

Registrar Constituency Position on Proposed Add Grace Period Limits Policy and Draft Implementation Plan

November 20, 2008

BACKGROUND

In November 2008, the members of the Registrar Constituency (“RC”) were asked to provide feedback regarding ICANN’s proposed Add Grace Period (“AGP”) Limits Policy and Draft Implementation Plan. This Position Paper captures the overall sentiment expressed by the RC members who provided feedback about this matter and seems to reflect the general sense of the RC. However, due to time constraints, no formal vote regarding this Position Paper was taken.

RC POSITION

The RC believes that it is premature to implement the proposed AGP Limits Policy. Implementation of the proposed AGP Limits Policy will be more effective once additional information is available regarding the impact of the recently implemented ICANN Transaction Fee, currently US\$0.20, assessed on all AGP deletes that exceed the defined threshold (“20-cent Transaction Fee Policy”).

ICANN recently announced that, after implementing the 20-cent Transaction Fee Policy, the names added and subsequently deleted during AGP declined from approximately 17.6 million in June 2008 to 2.8 million in July 2008. This represents a decline of 84%. ICANN’s announcement goes on to suggest that, “it is expected that the quantity of AGP deletes will continue to decline until few or none are subject to the transaction fee.”

Based on this data, the 20-cent Transaction Fee Policy might cause very few instances of registrars exceeding the 10% threshold deletion rate. Should this occur, the proposed AGP Limits Policy may need to be modified; or the community may find that implementing the AGP Limits Policy is not necessary at all. Because the full impact of the 20-cent Transaction Fee Policy is not yet known, the RC believes that more information should be gathered by ICANN and studied by the community before implementing the proposed AGP Limits Policy.

Regarding the text of the proposed AGP Limits Policy itself, RC Members are concerned about financial liability for registrations obtained through fraudulent means. For example, at some registrars a large number of domain name registrations are made using fraudulent credit card data. RC Members suggest that the proposed AGP Limits Policy clearly permit exemptions in cases of fraudulent registrations. The impact of the 20-cent Transaction Fee Policy should be taken into account in determining the policy for exemptions for “extraordinary circumstances.” If the practice of tasting has been eliminated by the ICANN Transaction Fee, then the community should be more comfortable with a broader definition of extraordinary circumstances caused by non-tasting activity.

CONCLUSION

The opinions expressed by the RC in this Position Paper should not be interpreted to reflect the individual opinion of any particular RC member.