mentioned that this is both those carrying specification 13 and specification 9 exemptions. LEMARIT also agree that specification 9, specification 13 should be exempt from either (inaudible) COI, but they do have a comment that have in mind the fact that all registration in the TLDs under spec 13 are closed, no risk for the public interest occurs. And if the registration policy for the Brand Registry Operators stays locked for changes from closed to open registrations, and as it's now according to spec 13, the COI and respectively one of the COI instruments, Letter of Credit, are irrelevant requirements. Even though they are agreeing, they are reminding us of something that is relevant, that a TLD can move from being a spec 13 or spec 9 TLD to being an open TLD. So, if there is such exemption, then the process for removing those exemptions would probably include adding the same hedges and protections as a commercial TLD.

FairWinds Partners also mentioned that specification 9 and specification 13 TLDs should be exempt, and they say why they believe so, more in agreement with all those others (ph). The Registry Stakeholder Group also in agreement and specifying why they agree with that. And the SSAC mentioned that same case I mentioned before, where a domain in exempted or single registrant gTLD could be under (ph) the nameserver or some sort of technical dependency, not only nameservers, for a domain that is not, and that domain ceases to function. So, they repeat that same comment.

Any questions on 2.7.2.e.2? Seeing none, let's go to 2.7.2.e.3, "ICANN's Program Implementation Review Report stated that it may be helpful to consider adjusting background screening requirements to allow for meaningful review in different circumstances. Examples cited include newly formed entities and companies in jurisdictions that do not provide readily available information. Please provide feedback on ICANN's suggestion, along with any suggestions to make applicant background screenings more relevant and meaningful."

Brand Registry Group referred to another of the comments, which was support in general for those changes provided that they don't reduce the effectiveness of the screening process. The Business Constituency made the suggestion background checks should include review DNS activities, more aligned with a previous comment, then not much with the question, but they chose to answer like this. And they said that background checks should include a thorough review of prior complaints and breaches involving DNS activities by the applicant and its executives. Then, the Registry Stakeholder Group also mentioned a previous response where they support continuing the existing background screening process that they have appropriated and support keeping this substantially the same form.

Seeing no hands and no comments in these, let's move to 2.7.2.e.4, which was asked, "Should publicly traded companies be exempt from background screening requirements? If so, should the officers, directors, and material shareholders of the companies also be exempt? Should affiliates of publicly traded companies be exempt?" The ALAC feels a divergence, and saying that no, ALAC maintains that ICANN should subject all registrants, and I believe they are referring to applicants in this context, including publicly traded companies and their affiliates, to a background check. So, they do not agree with that exemption.

On the other hand, we have some agreement, each one with their own qualifiers. The Brand Registry Stakeholder Group supports extending this exemption to affiliates of publicly traded companies. Business Constituency support exempting publicly traded companies, although they didn't mention supporting or not supporting including affiliates of such publicly traded companies. FairWind Partners supported all parties mentioned in the question, which would be the publicly traded companies and affiliates, of being exempt. And the Registry Stakeholder Group supports to keep the exemption to publicly traded companies and to extend the exemption to officers, directors, material shareholders, and to affiliates using the definition of affiliate in the base registry agreement.

So, this was 2.7.2.e.4 about background screening. Seeing no hands, no comments, we can move to 2.7.2.e.5, "Work Track is considering a proposal to include additional questions (see directly below) to support the background screening process. Should these questions be added? Why or why not?" And the questions are, "Have you had a contract with ICANN terminated or are being terminated for compliance issues? Have you or your company been part of an entity found in breach of contract with ICANN?"

The ALAC supports those additional checks, and they mention that ensuring that applicants are reputable is a large part of ensuring that new TLDs will operate for the safety of Internet end user. The Business Constituency also agree with the inclusion of those two questions, and mentioned that if there was insufficient attention to prior activities in the 2012 rounds. But we have divergent comments from Neustar and from Registry Stakeholder Group. Let's see what they qualify as (inaudible). Neustar mentioned that prior contractual compliance issues with ICANN are not necessarily indicative of the applicant's ability to operate the registry and should not be grounds for disqualification. The risks that these questions are seeking to uncover are addressed by other screening mechanisms.

And the Registry Stakeholder Group mentioned that they appreciate the intent behind these question, but they do not support adding these

questions to the background screening process. They mention a breach of a registry agreement or registry/registrar agreement, and possibly they were trying to mention a registry implementation agreement, may happen for a number of reasons. And should not be grounds, de facto, for disqualification. And they -- there are already other mechanisms in place to discover any potential risks that are underlying -- that are the underlying intent behind the questions.

So, that was 2.7.2.e.5. We do have some other comment that wasn't classified anywhere else, that the standards for -- there's a comment from ALAC that the standards for applicants should remain high and be applied effectively and consistently. Finally, a number of questions address the question of registrant protections or, more broadly, the standards that should be applied for applicants for new gTLDs. So, while the ALAC concedes that there might be special circumstance that require adjusting the evaluation process to accommodate applicants for underserved regions and perhaps Brand TLDs, the ALAC maintains that standard for applicants should still remain high. Furthermore, they deem that whatever standards are ultimately set, ICANN should do a better job of applying those standards during the application process than was done during the 2012 round. There are certainly instances when applicants that failed to meet the registrant protection standards were nonetheless allowed to proceed, casting the shadow of impropriety on the entire process. So, I believe this is a general comment more targeted ICANN Org than the PDP Working Group, but should probably take that in regards while assessing potential changes to registrant protections.

And that's it for our session of today, (inaudible) standard 2.7.2, Registrant Protection. And all we have now is something that I don't remember, which is date of the next Subgroup B session and perhaps any other business, if there is any other business. But besides that, (inaudible) any other business would be knowing the time and date of the next session, which is -- Julie is probably typing for us as of now.

Julie Hedlund: Hey, Rubens, this is Julie Hedlund from Staff. So, the time of the next Subgroup B meeting is actually Tuesday, February 5th, and it's at 1700 UTC.

Rubens Kuhl: Thanks, Julie, and--.

Julie Hedlund: --And so, the next tab that I think we would go to is Closed Generics, 2.7.3.

Rubens Kuhl: And for the next call, we'll have a topic that has no controversies whatsoever, which is 2.7.3, Closed Generics. And with that, we can stop the recording, and see you all at the next Subgroup B call. Bye-bye.

Cheryl Langdon-Orr: Thanks, everyone. Thanks, Rubens and Christa. Great progress today.

Christa Taylor: Thank you.

Cheryl Langdon-Orr: Bye for now.

Unidentified Participant: Bye all.

Julie Bisland: Great. Thanks, everyone. Today's meeting's adjourned. You can disconnect your lines, and have a good rest of your day.