SIDN's comments on the proposed final applicant guidebook for new gTLD's: New gTLD's should not be limited to the use of a renewal system

<u>About SIDN:</u>
SIDN is the registry for the .nl country-code top level domain, which, with close to 4.2 million registered domains, is one of the world's largest and most successful ccTLDs. We have previously submitted comments on DAG versions 1, 2 and 3, however we regret that ICANN has not changed the guidebook on most aspects of our comments, particularly on the use of TLD categories and the use geographic names.

<u>Comments on the proposed final applicant guidebook:</u>
Whereas it was unclear under DAG4 if the standard used renewal system for gTLD domain registrations would be obligatory for operating a new gTLD, the current version seems to actually make it obligatory.

As acknowledged by ICANN staff and the GNSO in the Cartagena meeting the renewal system is a historical practice, which resulted in language about renewals in consensus policies. At the same time there is no reason why that system has to be the only suitable option for a new gTLD. As is proven by at least two of the world's top ten TLD's (in volume of registrations) there are other viable options. Neither DENIC (.de) nor SIDN (.nl) make use of a renewal system. In both ccTLD's domains are registered for an indefinite period of time, while the registrant has the right to cancel the registration at any moment he chooses. This system works well for the registries, registrars and registrants in these TLD's.

We, as the registry for .nl, feel that our system is far more efficient than a renewal system, leads to lower operational costs, while it at the same time better protects the registrant against the unwanted cancellation of a domain. We feel that these benefits should also be available for new gTLD registries and their registrars and registrants. Please further note that also the EPP standard describes renewals as optional.

We see therefore no good reasons why a renewal system should be obligatory for new gTLD's and urge ICANN to adapt the DAG to make innovations - or at least the use of different proven systems – in this field possible.

As far as we are aware of this would mean the changing of *(proposed changes in italics):*

A. The Base Agreement

Art. 2.10 (Pricing for Registry Services.)
a."Registry Operator **shall** offer registrars the option to obtain initial domain name registrations for periods of one to ten years at the discretion of the registrar, but no greater than ten years *if Registry Operator offers domain name registrations for fixed periods of time* ."
b. " *If Registry Operator offers domain name registrations for fixed periods of time* Registry Operator **shall** offer registrars the option to obtain domain name registration renewals at the current price (i.e. the price in place prior to any noticed increase) for periods of one to ten years at the discretion of the registrar, but no greater than ten years ".

B. Base Agreement Specification 6,
Par.3 (Supported Initial and Renewal Registration Periods)
"Initial registrations of registered names *for fixed periods of time* **may** be made in the registry in one (1) year increments for up to a maximum of ten (10) years. For the avoidance of doubt, initial registrations of registered names *for fixed periods of time* **may not exceed** ten (10) years. Renewal registrations of registered names *for fixed periods of time* **may** be made in one (1) year increments for up to a maximum of ten (10) years. For the avoidance of doubt, renewal registrations of registered names *for fixed periods of time* **may not exceed** ten (10) years."

Our registration lifecycle with an open end date does, according to our findings, not conflict with the current Consensus Policies. In general all rules with regard to renewals are written or could be read as only applicable if such system is used. The sole exception seems to be in the Inter-Registrar Transfer Policy:
" 8. Effect on Term of Registration: The completion by Registry Operator of a holder-authorized transfer under this Part A shall result in a one-year extension of the existing registration, provided that in no event shall the total unexpired term of a registration exceed ten (10) years."

To avoid any doubts for now and the future we suggest to add somewhere in the contract (art.2.2 or Specification 1) that *Consensus Policies specifically aimed at a system where Registry Operator offers domain name registrations for fixed periods of time are not applicable in the case where Registry Operator offers domain name registrations for a indefinite period of time with the possibility of termination.*