
JULIE BISLAND:

All right, for the transcription, this is Julie Bisland. Good morning, good afternoon, good evening, everyone. Welcome to the Transfer Policy Review Working Group webinar, the first of two, taking place on Wednesday, the 4th of September, 2024. I would like to remind everyone to please state your name before speaking as this call is being recorded, and please keep your microphones muted to avoid background noise. All are welcome to ask questions in Zoom chat, or you may ask your question verbally during the Q&A portion of the webinar. Please note all chat sessions are being archived, and as a reminder, participation in ICANN, including this session, is governed by the ICANN expected standards of behavior and the ICANN community anti-harassment policy. Thank you, and with that, I'll turn it back over to you, Roger. Please begin.

ROGER CARNEY:

Thanks, Julie. Welcome, everyone, and thanks for taking the time today to come look at this. Hopefully, the goal here is to help everyone through the comment period and make sure that they have what they need as they're making their comments on the transfer recommendations that we've been working on for a little over three years now, so hopefully they're in good shape. The first set that we're going to review actually has been out for public comment once, so we expect those to be in fairly good shape. We did make a couple minor tweaks to them as we progressed through our timeline just because of some interdependencies, but the first 20-some have been out for public

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comment before, but it's still good to review them and make sure no one has any questions. So that's about it for me.

I think we'll just run over the agenda real quick again. We made some changes to how the report looks, so that's one of the main things we want to go over today is make sure everybody's comfortable and doesn't have any questions on the way the report looks. We split it up hopefully for better readability for everyone, but we'll go over that, the new report features and everything on there, and then we'll jump into the recommendations from Group 1A, which again has been out for public comment, but it's been a few years since we did that, so it's good to review those, and then we'll go into questions. We'll pause throughout several groups here for questions and things as well, but we'll have a Q&A at the end, and then we'll talk about our next webinar next week.

So with that, I think I'll turn this over to Caitlin so she can take us through the first few slides here.

CAITLIN TUBERGEN:

Thank you, Roger, and hello everyone. My name is Caitlin Tubergen, I'm part of the policy development team at ICANN, and I am part of the staff group that's been supporting the Transfer Policy Working Group. We thought it might be helpful to provide a very quick background on the transfer policy, so we just have a couple of short slides for those of you who might be new to the policy, or for those of you who have been operating under the transfer policy but were unaware of its origins or how it started.

So the transfer policy has been around for approximately 20 years, and the original goal of this consensus policy was to create a straightforward process for registrants to transfer their domain names from one registrar to another, and the overarching goal of the policy and the previous policy development efforts around the transfer policy was, of course, to enable customers to change their registrars, which increases competition and choice. Also, the transfer policy has several provisions trying or designed to create protections from fraudulent transfers and to prevent domain name hijacking. And lastly, there have been several language updates to the policy throughout the years, and those language updates were aimed to ensure that registrars understood the policy's intent and consistently interpret that policy so that customers, irrespective of their registrar, are subject to the same transfer policy. Next slide, please.

This slide provides a visual timeline for those of you who are visual learners, but essentially it shows that, again, this policy originally went into effect in November of 2004, so it's been around for almost 20 years at this point. Four years later, the Generic Name Supporting Organization chartered the first group of working groups or policy development processes to review the transfer policy and certain aspects of it.

It was originally chartered to have five groups, lettered A through E. Eventually, D and E were consolidated into one group, so there were four groups that looked at different components of the transfer policy, and all of those changes resulting from those policy development efforts went into effect in 2016, and that's the current policy that we're operating under. In 2021, the Generic Name Supporting Organization

chartered more work on the transfer policy, and that was essentially a holistic review of the whole policy, and that is what we're operating under today or what this working group has been working through, reviewing the whole transfer policy and making recommendations on that.

So I hope that most of you have seen this by now or at least gotten a glimpse of it, but this is the initial report that is out for public comment, and Roger had noted that the current group of recommendations that we'll be covering today, or Group 1A, has already been out for public comment, but if you look at that report versus this report, you'll notice that the structure is different, and I'm going to briefly cover why and what that means.

So as you can see, the area of the report that Berry was circling on page three shows that this report has a table for each policy recommendation, which is different than the previous structure, and the table has all of those small letters, and so the first thing in each table is obviously the recommendation, the title of the recommendation, or basically what topic it covers, and then the actual text of that policy recommendation.

Generally, in a typical initial report, you'll see the text of the policy recommendation and then a summary of the group's deliberations as to how it arrived at that recommendation, but as Roger noted, this group has been working for over three years, and there has been a lot of deliberations which equated to a very lengthy report, and in the interest of making it more readable to people who might not be as in the weeds as some of the people on this call or the staff people on this call, the

working group endeavored to shorten the length of that report and also indicate to the reader of the report the impact of that particular policy recommendation.

So working groups are required, if you see in the text of this page, to provide an indicator of what the policy recommendation means, but generally that was left to the implementation review team to work on. This group is proactively including that in their report, and I'll discuss a little bit about what that means, but the policy impact indicator showing low, medium, or high impact is included, and then underneath that there will be a rationale as to why the group is recommending this change to the policy. Where applicable, there will be implementation guidance, and those of you who have looked at reports are probably familiar with implementation guidance, but that's just to provide some additional context to the ultimate group that implements this policy. And then importantly, the last part of the table has hyperlinks to the working group's charter questions that it was required to answer as well as its summary deliberations. So instead of including that in the body of the report, there will be a hyperlink where if anyone is interested in reading more about how the working group arrived at that recommendation, they can click on those hyperlinks and we'll do a demo of that to show the group.

But to go back to the policy impact assessment, you'll see that there are three color codes in this policy impact level, and the policy impact assessment is designed to signal to the reader the impact of the change the recommendation is suggesting. So is it a low impact, meaning is this just something small, for example, is a word changing, is a definition changing, but it's not really a substantive change to the report. A

medium impact shows that this will be a substantive change to the report, so it might be that there's a new requirement or a change to an existing requirement. And lastly, a high impact would be a significant change to the current policy, so a removal of a previous requirement. And we have some examples in the report. But I just wanted to note that just because something is noted as low, medium, or high, this doesn't equate to a qualitative assessment of the recommendation. It's just indicating to the reader that this is a big change from the status quo versus not.

And the text that the marker is currently showing, those bullet points show the elements that were used to determine the policy impact rating. So for example, what is the degree of change from the existing requirement? If there's no change, if it confirms a current requirement, that's going to be a low impact. If there's a security enhancement or the removal of a security enhancement, also if there's going to be a big impact to contracted parties in terms of how they implement this requirement, if there's going to be a big system change, that's probably a high impact policy recommendation. Also, if there's an impact to the registered name holder, such as an increased protection or the removal of a current protection that's in place, that could contribute to the impact rating as well.

So we are going to show you an example of what one of these tables looks like, starting with recommendation one, which is one of the easier recommendations. So you'll see that this recommendation is marked as a low impact. And that is because some of the current terminology in the transfer policy, namely references to WHOIS data, WHOIS details, WHOIS in any form, is now being changed per the recommendation

text. So this is to ensure that the terminology is harmonized with the new registration data policy that has been published. And so any reference to WHOIS is now going to be referred to as registration data. So essentially, when this recommendation is implemented, any reference to WHOIS and the transfer policy will just be subbed as or replaced with registration data. So the working group dubbed this as a terminology change only, so it's low. And as you can see from the rationale, this is just a measure to be consistent with a previous policy working group's recommendation to harmonize language and make the terminology more up to date, since references to WHOIS are now considered outdated.

So that is an example of the table. And as you can see at the bottom, there is a reference to the charter question that the recommendation is related to. And then there's a summary of the deliberations. And if you click on the hyperlink, you will be taken to the page where there's a more detailed review of the charter question, as well as any of the group's deliberations. And the hyperlink in the summary deliberations will link you right back up to the table so that you can toggle back and forth if you're interested in reading a little bit more about the deliberations.

It's probably self-evident but with a recommendation involving a terminology change only, the deliberations won't be extensive. But on some of these later recommendations where there may be differing opinions, there will be more text involving the deliberation of the group and some may have disagreed, but ultimately this is what they came to.

So recommendation two is similar to recommendation one in that, again, it's a low impact because it's a terminology change only. And the recommendation involves replacing any reference to transfer contact, to only refer to the registered name holder. The current language of the transfer policy holds that the transfer contact is either the registered name holder or the administrative contact. The administrative contact is no longer a data element that registrars are required to process or to collect, and accordingly that's being removed from the policy so that the transfer contact will be replaced with registered name holder. And similar to what we just went over, there are hyperlinks to the charter questions and shows a summary of the deliberations related to that charter question.

So those are the first two recommendations of the report. Throughout this presentation, we have slides that correspond to the recommendations, and you'll see that it is a very truncated view of the recommendation. It's a reference tool. We obviously recommend reading the full text of the recommendation. But just for ease of presentation and not having huge blocks of text, the slides will show an overview of what the recommendations involve, as well as the designated impact of those recommendations, and a short rationale of the recommendations. This is incomplete, but since we just went over these two recommendations, the recommendation overview is terminology changes, the impact is low so you see the arrow pointing to low, and the rationale is all about harmonizing language with the new registration data policy and the temporary specification policy recommendations.

I hope that all makes sense. There is a question in the public comment forum where people can or commenters can comment on if this new structure is helpful or if there's any suggested additional changes to it. So I'm sure the working group would welcome any input in that regard. But I will now turn it over to my colleague, Berry Cobb, who is going to talk more about some other components of the report.

BERRY COBB:

Thank you, Caitlin. Berry Cobb, also on the same policy team as Caitlin, been helping with the transfer policy for quite a while, but mostly focused here on the Group 1A.

Another tool that the working group has used to validate and confirm its proposed recommendations is to provide a visual aid to help understand how the recommendation fits into the overall transfer process. And this is what we call swim lane diagrams. They're basically process diagrams that utilize swim lanes to perfectly or better delineate the roles that are played by various actors in a particular process.

But what this helps us to do is to kind of visualize the transfer process from beginning to end. And this particular aspect helps us to view this at higher level stages of the transfer process. It's meant to serve as a guide, you know, to assist readers in understanding the proposed recommendations. And I'll go through the swim lane a little bit more in detail and throughout the presentation.

But what this also helped the working group was to understand the logical continuity of the transfer process, especially when considering all of the proposed recommendations as a whole throughout the process.

And then, of course, it also helped to validate some of the impacts and the rationale for the recommendations.

What the swim lanes are not, or basically disclaimers, this is a conceptual representation given the variety of business models across contracted parties, specifically registrars. It can account for every possible, even the most fringe types of transactions. So in that regard, it is very conceptual in nature. And because it's conceptual in nature, this should not be used as an actual policy requirements document. It's really more about trying to help with understanding the recommendations and where they fit.

And also, when we go into this, there are a bunch of process step boxes that you'll see on the diagram. In some cases, there's some red labeling, which is a label to the proposed recommendation. But a lot of the process steps do not have a red text label, meaning there was no recommendation offered. And generally, these are placed into the swim lane diagram, again, to help reinforce the conceptual nature of the process transaction.

And one of the limitations to using, you know, process diagrams, especially in a swim lane model, is it's very difficult to accurately reflect the time scales of the process itself. In many instances, we're dealing with systems that are working in the background. The items that are processed or the transactions that are processed occur in seconds or milliseconds, whereas some of the proposed recommendations and the service levels or durations applied to some of the preliminary recommendations will occur over days. And so this variety of

milliseconds to days or multiple days, it's nearly impossible to demonstrate that on a diagram.

So just to take a quick closer view of this, what we propose doing here is at a very high level, trying to understand the high-level stages of the transfer process. The red text you see here is not a part of the initial report. This was done mostly just to help divide up this particular presentation so that we can create a little bit of cadence of explaining some of the recommendations. We'll come from the presentation itself back to the swim lane and then back to the presentation to better understand each of the recommendations.

Swim lane diagrams or process diagramming always has a start and it always has an end. And generally speaking, although there are exceptions to every rule, process diagrams start from the left and work to the right and top to down. And generally, simplified process modeling attempts to achieve that. But the more complexity you offer into a swim lane, then there are components where you need to essentially jump from one section of the process to go to another one. And this is where we're using these little in and out aspects.

But generally speaking, the high level stages before you can transfer a domain name, you need to register and use it. Eventually, the registered name holder wants to submit a request to transfer the domain. The registrar of record will process and confirm that transfer request. Once the under the hood mechanics are complete, then the registered name holder has the ability to initiate the transfer with the gaining registrar. When that transaction is initiated, the registries will confirm the transfer transaction. The transfer itself is actually processed and

initiated up into the point that the actual execution of the transfer occurs. And then finally, the transfer is considered complete, which essentially helps reset you back to the beginning where the registrant is still utilizing the domain name.

So at a very high level, this is how the swim lanes work. The top row is the registered name holder. The second row is the gaining registrar. The third row is the registrar of record. The fourth is the registry operator and the fifth is a placeholder for ICANN Board mostly from a contractual compliance perspective.

The reason why we had Caitlin go ahead and talk about recommendations one and two that were essentially terminology updates is they had no real place on the particular swim lane. But let's get into the first initial recommendations where we can use the swim lane to understand. So, recommendation three is a transfer restriction after initial registration. Essentially what is happening here is from a new domain registration and once it's processed, it basically invokes a 30-day restriction from transferring the name from that registrar to another registrar. This is 30 calendar days or 720 hours from that initial registration date. Now, it might seem odd that this type of restriction would be in place, but a couple of things to note about this.

Under the current transfer process and, you know, the terminology that is used in the existing policy as well as industry terminology, there's this use of the term locks. Locks have a variety of different interpretations, some of which are technical, meaning that the EPP systems, you can apply a technical lock to prevent the transfer of a domain as well as other technical features. But there also may be other mechanisms that

will basically restrict a name from being transferred from one account. So, the working group through its deliberations, there was a lot of confusion about using the term locks. And so, from a policy perspective, we're trying to remove some of that confusion by really focusing on the term of restricting the transfer because, again, there are a variety of mechanisms that this can be done and trying to avoid being overly prescriptive.

The impact for this is designated as low. What this is doing is creating a consistent requirement of a 30-day restriction, whereas the current state, it's inconsistently applied. And in some cases, there are 60-day restrictions, but it's not mandatory from a policy perspective. It's essentially a contracted party type of policy. So, the idea here is to make this consistent. It's a single requirement across all of the industry, provides opportunities for the registrars to still identify issues with payment, allows time for UDRPs, which is another consensus policy around domain names. And amongst the working group deliberations, this seemed like a reasonable time to wait for a legitimate transfer. And the final point about this is that it is consistent with another transfer restriction after a transfer that we'll talk about later in Recommendation 18.

Moving on to the next slide, this is the first slide that will have multiple recommendations contained within it. And again, these are very high-level summaries, and you're strongly encouraged to read the actual recommendation text. But within these three transfers, this is where we really enter kind of the first stage of the transfer process, where the registered name holder wants to initiate the transfer from their current registrar to a new registrar.

Recommendation 4 is also a terminology change. Under the current policy today, the AuthInfo code is used. I don't know the entire history of how that was generated, but through the working group deliberations, it became clear that that term was confusing, not used consistently across the industry. And therefore, the working group created a new term, which is being called the Transfer Authorization Code, or the acronym the TAC. So, any time we're referring to the TAC, it's basically a reference back to this legacy term of AuthInfo code.

Recommendation 5 creates a definition for what the TAC is. This is largely basically confirming the status quo, but specifically, a Transfer Authorization Code is a token created by the registrar of record and provided upon request to the registered name holder or their designated representative. The TAC is required for a domain name to be transferred from one registrar to another registrar, and when presented, authorizes the transfer. Again, the full text of the definition is in the report, but essentially, the takeaway here is to transfer the domain name, you need an authentic TAC code to conduct that transaction.

Recommendation 6 is that the TAC must be set at the registry and also confirming the status quo that the TAC must be issued to the registered name holder within 5 calendar days or 120 hours.

So, what are the impacts here? You know, recommendation 4, there's a terminology change update, again, AuthInfo code to TAC. The definition has been evolved from the AuthInfo code and also basically the SLA about revealing or providing the TAC to the registered name holder remains intact. From a rationale perspective, again, this provides clarity.

We're revising the definition to make it more clear about what its use is for. And through the deliberations of the working group, there was no compelling reason to change the duration here.

So before we go into our first question and answer segment, let's kick back over to the swim lane and this will be kind of your first taste of how this works. So, as I noted earlier, we can't transfer a domain name until the domain is registered. And of course, every registrar and registry has a variety of procedures in the registration of domain names. But generally speaking, the registered name holder wants to register the domain. When they do that, they'll create the account at the registrar, pay the registration fee and those kinds of things. The registry, once they receive the command from the EPP, the domain is provisioned. And then again, at a very high level, the registrar of record realizes that the domain has been provisioned, will invoke its procedures to help the registrant complete the overall transaction for the registration of the name.

But this takes us to our first recommendation on the swim lane, which is recommendation three about applying this transfer restriction for 30 calendar days after initial registration. Again, in today's environment, this is inconsistently applied across different registries in the industry today. And the working group recognized that, again, there needs to be some amount of duration to confirm the registration, billing issues and other aspects. And 30 days seem like a reasonable duration for that restriction.

But that all happens in the background. Essentially, though, this allows the registered name holder to utilize the domain. And that could be this

is where we start to approach the deficiency of time scales. You know, when does the registered name holder want to transfer the domain name? We don't know. But at some point in time, they're finally making a decision that they do want to transfer the domain.

Now, there's a few process steps up here which are really more about completing the conceptual model of the swim lanes. Eventually, domains expire. There are policies around grace periods after expiration. All of that is out of scope. But as I referred to earlier, every process diagram needs a start and an end. And eventually, at some point in time, that domain can either change registrants or be deleted. And that's to basically denote the end of the process.

But once the registrant decides to transfer the domain, typically they need to remove any locks that they've applied at the registrar's account panel. And here we're suggesting kind of the next step is that the registered name holder is working from the account panel to initiate or request the transfer of the domain. And to do so, they need to request the TAC.

So, this is where recommendations four and five come in. We're talking about the TAC as a new transfer authorization code, a new term, as well as its definition. And the moment the registered name holder does request the TAC, this gets us into recommendation six, where the timer begins for the registrar of record to provide the TAC to the registered name holder within five calendar days or 120 hours.

So, that's kind of the easy part of going through the swim lane diagram. For the moment, I'm going to stop here. And if there are any questions or comments from the crowd, please raise your hand.

ALEXANDER LEVIT:

Hi, everyone. My name is Alexander Levit. I'm speaking on behalf of Registrar Dynadot. Thank you for giving me an opportunity to speak. During the previous round of consultations on the initial report, Dynadot objected to preliminary recommendations 16 and 17. These are the ones which proposed new restrictions on the transfer of domains between registrars and at the initial registration point. And it seems now it's recs 3 and something else.

Based on my reading of the initial report, the working group identified, I think, four reasons supporting the need for these new restrictions. I think these were, one, the existing transfer policy does not meet the expectation of registrants. Two, credit card fraud is prevalent in the purchase of domains. Three, the existing transfer restrictions somehow undermine the integrity of the UDRP process. And four, lastly, that the existing transfer restrictions somehow enabled or failed to do enough to stop domain name theft. Although now it seems that these reasons have changed and consistency seems to be the principal imperative. At least I think that's what I'm hearing from Mr. Cobb.

In any case, going back to the initial report, Dynadot just asked what research and evidence went to producing these four conclusions. So here I am again asking what evidence research has the working group obtained since? And where can I find it in the interim report or on your

working group's online portal? I took a look, I couldn't find it. So ideally, I could take a look at the methodology and results of the surveys or any surveys that exist or whatnot. What is there? That is all.

BERRY COBB:

Thank you, Alex. I will also defer to our Chair Roger to help with this. So as you can see from the recommendation table, this wasn't a specific charter question that was identified in the construction of the charter. In terms of the research, we did review generally across the industry on some registries offering their own restrictions after registration.

As noted earlier, this is not an existing consensus policy. My understanding is the use of a 60-day lock is a registry requirement that has been implemented by some registries but not all of them. And there are, from again my understanding, legacy reasons on why the duration was 60 days. But what we have understood through the deliberations is that the inconsistent application of this lock caused confusion across the industry. And based on those deliberations, it was understood that this will allow for consistency as well as allow for some of the reasons that many of the registrars had mentioned before about potential aspects with fraud and those kinds of aspects. Roger, if you have anything to say.

ROGER CARNEY:

Great. Alex, did you want to say anything to that before I start?

ALEXANDER LEVIT:

Yeah. So my question really comes down to what evidence has the working group used to support its conclusion that these new rules are required? My understanding is that that's basically it. And additionally, I do want to identify the fact that now in the interim report, it sounds to me like we've changed the causes for why we need to have these new rules and that this new cause is consistency. Because for some reason, we need to strive towards consistency and we didn't have before. And well, I don't know why we need to have consistency now we didn't have before. My understanding is the transfer policy is there to allow for transferability and portability of domain names. And that seems to be a fairly extreme rule. And it has to be backed by evidence. And I don't see the evidence.

ROGER CARNEY:

Great. Thanks, Alex. And as Berry said, today, some registries enforce a 60-day lock and some don't. And to be honest, there was no survey done to get to this. This was a discussion within the group. The evidence that we had was there were a lot of complaints from registrants of this problem of inconsistency when they tried to do a transfer one day on one TLD, and it allowed them, but the next day, they said they had to wait for 60 days before they could transfer it. So there were registrant complaints that dictated that consistency aspect of this. Registrants didn't understand why. And to be honest, most registrants don't understand that there's a registry and a registrar that go through the process and they have to work together. So the consistency part was born out of the registrant complaint saying, why is it inconsistent? I think that's where that came from. There was no survey done except for internally within the working group of, what does this inconsistency

happen? What kind of complaints are you getting from this? And does it make sense to have it continue to do this? As Berry said, this was registry enforced and only on certain registries. So the current policy doesn't dictate either way, so the decision was to make this consistent for registrants across the Board, across all gTLDs. that's how we landed on it.

ALEX LEVIT:

Okay. So I'm hearing two sets of evidence. One, there being so-called lots of complaints from registrants. My question is how many were these registrants? Can I see the survey or a summary of this research methodology, who was asked? And the other piece of evidence I'm hearing is an internal working group survey. So again, I'm asking, can I see the survey, any supporting evidence?

And lastly, of course, I do want to point out the fact that it sounds like there's no evidence at all. So this is something I find somewhat problematic considering that this is a new set of rules that arguably go against the spirit of the policy, which is to provide portability. And so when we propose new rules that go against the grain of what the policy is about, it should be really backed by strong evidence or by at least an attempt to obtain evidence. And it doesn't sound to me like the working group has made efforts on that front. So if you could give me at least just references to these two items, the complaints from registrants and the internal working group survey, I'd appreciate that. Thank you.

ROGER CARNEY: Great. Thanks, Alex. And again, there was nothing formal done on it. It was during the working group discussions that this arose. And it's not a new requirement. It's a consistency of an existing practical use. So there's no requirement today. But today there are 60-day locks in place, and there are no locks in place. So if you go to one TLD, you can move it the day after you register it. If you go to another TLD, you cannot move it for 60 days. So it's not necessarily a new requirement. It's making it consistent, how this works. So, and again, there were no official surveys, as you said. I agree with you. There were none. It was the discussion within the group that determined that.

ALEX LEVIT: So would you be able to point me to some sort of summary identifying the lots of complaints from registrants and the internal working group discussion? Or is that not something that can be done? Or is this something I can find myself? I can search.

ROGER CARNEY: Yeah. Thanks, Alex. Yeah, no, I think that we could dig up those conversations that were had and point to those conversations that the working group had.

ALEX LEVIT: What about the complaints from the registrants?

BERRY COBB:

I'm sorry, Alex. Due to time, we're going to have to move on. But we'll take the action to find pointers to the group's deliberations and transcripts. And of course, you're welcome to submit a comment as well, and the working group can consider it when reviewing the comments.

Okay, due to time, we're already about halfway through, so we're going to move on to the next section. Again, there are three recommendations here. Recommendation seven. This is where we get into kind of more of the technical components of the transfer policy. And admittedly, I'm not a tech person, nor do I—at any rate. So recommendation seven, the TAC composition needs to meet the minimum requirements as defined in RFC 9154, which is an IETF requirement. But basically that the TAC is provisioned with high entropy, which takes us to recommendation eight, that the TAC is stored at the registry where the registry verifies that it meets the syntax requirements.

And a new aspect to this is a time-to-live requirement for the TAC itself, which is being proposed to exist for 14 calendar days or 336 hours. And at a point, that can also be reset by the registrar of record through collaboration with the registered name holder. This is considered a medium-impact change to the existing consensus policy. But the working group felt that updating the security requirements to match the recommendation will involve considerable changes to the EPP systems for registrars and registries. But the group also recognizes that this does increase or elevate the security model around management of the TAC.

And the rationale, again, is bringing it in alignment with 9154, the RFC. I believe that there is language in this recommendation that allows that if there are new security enhancements around that RFC, this policy can adapt to those changes over time. Again, the registry verifies the TAC itself, once it receives, that it does match, it has the high entropy and randomness, and that the TTL enforcement is being applied for the unused TACs.

And I think what's important to understand here is, in a lot of instances in today's world, the AuthInfo code is generated or typically generated at the time the domain is registered and just stored at the registrar. Through the working group deliberations, it seemed it was understood that the issuance of the TAC only at the time of registration makes much more sense from a security perspective. And then once it's issued, you know, it can't just sit around forever. It needs to have some sort of expiration component to it to help support the security aspect of it.

So looking at this from a swim lane perspective, this is where things start to get very busy. But I'm going to try to be very high level at this point, mostly for time's sake. And again, recognize that this is very conceptual. This is not prescriptive on how many registrars particularly work when they're fielding registries. But we're trying to maintain continuity of the transfer process to help inform where the working group is making recommendations.

But essentially, the registrar of record would be notified that the registered name holder is requesting a TAC. The registrar of record will implement their business and system procedures to immediately evaluate, is this domain available for transfer? And this is where we get

into our first decision box. You know, are there any frictions to cure here? You know, and when we look at the volume of transfers in today's world, and I believe it's well over 200,000 in any given month, and that's a very generic number. It may be even more. There are a lot of transfers. In most instances, those domains do not have locks or any other restrictions applied to them. And in most cases, the transfer can be initiated fairly frequently, meaning that there's nothing that would restrict the domain from being transferred.

So this is a decision box to recognize that if there are no frictions, this is the least path or the path of least resistance to conduct the transfer of the domain. But if for some reason the registrar of record determines that there are some challenges or that the domain is not prepared to be transferred yet, they have a whole variety of ways to figure out, is this domain locked? Does it need to get unlocked by the registered name holder first, or is there a registry applied lock? Is the lock applied because the domain is under review from a rights protection mechanism? I think there's a wide variety of reasons why a certain domain may not be eligible for a transfer, and the registrar will need to work through those aspects.

So for right now, we're assuming that there are no challenges for this domain, and that it would basically pass the availability for transfer. So conceptually speaking, the registrar of record would initiate a command in their system that would generate the TAC with high entropy per RFC 9154. That TAC is sent to the registry where the registry under Recommendation 8 will verify the syntax requirements. And essentially, probably near instantaneously, this is where Recommendation 9 comes into play where the TTL is applied to the TAC for a maximum of 14

calendar days or 336 hours. And kind of a preview that the TAC is securely stored here at the registry.

I'll note that in this part right here, there is Recommendation 9.2, which from the side is, in essence, the registrar of record may reset the TAC with consultation with the registered name holder because there's some kind of issue with the domain, that it can't be transferred or the registered name holder decides that they don't want to transfer the domain. So that's why this one task box is here. And then, of course, towards the end of this, there are Recommendations 20 through 24 that we'll talk about later, which are the reasons for denying transfers that will get into this. So from that perspective, that's Recommendations 7, 8, and 9.

Recommendations 10, as noted, the TAC is generated by the registrar of record upon request. And then Recommendation 11, the registrar must send a notification of TAC issuance with details and instructions of the recommendation.

Again, this notion of how the TAC is managed is a significant change from the status quo, where it's being labeled as a medium impact, mostly because this will require changes to the business procedures and systems for the contracted parties, as well as the registered name holder will experience a difference with this proposed change.

But the reasons for it are mostly centered around increasing the security component, especially around the time to live, because this does remove the likelihood that the TAC exists and is stored over extended periods of time. It's only generated when it's needed, and that

the registered name holder consistently receives the information and a proper call to action should they be considered unauthorized.

So kind of getting back to the swim lane for a moment, Recommendations 11, this is essentially where the TAC is issued and given and provided to the registered name holder. There is a service level or SLA here that the notification must be sent to the registered name holder within 10 minutes of the reveal of that TAC. And as noted in Recommendation 11, that it is communicated to the registered name holder, as well as an expiration date of that particular TAC code that they're provided.

That will then take us into the next step where the registered name holder now has the TAC and they choose to go to the registered, to the gaining registrar, their new registrar, to actually initiate the transfer. So a lot to unpack under that section. I'm going to stop here for any questions or comments and being mindful of time, can only maybe spend one or two minutes on this. Hearing and seeing none in the chat, so let's continue on. We'll also have a Q&A or open segment at the end of the presentation.

All right, so here we get into RECs 12 through 14.

At a high level, there is the verification of the TAC that it is for single use and maintenance of records. So Recommendation 12 is the registry operator must verify that the TAC is valid in order to accept the transfer request. The TAC can't be used more than once and the registrar must maintain all records pertaining to the TAC management and processing.

So this is a combo impact. Unfortunately, the consolidation of recommendations into a single slide at a higher level, they're both low and medium impact. But the verification of the AuthInfo code is already a requirement that was defined under the temporary specification. You may recall with the implementation of the temp spec where most registrant data is masked to comply with privacy law. That essentially disrupted the notion of what we understood the gaining FOA form of authorization is about. And so as a part of that, that part of the process was no longer functioning as originally designed. The temporary specification included this requirement that the registries need to confirm that the AuthInfo code is valid.

This does update security requirements that you know the TAC, this new method will involve planning and system changes for the contracted parties. As noted before, this is a different process for managing the TAC for conducting a transfer. And what is considered low here is the registrars are already required to maintain records regarding transfers. So it's really just a recognition of the status quo.

So from a swim lane perspective, this is where we get down into, again, the conceptual component of this. So the registered name holder now has the TAC. They've decided they do want to move forward with the transfer. They're going to their gaining registrar to set up the account, pay the registration fees. They enter in the code through the registrar interface.

And here the gaining registrar, generally speaking, will need to run its own checks about the validity of the TAC itself. And this is where things really start to happen behind the scenes. But once the submit button,

for lack of a better term, is conducted on the transfer request, the systems from the registrar to the registry are talking to each other. And so once the registry starts to get involved here, they're having to, by default, essentially recognize is this TAC still valid or did the TTL expire on this TAC? If it did, then you need to, this is where we start getting into the complexities of using what I call process wormholes. But if for some reason the TAC that was submitted and the TTL had expired, in essence, you're jumping into this wormhole here where you're popping out back up at the registrar of record. For some reason, the registrar of record received an error about the TAC, so they need to explore, well, what is the issue with the TAC? And then that would set off, generally, procedures where the gaining registrar would need to collaborate with a registered name holder to explain why the TAC is no longer valid and how they would need to acquire a new TAC code to restart the process.

And it's kind of all of the same aspects when the registry is confirming that the domain and the TAC is valid. Again, for the sake of ease, we're trying to assume that everything is working as designed. But again, they're confirming that the TAC is not expired, that it indeed is a valid TAC code to initiate the transaction. In the background, they're confirming that the domain is not locked from a technical perspective, as described in EPP. And essentially, once they've confirmed that the TAC is done, the registry will need to shut down the TTL because it's been used. So, in essence, the 14-day clock is concluded, and per Recommendation 13, that the TAC is for one-time use.

And this is where we get into kind of the whole time crunch issue. You know, all of these things are happening in near real-time or near instantaneous, and they're practically happening in parallel. So this is

kind of a cheap way to recognize that all of these tasks are happening very quickly, and again, kind of is one of the downsides of understanding time scales on the swim lane.

Recommendations 15 through 17, the gaining form of authorization requirement is eliminated. Because of the implementation of the temporary specification, the original requirements for how the gaining FOA would work was no longer functioning, and in fact, the ICANN board had resolved that the enforcement of this part of the transfer process would be put on hold, which is one of the primary reasons why this working group got started.

Recommendation 16, the registry must provide the gaining registrar's IANA ID to the losing registrar, and recommendation 17, the losing form of authorization, which is now being changed to the transfer authorization, and the essence of that procedure is retained. The impact for both of these, again, is kind of due to consolidation, they're a variety of medium and low. As I noted, the gaining FOA is not predominantly used given the temporary specification. The publication or the sending of the IANA ID will help better inform the registered name holder as part of the transfer authorization part of the process, and it's also considered low because in today's world, the losing FOA is already part of today's transfers.

So looking at this over here on the swim lane, again, to not sound too repetitive, but the registry will essentially send an EPP command notifying the losing registrar that this domain is about to be transferred. They need to provide the IANA ID. The registrar of record or formally kind of referred to as the losing registrar is still required to send a

transfer confirmation with the gaining registrar's IANA ID to the registered name holder, which brings us into the top part of the process that the registered name holder receives the transfer confirmation, and now they have an option, which very much mirrors today's part of the process.

This aspect here is formally the losing form of authorization process. Now, the transfer authorization is the label, but essentially, the registered name holder, when they receive the notification, they can take no action, and at the end of five calendar days or 120 hours, the transfer will automatically happen, or the registered name holder, in some cases, depending on the registrar's procedures, can provide a mechanism to expedite the transfer by accepting it, or thirdly, if the registered name holder determines that this transfer may not be legitimate or not authorized, it will also contain instructions on how to cancel the transfer, and all of this can occur within this particular time frame.

So, if the registered name holder chooses to cancel the transfer, the registrar of record will invoke their own cancellation procedures, and then it essentially resets the process should the registered name holder try to want to transfer again, whereas whether the expiration of the five calendar days or an expedited path to conduct the transfer that is initiated by the registered name holder, that they are accepting the transfer, generally, the registrar of record will send a poll message to initiate the transfer, then the registry starts doing their particular work where they will remove the pending transfer status of the domain.

They're, again, moving the domain credentials to the gaining registrar. There's the aspect about adding an additional year of registration to the domain name. Again, all of this is technical behind the scenes, but then there's a pull request that then gets sent back to the gaining registrar where we're starting to get into the concluding components of the transfer process. Definitely a lot to digest there. Going to stop for any questions or comments about this particular segment of the proposed recommendations. I see a comment in the chat, but I think it's just a comment.

All right. Let's kick on to the final part of this so that we can get closer to the conclusion. So, now we're basically entering the informally labeled process stage of executing the transfer. So once the transfer is initiated, one of the aspects of this recommendation is informally connected to another part of the transfer policy, which is the change of registrant. Under the change of registrant policy today, if there was a material change to the contact information, it has its own lock requirements that would prevent the domain from being transferred, which was one of the biggest issues that this group was trying to tackle.

In essence, what was ultimately determined is once the domain is transferred to the gaining registrar, that there should be a restriction to transfer it again to another gaining registrar, mostly to prevent domain hopping in the case of fraudulent transfers. So, Recommendation 18, generally speaking, registrar must restrict the RNH from transferring the domain to a new registrar within 30 days or 720 hours, but the registrar may remove this restriction if certain conditions are met.

The impact of this is labeled as medium because this would be a change from the current status quo. But, essentially, in some instances, especially around the recommendations of 20 through 24 on the denial reasons or other policies, any kind of post-transfer restriction is inconsistently applied across the industry. The working group here is proposing to apply it consistently 30 days.

Again, any kind of standard restriction always typically needs some kind of bailout mechanism, and this is where we're getting into that the registrar may lift that restriction early if certain conditions are met. But, essentially, the rationale here is trying to provide a single consistent requirement across the industry while recognizing that there are some use cases where the domain would, the registered name holder would desire to transfer the domain away before that 30 days.

So from the swim lane perspective, I think this kind of starts to get a little bit self-explanatory here, but the gaining registrar, which really at this point is the registrar of record, they will apply this 30 calendar day restriction. They're going to send a notification to the registered name holder. This isn't a recommendation itself, but typically the registered name holder will be communicated that the registration is complete.

Here's where we start the process of should the restriction be lifted before the removal of the 30 days. And for this, I'm probably going to flip over to the report because I think that this is important to understand, but this section of the swim lane diagram here is trying to conceptually reflect about what this exception procedure would look like. Again, it's very conceptual in nature, but assuming that there is no

exception procedure initiated here, we're getting into the closing stages of the transfer process.

I'm going to go to page 25. Recommendation 18. So without going into the core text of the recommendation, these bullets, dot one through dot four are highlighting the reasons for the exception to the procedure. The registrar must be able to demonstrate that it received a specific request to remove the 30-day restriction from the RNH. The registrar must ensure the request to remove the restriction was requested by the RNH. The specific request includes a reasonable basis for removal of the restriction, and the registrar must maintain a record demonstrating the request to remove the restriction, regardless of the outcome, for a period of no less than 15 months.

As Caitlin noted earlier, some of the initial recommendations were very light on the rationale, but we do encourage readers to dive into not only the rationale, the implementation guidance, but there is also documentation about the working groups deliberations here.

So with that, I'm going to quickly go to recommendation 19. I see your hand, Alex, and I'll just finish out this one. Recommendation 19. The registrar must send a notification of transfer complete to the registered name holder without undue delay, but no later than 24 hours. The impact here is a medium because this would be considered a new requirement and will require system updates, but the rationale here, this just ensures that the registered name holder is consistently receiving the notifications and that they're being properly communicated to.

So this takes us to the final part. Here, again, the losing registrar will be sending out the notification that the transfer is complete with the gaining registrar ID. The registrant or registered name holder receives the notification. Again, this part is more conceptual. Issues or proposed recommendations will be in our next webinar with respect to rights protection mechanisms and bulk transfers. And ultimately once the transfer is complete, this takes you basically to reset the process diagram where the registered name holder will use the domain. Alex, please go ahead.

ALEX LEVITT:

Thanks. So again, this recommendation 18 fundamentally undermines the portability and transferability of domain names between registrars, which is the primary purpose of the transfer policy as it's identified in its preamble.

So I guess similar to my previous question, could you speak a little bit as to what evidence the working group gathered to support its policy rationale behind this recommendation? I guess, is there anything on top of the evidence backing recommendation three?

And again, I also want to point to the fact that it appears to me that the causes supporting this recommendation have changed from the interim report, from those four that I listed initially to now, again, there being some sort of imperative to have a consistency. And this consistency, for some reason, I guess, means that it's so important that it should overrule and undermine the primary purpose with transfer policy. Thank you.

BERRY COBB:

So, I think like the previous question that you had, I do encourage to check out some of the deliberations. I'll note here before I turn it over to Roger for any comments that the initial report that was delivered over almost two years ago, I believe, this recommendation, the number has changed. I believe it was originally recommendation 17. Now it's been labeled 18 because there was an additional recommendation entered in earlier in the process.

But this recommendation is largely intact. The only thing that has changed from the previous initial report to this one is this exception procedure that was mentioned. But from the deliberations of the working group, there were plenty of discussions around the security model that is applied to thinking about this holistically. And it was identified that what they're primarily trying to mitigate is registrar hopping in the cases of possible fraudulent transfers. I'll stop there. Roger, please go ahead.

ROGER CARNEY:

Thanks, Berry. Thanks, Alex, for that. Yeah. And to your point, Alex, yes, the transfer policy is primarily about allowing registrant to choose where they host. The add on to that, though, as Berry touched on, is you still have to consider security. And one of the things from, and Berry probably remembers which one, I don't remember, the IRTP days back in the days in the issues report was exactly what Berry talked about, was domain hijacking. And if a domain gets stolen and then starts to hop

from registrar to registrar, there's a good chance you won't get that back.

And again, this goes back to the prior PDP, not this one exclusively, was to discuss that security mechanism on there. And as you see here, this update to this from the public comment time of this going back whenever it was, two years ago. The working group did talk about, obviously, scenarios where that 30-day lock may need to be broken. And that's what the addition here that Berry talked about being different from the initial report. I don't think I have anything more on that, though. Thanks.

ALEX LEVITT:

Thanks, Alex, again, from Dynadot. So, my question was really fairly specific. It was what evidence has the working group considered to support its continued push for this additional transfer restriction, which is really fairly overreaching and contradicts the primary purpose of the transfer policy. So, I would hope that the working group has referred to some sort of evidence, some sort of empirical research. Mr. Berry Cobb, you referenced it being the biggest issue that the working group tried to tackle. So, in tackling this biggest issue that it had, did it refer to any sort of evidence? What did they look at to determine and quantify the problem? Is there anything like that? Can I see myself? As you mentioned, there are some links to some deliberations. Are those the only ones ,and is there anything else? Thank you.

BERRY COBB:

So, part of, again, the working group's deliberations are located in annexes down at the bottom of the report. And as noted, we'll also highlight links to transcripts of the working group's deliberations so that you can dive in more to this.

Okay, we talked about 19, just did the question and answer section. So now we're going over to the final four recommendations. Here, I'll be turning it over to Caitlin to talk about basically the format of the transfer policy and then the reasons for denial in that particular part.

CAITLIN TUBERGEN:

Thank you, Berry. And hello again, everyone. So, we are in the homestretch of the group 1A recommendations. So I'll quickly cover these in case there are any additional questions on these recommendations. As you can see, recommendation 20 is marked as a low impact recommendation. This is because recommendation 20 slightly adjusts the requirement for losing registrars when they ultimately deny a transfer request. So we will quickly cover the enumerated reasons why registrars can deny a request for a registrant's request to transfer.

The recommendation in 20 confirms that the losing registrar is still required, if in the event that it does deny a transfer request, to provide the reasoning for that denial to the registered name holder. What you'll see bolded and underlined here is that the language upon request to the gaining registrar has been added to the recommendation. The current policy language provides that the reasoning must be provided to the registered name holder and the potential gaining registrar.

However, the working group discussed this and noted that in practice, the reasoning is not sent to the potential gaining registrar unless requested, but that if it ever is requested, it does need to be sent. So this is essentially confirming what currently happens in the industry, and therefore it's marked as a low impact recommendation.

So the grouping of recommendations 21 to 25 cover the part of the policy that enumerates the reasons that a losing registrar can deny a registered name holder's request to transfer. The text of those recommendations looks quite long and includes tables. The tables show the current language of the policy, and then the second column of as an example. The third column shows the proposed revision to that policy, to the language, and then the rightmost column shows the rationale as to why that change is being requested.

So since we're currently on the first 1A 3.7.1, as an example, the current text says that the registrar may deny a transfer request if there's evidence of fraud. That language is being updated slightly to include evidence of fraud or DNS abuse as defined in section 3.18.1 of the RAA. That language, again, makes consistent what is a new requirement in the RAA around a definition of DNS abuse, and makes it more clear to ICANN's Contractual Compliance Department, does this fall within the definition of DNS abuse. So the group thought that would make that denial reason more clear.

Recommendation 21 talks specifically about when a registrar may deny a transfer request, and again, those are within the registrar's control as to whether it believes this amounts to DNS abuse, and therefore it can be denied.

Recommendation 22 enumerates reasons that a registrar must deny a transfer. These reasons used to be may, and we've discussed them in detail already about if the domain is within 30 days of creation or 30 days within a previous transfer, the registrar now must deny those transfers, and that was, again, for consistency.

Recommendation 23 is reasons that a registrar must deny. Those are, again, similar. Those are the current reasons that registrars are permitted to deny requests or must deny those requests, and those just involve slight language tweaks. So instead of a UDRP proceeding, it says a pending UDRP proceeding that the registrar has been notified of, and there's been some language that helps clarify the intention of those reasons.

And lastly, there are enumerated reasons that registrars must not deny transfer requests, and there are just a couple of textual edits for clarity to those enumerated reasons.

So the impact of these recommendations, again, is denoted as low because it's mainly textual changes that the groups read through and said, I think we could make this language a little bit clearer so that those that are implementing the policy or reading the policy better understand the meaning and that it's clear and more readable.

So that covers all of the recommendations, I believe, and so at this point in the webinar, I'm going to turn the floor back over to Roger and open up the floor if there are any additional questions about any of the recommendations that you heard about today.

ROGER CARNEY:

Great, thanks, Caitlin. Yeah, and we've got just a few minutes left, but any questions, please feel free. Hopefully, the new report outline makes sense to everyone, and hopefully, especially the tools that were created are useful to everybody to walk through the process in how everything should be functioning together. But open it up for any questions. We've got a few minutes, so anyone?

Okay, yeah, and thanks, Christian, for dropping the public link comment in. I think we've got about 30 days left. I'm not sure exactly how many days left, just under 30 days, I think, left for the public comment period. But maybe I'll ask, thanks, Berry, 26, staff to maybe give us a little information for our next webinar next week, date, time, and what we're going to do. So Caitlin or Berry?

BERRY COBB:

Yeah, thank you, Roger. So today was just group 1A recommendations. There is a second webinar scheduled for next Monday, the 9th, at the same time, 13:00 UTC. It is also for 90 minutes. The structure of that webinar will be a much more brief version on the overview of the report. We'll mostly redirect participants to see the introduction of this recorded webinar session, but the contents of the webinar on the 9th will be group 1B, which handles the change of registrant policy, and then group 2, which handles or talks about the dispute resolution mechanisms around the transfer policy, such as the TDRP, as well as the aspects around ICANN-approved bulk transfers, BTAPPA, and the like. So we do encourage you to also attend that session.

ROGER CARNEY: Great. Okay, if there's no other questions, I think we can conclude today's call, and hopefully we see everybody and more on the call on Monday. Thanks, everybody.

JULIE BISLAND: Thank you, Roger. Thank you, Berry, everyone. This webinar has concluded. Thank you.

[END OF TRANSCRIPTION]