

## Registries Stakeholder Group Statement

Issue: **Supplemental Initial Report on the New gTLD Subsequent Procedures Policy Development Process (Overarching Issues & Work Tracks 1-4)**

Date statement submitted: **20 December 2018**

Reference URL:

<https://www.icann.org/public-comments/new-gtld-subsequent-procedures-supp-initial-2018-10-30-en>

### Background<sup>1</sup>

The Working Group issued its first Initial Report, containing the output of the Working Group on the Overarching Issues as well as preliminary recommendations and questions for community feedback from Work Tracks 1-4, on 3 July 2018.

- **RySG comment on the Initial report, July 2018:**  
[https://docs.wixstatic.com/uqd/ec8e4c\\_469902ff5f4844dead977e9880db4c79.pdf](https://docs.wixstatic.com/uqd/ec8e4c_469902ff5f4844dead977e9880db4c79.pdf)

The Supplemental Initial Report contains additional issues that were deemed to warrant additional deliberations by the Working Group. RySG comments on the Supplemental Initial Report are below.

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### Registries Stakeholder Group (RySG) comment:

## **Introduction & Overarching Comments**

The RySG comprises 71 members representing registry operators that span a wide-range of business models and interests. In developing the responses to the Supplemental Report questions it became evident that it would be difficult to reach agreement on the content of some of our responses because of the diverse nature of our membership and differing interests. Rather than submit no comment where we had areas of disagreement or divergence, the RySG has opted to submit responses that, in some instances, represent more than one point of view or opinion and these are generally characterized as the opinion of ‘some’ members. The RySG believes that this approach is more informative for the Subsequent Procedures WG as it provides some insight into the reasons for the disagreement and demonstrates the sensitivities that surround some of the issues discussed in the Supplemental Report.

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<sup>1</sup> *Background: intended to give a brief context for the comment and to highlight what is most relevant for RO's in the subject document – it is not a summary of the subject document.*

## Comments on the Recommendations, Options and Questions

Topic	2.1 Auctions: Mechanism of Last Resort
Type	Preliminary Recommendation
Text	2.1.c.1: Many in the Working Group believes that ICANN auctions of last resort should remain in place within the program.
<b>RySG comment:</b>	<p>Some members of the RySG agree that ICANN auctions of last resort should remain in place within the program, but are not convinced that the only option is the “Ascending Clock” option used in the last round, which some members of the RySG thought could have contributed to high bid prices and may have worked unfairly against smaller operators. These RySG members are open to considering other mechanisms, like a sealed bid auction proposed by other members (below), so long as the sealed bid auction is held after the evaluations are complete so the true contention set is understood and the applications have a chance to participate in private mechanisms (like a joint venture or some other cooperative arrangement) first. These members think applications should all be evaluated on their merits, rather than prioritized by bid.</p> <p>Other members of the RySG believe that the Sub Pro PDP WG may have made the recommendation based on the assumption that contention sets would continue to be resolved in much the same way as they were in the 2012 new gTLD round. Some members of the RySG believe that it is more efficient and equitable if contention sets are resolved at the beginning of the evaluation process rather than at the end of the evaluation process. A second price, sealed bid auction - sometimes known as a Vickery Auction as described in the Supplemental Report - could eliminate the need for auctions of last resort. The second price, sealed bid model suggestion was suggested as a replacement to both auctions of last resort and private auctions, as has been suggested by the FCC for the allocation of 833 toll free codes. With this approach, contention sets are eliminated in advance of evaluation once community priority and applicant support evaluations have taken place. It would eliminate contention sets in advance of full-evaluation and eliminate the need for private resolutions. Applicants would not gain from participating in the new gTLD program for the purpose of horse trading applications or losing auctions to increase their potential bid fund.</p> <p>The applicant would put in a \$ amount at point of application, in case the application is placed in a contention set. If it</p>

	<p>isn't, it the applicant only pays the application fee. If it does get placed into a contention set, the applicant that submitted the highest bid would place funds in escrow in the amount of the second highest bid. If they don't pass evaluation, either because they don't have the funds or for any other reason, then it goes to the second highest bidder at the third highest price. And so on. Bid amounts could be held in escrow by a nominated sealed bid provider in order to retain confidentiality. An application process which requires a thorough evaluation of an applicant who will not later be operating the gTLD is not an efficient process.</p> <p>Some members see value in the Sub Pro PDP WG examining the effectiveness and impact on applicants in the ICANN auctions of last resort before determining which mechanism to employ going forward.</p>
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Topic	2.1 Auctions: Mechanism of Last Resort
Type	Preliminary Recommendation
Text	<p>2.1.c.2: However, the Working Group considered whether there should be additional options for applicants to voluntarily resolve contention sets by mutual agreement before being forced into an ICANN auction of last resort. The Working Group focused mainly on allowing applicants to change certain elements of their applications as a potential way to resolve contention sets earlier in the process (Please see recommendations in section 2.4 of this report on Change Requests, which discuss aspects like changes to the applied-for string and forming a joint venture).</p>
<b>RySG comment:</b>	<p>Some members of the RySG have concerns that changes to string applications could be gamed.</p> <p>Some members of the RySG believe, however, that generally, the parties to a contention set should be encouraged to resolve the contention amicably and that if SubPro ultimately makes this recommendation, it's critical that private resolution settlement negotiations should be strictly confidential and optional so that ICANN, a panel, the auction house and the community can't substitute their business judgement for that of the parties. These members feel that Joint Venture (ease of changing applicant name) should be included on the list of potential settlement options. SubPro should not be too prescriptive around what ideas may be used to voluntarily resolve contention sets – any suggestions should result in a non-exhaustive list of ideas for resolution that could be helpful to parties that want an amicable resolution.</p>

	<p>Allowing for an easier mechanism to make changes to applications may encourage other forms of decontention.</p> <p>Other members of the RySG believe that it is more efficient and equitable to leverage the second price, sealed bid auction process at the beginning of the evaluation process but only when contention set, community priority evaluations and applicant support assessments have been completed.</p>
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Topic	2.1 Auctions: Mechanism of Last Resort
Type	Option
Text	<p>2.1.d.1: Different Types of Auctions. Some Working Group members proposed alternative ways to implement an auction. One such suggestion was to utilize a sealed-bid auction, or sometimes known as a Vickrey auction, where in this instance, applicants would submit their single highest bid upon application submission. If an applicant's applied-for string is in contention, the highest bidder would be placed first in the queue to have their application evaluated and if successful, would pay the second highest bid to ICANN. It was suggested that this type of auction allows for applicants to bid the precise value of the string. This could almost entirely eliminate contention sets at the beginning of the application process. Some noted concerns that evaluators, knowing the value placed on the string by an applicant, could be biased in some manner. Others noted that utilizing a different form of auction is still a mechanism that relies heavily on having deep pockets. It was also noted that this form of auction would need to consider how it handles Applicant Support and community-based applications. Finally, others raised concerns about ICANN securing this highly proprietary information and it was acknowledged that this would need to be factored into the mechanisms that support this auction style.</p>
<b>RySG comment:</b>	<p>Some members of the RySG welcome new ideas for types of ICANN-sponsored auctions** and recognize there are drawbacks and advantages to the various auction formats, including the sealed-bid auction format. They believe all applications should be judged on their merits and that auctions and other resolutions should take place <i>after</i> the applications pass review (they don't support sorting applicants by bid amount).</p> <p>Other members of the RySG disagree with this approach and believe that a second price, sealed bid auction - sometimes known as a Vickery Auction as described in the Supplemental Report, which is being considered by the US Federal Communication Commission for the allocation of 833 toll free codes* - would eliminate the need for the majority of auctions of last resort. They are uncomfortable with contention sets being resolved after evaluation because they believe</p>

	<p>it favors portfolio applicants and disadvantages applicants with one or a smaller number of applications. One of the key benefits of the Vickery model is that it requires applicants to disclose the true value of the TLD to them at the point of application and prevents an applicant from speculating what it is worth later in the evaluation process. For example, if contention sets are resolved after the evaluation process and not at the beginning of it, like the Vickery model suggestion, it would enable applicants who applied for multiple strings to increase the size of their future bids each time they lost an auction. Each TLD needs to be treated on its own merits with no contingencies allowed for applicants with numerous applications.</p> <p>Other RySG members are supportive of the Vickery model after evaluation.</p> <p>*The US Federal Communication Commission is considering leveraging a single round, sealed bid Vickery auction to allocate 833 toll free codes reference: <a href="https://docs.fcc.gov/public/attachments/DOC-351403A2.pdf">https://docs.fcc.gov/public/attachments/DOC-351403A2.pdf</a>.</p> <p>**Some RySG members think the term “auction of last resort” conveys a message that private negotiation has failed. The WG may want to consider that there be two different paths of “first resort” – applicants who want to start by attempting private negotiations and applicants who elect not to participate in negotiations from the outset. This may be one way to discourage what some feel is “speculative applications” – because if a party believes the purpose of a negotiation is simply to “sell an application” to the highest bidder, then they can opt directly for an outcome where ICANN is the sole recipient of any monetary distribution.</p>
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Topic	2.1 Auctions: Mechanism of Last Resort
Type	Option
Text	2.1.d.2.1: Request for Proposals. Some Working Group members proposed alternatives to auctions of last resort. The Working Group discussed the possibility of having a request for proposals process that could be used to resolve contention sets. Such an approach could potentially involve third-party evaluators. One proposal was put forward to establish criteria around diversity that could be used as a basis for awarding the TLD. For example, priority could be given to applicants applying for their first TLD,

	applicants that are more community-focused rather than commercially-focused, and minority-supported applicants.
<b>RySG comment:</b>	RySG strongly objects to content-based (or business-idea based) evaluation criteria. ICANN (and its third-party evaluators) should not be able to regulate the free market by judging some ideas “better” than others. The GNSO intentionally adopted policy recommendations in 2006 that fully rejected the “beauty contest/ business evaluation” model because of its deficiencies. There’s no reason to do so here.

Topic	2.1 Auctions: Mechanism of Last Resort
Type	Option
Text	2.1.d.2.2: Random Draw. Another possible alternative discussed was the use of a determinative drawing mechanism to select a “winner” in the contention set, noting that a drawing is simple, effective, and fair. A determinative drawing seems to eliminate a number of issues with resolving string contention in that it does not favor those with the most money, it does not result in losing applicants receiving a financial benefit (e.g., in the case of most private resolutions), and it could eliminate comparative evaluations. However, it was pointed out that running a determinative drawing could be encounter issues with being considered a lottery and would require proper licensing.
<b>RySG comment:</b>	<p>Some members of the RySG oppose a random draw for contention sets. They believe that if parties wish to utilize such a mechanism, perhaps an auction provider can be found to conduct such a draw on a voluntary basis. However, this option has two drawbacks: 1. It increases the likelihood that the winner will simply “flip” the application to the highest bidder later,* and 2. It removes the ability of applicant businesses to make decisions for their business (including which applications are worth more than others – for instance, an applicant may have 3 choices for strings for its idea and may randomly end up with its 3<sup>rd</sup> choice, or even no choice, under this option). This is an example of Solomon’s choice – all parties are likely to end up equally dissatisfied.</p> <p>Other members of the RySG agree that a determinative drawing is worthy of consideration but would point out that it does not solve all of the issues on the table as thoroughly as the Vickery Auction Model. However, it must be noted that a random draw model would mitigate many of the deficiencies noted in the private auctions held during the 2012 round including, for example, applicants who intentionally applied for strings for the purpose of losing private auctions in order</p>

	<p>to fund the acquisition of other strings and the bad conduct by certain applicants participating in private auctions.</p> <p>*See ICANN's report on auctions, noting the drawbacks of a lottery: <a href="https://archive.icann.org/en/topics/economic-case-auctions-08aug08-en.pdf">https://archive.icann.org/en/topics/economic-case-auctions-08aug08-en.pdf</a></p>
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Topic	2.1 Auctions: Mechanism of Last Resort
Type	Option
Text	2.1.d.2.3: System of Graduated Fees. One Working Group member suggested that a system of graduated fees could be established for each additional application submitted by an applicant, which could reduce the size of the pool of total applications and perhaps limit the number of applications that ultimately end in an auction of last resort. Another Working Group member noted that a system of graduated fees would favor larger entities with multiple applications and might also affect applicants' strategies in relation to the formation of applicant entities.
<b>RySG comment:</b>	The RySG opposes the implication that a limited number of applications is a positive outcome. This option can't even guarantee that fewer applications and fewer auctions of last resort is a certain outcome. Therefore, it's prejudicial to applicants for more than one TLD and contains no balancing benefit and should be rejected.

Topic	2.1 Auctions: Mechanism of Last Resort
Type	Question
Text	2.1.e.1: The preliminary recommendation above states that auctions of last resort should remain in place. However, some participants in the Working Group believe that auctions of last resort are inherently unfair and should be modified, restricted or modified. One of the main arguments is that auctions reward only those with the most amount of money rather than those that may best operate the TLD in the public interest. In addition, they believe that auctions discriminate against applicants in the developing world who may not have the resources to compete in an auction. Do you agree or disagree? Please provide a rationale for your response.

<b>RySG comment:</b>	<p>Some members of the RySG recognize that auctions may benefit some applicants over others but applauds the WG for injecting new ideas into the mix to encourage non-monetary settlement. They believe that we cannot prevent all perceived injustices, but the WG has advanced several ideas that can help balance things a bit. They encourage the WG to continue thinking about inclusive strategies – ways to solve the problem that don't remove options from the table, but instead add options that encourage and invite participants at all levels to the table. One idea, as some of the other RySG members have pointed out, is to vary the type of auction, using a “sealed bid” auction to prevent bidding based on who the competition is, though this group of RySG members still think the auction should still be “last resort” not prior to evaluation.</p> <p>Other members of the RySG disagree with this approach and believe that a second price, sealed bid auction - sometimes known as a Vickery Auction as described in the Supplemental Report – with appropriate multipliers added for applicants that qualify for ICANNs Applicant Support Program, supports Applicants from the developing world. . This group prefers that contention sets are processed at the beginning of the evaluation process, but only when contention set, community priority evaluations and applicant support assessments have been completed or it would enable applicants who applied for multiple strings to increase the size of their future bids each time they lost an auction. Each TLD needs to be treated on its own merits with no contingencies allowed for applicants with numerous applications.</p>
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Topic	2.1 Auctions: Mechanism of Last Resort
Type	Question
Text	2.1.e.2: Should other aspects (e.g., non-financial) be introduced to make auctions of last resort more "fair"? One mechanism that has been mentioned is to consider auction bids from an entity in the Global South as double or triple that of the same bid from an entity not from the Global South. For example, a bid of \$100 from an entity in the Global South could be comparable to a bid of \$200 from a bidder on the same string that was not from the Global South. Why or why not?
<b>RySG comment:</b>	<p>The RySG recognizes the need to encourage applicants from outside of Europe and North America, including the Global South.</p> <p>The RySG suggests the WG considers the introduction of a multiplier for applicants that qualify to participate in ICANN's</p>

	<p>Applicant Support Program. The program needs to be clearly defined with safeguards in place to prevent a bad actor from gaming this program.</p> <p>However, some members of the RySG believe it is not correct to assume that all applicants from the Global South lack financial resources. Accordingly, more data is required to assess the need for and the efficacy of such a recommendation. The RySG is very concerned that benefits to applicants based solely on geography can and will be gamed by entities or individuals who maneuver to qualify for the benefit without true justification.</p>
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Topic	2.1 Auctions: Mechanism of Last Resort
Type	Question
Text	2.1.e.3: What, if any, other measures should the Working Group consider to enhance "fairness"?
<b>RySG comment:</b>	<p>Some RySG members believe that applicants applying for one string and applicants applying for multiple strings should have the same opportunity without any advantage supplied based on the number of strings applied for. For example, if contention sets continue to be resolved after the evaluation process and not at the beginning of it, which the Vickery model accomplishes, such contention set resolution models will continue to enable applicants who applied for multiple strings to increase the size of their future auction bids by intentionally losing certain auctions. . Each TLD needs to be treated on its own merits with no built-in advantages permitted for applicants with multiple applications.</p> <p>Other members of the RySG caution that the WG needs to balance both fairness and competition. Excessive regulations and restrictions to try to offset perceived “unfairness” will only result in more conflicts, accusations, disputes, and objections. The WG needs to carefully consider if an issue ACTUALLY resulted in unfairness to the parties in a contention set, and if so, was the harm so great that it needs to be remedied through a policy change that will have a ripple effect on all future applications, possibly swinging the pendulum in the other direction?</p>

Topic	2.1 Auctions: Mechanism of Last Resort
Type	Question
Text	2.1.e.4: Some participants in the Working Group believe that auctions of last resort should be eliminated and replaced with a comparative evaluation process. Some examples include a request for proposals (RFP) process that advantages community-based applicants, minority-supported applicants, or other factors yet to be determined or relying on a drawing. Do you believe that a comparative evaluation process, a determinative drawing, or some other mechanism could replace auctions of last resort? Why or why not?
<b>RySG comment:</b>	<p>RySG objects to content-based (or business-idea based) evaluation criteria. ICANN (and its third-party evaluators) should not be able to regulate the free market by judging some ideas “better” than others. The GNSO intentionally adopted policy recommendations that fully rejected the “beauty contest/ business evaluation” model because of its deficiencies. There’s no reason to do so here.*</p> <p>Comparative evaluations could also increase the number of independent review panels (IRPs) which could significantly increase program costs.</p> <p>Some RySG members suggest a determinative drawing is worthy of consideration but we acknowledge it does not solve all of the issues on the table as satisfactorily as the Vickery Auction Model.</p> <p>*One example of a report that noted auctions were the fairest means of resolution if parties couldn’t private resolve their dispute: <a href="https://archive.icann.org/en/topics/economic-case-auctions-08aug08-en.pdf">https://archive.icann.org/en/topics/economic-case-auctions-08aug08-en.pdf</a></p>

Topic	2.1 Auctions: Mechanism of Last Resort
Type	Question
Text	2.1.e.5: Some participants noted that auctions of last resort could allow a deep-pocketed applicant to secure all strings within a given market. One potential solution raised was to place a limit on the number of auctions an applicant could participate in though others argued that limiting the number of applications would be considered anti-competitive and difficult to enforce. Do you agree that the identified issue is of concern and if so, what do believe is a potential solution?
<b>RySG comment:</b>	<p>Some members of the RySG believe that limiting the number of auctions an applicant could participate in is anti-competitive. They further believe that no one tried to corner “a market” (which is an undefined term) in the last round, when it was speculated that SLD sales would explode. Given the slower than anticipated growth of new gTLDs, it hardly seems necessary to introduce rules that tell applicants they can acquire fewer TLDs. For the reasons stated below, these RySG members do support a sealed bid auction of last resort, at least as an option. Some members of the RySG believe there should be some research conducted as to viability and effectiveness of the proposed Vickery model in other industries. The assumption that funding for applications and operation of TLDs is a precise and static amount may be unfounded.</p> <p>Other members of the RySG believe that the second price sealed bid option, sometimes known as the Vickery model, naturally limits the number of auctions one entity participates in without the creation of specific limits or raising competition concerns. This is because the applicant needs to calculate the maximum financial exposure at the outset of the program and assume that they will win all of the auctions for the strings they applied for.</p>

Topic	2.2 Private Resolution of Contention Sets (including Private Auctions)
Type	Option
Text	<p>2.2.d.1: A number of Working Group members expressed concern about the use of private auctions and other forms of contention resolution in subsequent rounds of new gTLD applications. More specifically, they are concerned that there will be some applicants that apply for new gTLD strings for the sole purpose of being paid to withdraw their applications in a contention set for which the applicant would receive compensation greater than the application fee. Thus, many Working Group members are opposed to the usage of private resolution mechanisms to resolve string contention in future new gTLD procedures and recommend that measures should be put into place to prevent their occurrence in the future. However, others think that private resolutions may be acceptable.</p> <ul style="list-style-type: none"> <li>➤ Implementation Guidance under discussion: Should the Applicant Guidebook and program Terms &amp; Conditions should be amended to state that resolution of string contention via private resolution, where a party is paid to withdraw, is disallowed. If so, should the future base Registry Agreement should include a provision that states that if a registry operator is shown to have taken part in a private resolution for their given string, it may result in having that TLD taken away from them?</li> </ul>
<b>RySG comment:</b>	<p>Some members of the RySG are strongly opposed to ICANN's interference in all private negotiations between applicants. They believe the rule should be to encourage more creative contention resolution, rather than stifling options -- the guidebook specifically called out private resolution as a first mechanism, employing the pro-competitive position that parties to a dispute (or contention set) should be encouraged to resolve their concerns amicably and as business needs permit. ICANN Auctions were labeled "last resort" because the implication was that private negotiations would be successful. However, the guidebook disallowed many of the resolution options that parties wanted to undertake (amending applications to name joint ventures or changing strings, for instance). Therefore, private mechanisms were artificially limited by the Guidebook. The RySG members who support private mechanisms note that "private mechanisms" is not a euphemism for "private auctions," which are but one way parties to a contention set can resolve their contention. The RySG is unaware of any applicants in the last round that engaged in gaming of the private resolutions and is opposed to any regulation that removes effective resolution mechanisms because some parties are opposed to private auctions. If a particular applicant does not want to participate in a private auction, they do not need to do so. The nature of a private auction is that all parties agreed to participate. The WG has actually offered several additional options to applicants who do not want to use private auctions and the RySG supports ICANN Auctions of Last Report that could achieve a more cost-effective outcome. Finally, because private auctions are but one component of a</p>

	<p>B2B negotiation between competitors, it would be inappropriate for ICANN to be the recipient of any auction proceeds. A bilateral deal necessarily results in both parties giving something of value and ICANN should not be a third-party to a private arrangement. ICANN is a public sector company that has a track record of not managing its current budget and funds responsibly - the new gTLD program is supposed to be cost-neutral to ICANN, not a windfall. Furthermore, the WG should remember that registry operators may be public or private companies or non-profit organizations that have fiduciary duties to others.</p> <p>Other members of the RySG believe that private resolutions, including private auctions, should be prohibited in the future. Private auctions and private resolutions are not in the public interest - something ICANN should be mindful of as it launches additional rounds - but rather serve only the private interests of those who participate in the auctions, especially those who participate for the purpose of losing such auctions to reap windfall profits based on their “investment” in the application fee. If private resolutions and private auctions continue to be a component of the go-forward new gTLD program all financial proceeds should be managed by ICANN, as the public steward of TLD assets and only after ICANN conducts a full scale legal review of the practice and publishes the opinion of counsel on the topic which must include inputs from relevant competition authorities. As such, ICANN itself should be able to draw from the funds if it is in a deficit situation, with the implementation of appropriate safeguards.</p>
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Topic	2.2 Private Resolution of Contention Sets (including Private Auctions)
Type	Option
Text	2.2.d.2: Several Working Group members believe that a simple "no private auction" rule could easily be circumvented with other forms of private resolutions of contention sets that amounted to compensating one or all of the other losing members of a contention set. Thus, they proposed a second option of banning all forms of private resolution of contention sets. This would mean modifying Implementation Guidance F by not allowing parties to mutually agree on how to resolve a contention set. All contention sets, by definition, would be resolved through the mechanism of last resort (described in Section 2.1. above).
<b>RySG comment:</b>	Some members of the RySG disagree with this recommendation and oppose eliminating the freedom of parties to a dispute to negotiate a solution. They believe that ICANN is an oversight body, not a competition authority-and it should not inject itself into business negotiations, particularly since compromise positions like joint ventures or other business

	<p>arrangements would likely significantly benefit small or medium enterprises. Some members of the RySG believes allowing parties to amend applications (to reflect agreements, if appropriate and legal) expands the numbers of options and will, therefore, reduce the number of contentions sets that end up at either private auction or auctions of last resort.</p> <p>Other members of the RySG recognize that although it is a departure from the prior round, banning private resolutions should be adopted. Such private resolutions should be flatly prohibited in the T's and C's and TLDs should be withdrawn from Registry Operators that are found to be out of compliance with this prohibition.</p>
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Topic	2.2 Private Resolution of Contention Sets (including Private Auctions)
Type	Option
Text	<p>2.2.d.3: A third option a Working Group Member proposed was allowing certain types of private resolutions, but disallowing others. For example, as discussed in several sections of the Initial Report and in this Supplemental Initial Report, many Working Group members favored allowing applicants in a contention set to change their applied-for-string if that change is mutually agreed by the members of the contention set and the newly changes strings (a) were reasonably related to the original applications and (b) did not move the applicants' newly selected strings into a different contention set. Under this option, the Working Group member proposed that changes would need to be approved by ICANN. Another Working Group member noted that under this option, any proposed newly selected string that ICANN intended to approve would need to be (a) subject to name collision risk assessment, (b) put out for public comment and (c) open to established Objection procedures (note, this line of discussion is also found in section 1.4, on Change Requests). If parties are found to have engaged in non-acceptable forms of private resolution, that will result in (a) the application not being allowed to proceed - if a Registry Agreement was not signed by the time it is discovered, or (b) forfeiture of the registry (if after a Registry Agreement is signed). Some members of the Working Group, however, were not comfortable in putting ICANN in a position of approving (or disapproving) mechanisms of private resolution.</p>
<b>RySG comment:</b>	<p>Some members of the RySG disagree with this recommendation and oppose eliminating the freedom of parties to a contention set to negotiate a solution. The first guidebook prioritized the free market principles of assuming the best outcome was direct negotiations between parties to a dispute and that status quo should be maintained. They believe that ICANN is an oversight body, not a competition authority - it should not inject itself into business negotiations. Parties can opt out of private resolution and into and ICANN option at any point.</p>

	<p>Other members of the RySG believe ICANN is the public steward of TLD assets and as such it's appropriate for ICANN to manage auction proceeds and be able to draw from these funds for the public benefit, with the implementation of appropriate safeguards. They believe that private resolutions, including private auctions, should be flatly prohibited in the future in the Applicant Guidebook. If private resolution is prohibited in the next round, there should be serious ramifications including disqualification for any applicants that are found to have profited from collusive private resolutions/private auctions. Further discussion pertaining to the scope of the ramifications is needed before a final decision is made but should include the withdrawal of TLDs from Registry Operators that are found to be out of compliance with a prohibition.</p> <p>Some members of the RySG believe allowing parties to amend applications (to reflect agreements) expands the numbers of options and will, therefore, reduce the number of contentions sets that end up at either private auction or auctions of last resort, though, as noted below, some have serious concerns about the risk of gaming in amending applications to change the string.</p>
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Topic	2.2 Private Resolution of Contention Sets (including Private Auctions)
Type	Question
Text	2.2.e.1: Do you believe private resolutions should be continued in the future? If so, should the funds be distributed amongst the remaining applicants within the auction or in some other method i.e. charity, ICANN, etc? If so, what methods are most appropriate?
<b>RySG comment:</b>	Some members of the RySG believe that Private Resolutions should be continued in the future. Private resolutions are private and the business terms of all private resolutions, including any payment of funds, should be as agreed by the parties, without any 3P beneficiaries. (Note: Ry and Rr contracts exclude 3P beneficiaries and there is no reason to introduce them here.) As such, some members of the RySG oppose any involvement by the public in private mechanisms to resolve contention sets amicably. If private resolutions and private auctions are to be prohibited from the next round, ICANN must first conduct and then publish an legal analysis supporting the prohibition of these methods of contention resolution. Furthermore, ICANN has a track record of not managing its current budget and funds responsibly -

	<p>the new gTLD program is supposed to be cost-neutral to ICANN, not create a windfall.</p> <p>Other members of the RySG believe ICANN as the public steward of TLD assets and as such it's appropriate for ICANN to manage auction proceeds and be able to draw from these funds if it is in a deficit situation, with the implementation of appropriate safeguards. They believe that private resolutions, including private auctions, should be prohibited in the future. If private resolutions and private auctions continue to be a component of the go-forward new gTLD program, ICANN must first conduct and then publish the legal analysis of such activities, and all financial proceeds should be used only to fund public interest initiatives as determined by the ICANN community.</p>
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Topic	2.2 Private Resolution of Contention Sets (including Private Auctions)
Type	Question
Text	2.2.e.2: Do you believe that issues with private resolutions are, generally speaking, equally problematic across different types of TLDs? Do you believe that the type of TLDs may be a factor in determining whether private resolution should be allowed? Does the type of TLD have any impact on the options above?
<b>RySG comment:</b>	<p>Some members of the RySG are wary of characterizing TLDs by “type.” There may be application types (Spec 13, or community) but the “type” of a TLD depends on its business plan, which may change over time. They oppose only allowing applicants with certain business plans to use private resolution mechanisms and reiterate its unconditional support for allowing parties to negotiate and contract if they choose (or to opt for an ICANN mechanism if they do not).</p> <p>Other members of the RySG believes that private resolutions are equally problematic across all types of TLDs.</p> <p>Whatever the outcome, whether private resolutions are allowed or disallowed, and whether private auctions are deemed to be legal and appropriate in the next round, the RySG believes all gTLDs should be treated the same.</p>

Topic	2.2 Private Resolution of Contention Sets (including Private Auctions)
Type	Question
Text	2.2.e.3: Do you agree with many Working Group members who believe that prohibitions in the Applicant Guidebook, Terms & Conditions, and in the Registry Agreement are the best way to prevent private resolutions in the future. In other words, participation in a private resolution, including private auction, where applicants may profit from withdrawing their applications would result in a cancellation of your application (if discovered during the application process) or forfeiture of its TLD (if it is discovered after the TLD is awarded). Do you agree? Do you believe other suggested mechanisms (e.g., increasing application fees), may be more effective, or could be used in tandem?
<b>RySG comment:</b>	<p>Some members of the RySG disagree with this recommendation and strongly oppose limiting the ability of parties to privately resolve their contention sets if they so choose. They ask the WG to remember that private mechanisms are purely voluntary and no one is required to participate.</p> <p>Other members of the RySG believe that a second price, sealed bid auction, sometimes known as a Vickery Auction, would eliminate the majority of contention sets at the beginning of the evaluation process and that there should be ramifications for any applicants that are found to have profited from collusive private resolutions/private auctions. Further discussion pertaining to the scope of the ramifications is needed before a final decision is made. They believe that private resolutions should be prohibited in the Applicant Guidebook.</p>

Topic	2.2 Private Resolution of Contention Sets (including Private Auctions)
Type	Question
Text	2.2.e.4: If you agree that private resolution overall is potentially problematic, do you believe that there is any practical way to prevent private resolution that allows losing applicants to receive a financial benefit? Or is the issue with private resolution one that requires a complete ban? Or is it impossible to prevent private resolutions, and they should therefore be allowed (as noted in option 2 above)? Please explain.
<b>RySG comment:</b>	<p>Some members of the RySG believe that private resolution of contention sets are voluntary and non-problematic. They believe that if they become a problem, parties need not participate in a particular mechanism. And that ICANN should not be in the business of regulating the free market. A system of quasi-private mechanisms that handicap the parties' ability to bring all options (including money) to the table, will disable it entirely.</p> <p>Other members of the RySG believe ICANN is the public steward of TLD assets and as such it's appropriate for ICANN to manage private resolution proceeds and be able to draw from these funds if it is in a deficit situation, with the implementation of appropriate safeguards. They believe that private resolutions, including private auctions, should be prohibited in the future. If private resolutions and private auctions continue to be a component of the go-forward new gTLD program all financial proceeds should be used to fund public interest initiatives and managed by ICANN.</p>

Topic	2.2 Private Resolution of Contention Sets (including Private Auctions)
Type	Question
Text	2.2.e.5: Do you believe instead that there are practical ways to allow some forms of private resolution but disallow others, as indicated in option 3 above? What would be the acceptable or non-acceptable forms of private resolution and why? Who should determine whether parties in a contention set have or have not engaged in non-acceptable forms of private resolution and how would such a determination be established?
<b>RySG comment:</b>	Please see answer to 2.2.e.4

Topic	2.2 Private Resolution of Contention Sets (including Private Auctions)
Type	Question
Text	2.2.e.6: Some believe that if an application fee for a TLD were high enough, it would deter applicants from applying for TLDs with the intent of profiting from a private resolution. Do you believe that increasing application fees will have that effect? Why or why not? If you agree, at what amount would application fees need to be set at to deter applicants from applying for TLDs with the intent of profiting from withdrawing their applications (e.g., rough estimate or instead, criteria by which an amount could be established)?
<b>RySG comment:</b>	<p>Some members of the RySG believes this will only discourage SMEs from applying and will not inject new, innovative ideas into the marketplace. If you're trying to discourage only very big companies from applying, this will have the opposite effect.</p> <p>Other members believe that this could be an effective mechanism - however this would only be effective if auction proceeds are used to fund "public interest initiatives" and if they are not shared by competitors like they are today.</p>

Topic	2.3 Role of Application Comment
Type	Preliminary Recommendation
Text	<p>2.3.c.1: The Working Group supports continuing the guidance in Implementation Guideline C, particularly around the provision of comment forums. However, the Working Group believes that the mechanism and system could be further optimized.</p> <ul style="list-style-type: none"> <li>➤ Implementation Guidance under consideration: The system used to collect application comment should better ensure that the email and name used for an account are verified in some manner.</li> <li>➤ Implementation Guidance: The system used to collect application comment should support a filtering and/or sorting mechanism to better review a high volume of comments. The system should also allow for the inclusion of attachments.</li> </ul>
<b>RySG comment:</b>	The RySG supports continuing the guidance in Implementation C, specifically the provision of comment forums, which provides the broader ICANN community an opportunity to submit feedback, positive or negative, about an application.

	<p>The RySG also believes that the submitter of any comment must be captured and the source verified to minimise frivolous claims from being submitted, avoid comments by competitors with ulterior motives, and prevent repeated comments from the same source. ICANN should verify the source of comments where comments may have a material impact on action taken against a particular application.</p> <p>The improved system functionality suggested would be welcomed by the RySG, as an aid to reviewing and prioritising the comments received by an applicant, especially where high volumes of comments are submitted. Predetermined categories of responses, based on experiences of the 2012 round, could help filter the comments for the applicant and the evaluation panels, identifying comments that could impact the scoring, or trigger clarifying questions. However, all comments should require substantiation of the issue as it pertains to the particular comment. The system should continue to allow applicants to respond publicly to comments, especially to correct any false assertions submitted in public comments. In this respect, time to respond to comments received towards the end of the comment period should be available to the applicant, e.g. a period of 7-10 days where the applicant has an opportunity to reply.</p>
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Topic	2.3 Role of Application Comment
Type	Preliminary Recommendation
Text	2.3.c.2: ICANN should be more explicit in the Applicant Guidebook on how public comments are to be utilized or taken into account by the relevant evaluators, panels, etc. and to what extent different types of comments will or will not impact scoring. In addition, to the extent that public comments are to be taken into account by the evaluators, panels, etc., applicants must have an opportunity to respond to those comments.
<b>RySG comment:</b>	The RySG supports the intent of this preliminary recommendation, which aims to improve predictability. However, more detailed information and definitions are required in terms of the types of comments, how they would be interpreted by the evaluators and their impact on the application scoring is needed to fully assess the impact of this proposal. We would not support a recommendation that leaves ICANN discretion to define new actions to be taken against applications on the basis of public comments as part of the implementation process.

Topic	2.3 Role of Application Comment
Type	Question
Text	2.3.e.1: The Working Group has noted that while there was a cutoff for application comments to be considered by evaluators, the cutoff for Community Priority Evaluation was far later in the process, allowing for a much longer period of time for comments to be received for this evaluation element. The longer period of time allowed was due to the timing of CPE (i.e., only after program elements like Initial Evaluation, Extended Evaluation, and objections conclude). Is this, or other factors, valid reasoning and/or fair to have the comment period for CPE extend longer than for Initial Evaluation? Do you believe it makes sense to shorten this particular application comment period, perhaps just having it run in parallel to the Initial Evaluation comment period?
<b>RySG comment:</b>	In view of the different treatment of community applications to standard applications, which included the evaluation of the level of support or opposition to community applications, the RySG does not recommend any changes to the extended comment period for these applications.

Topic	2.3 Role of Application Comment
Type	Question
Text	2.3.e.2: In the 2012 round, applicants were given the opportunity through Clarifying Questions to respond to comments that might impact scoring. From one perspective, this may have reduced the incentive for applicants to respond to all input received through the public forum, including comments that may be perceived as negative. Do you consider this an issue that needs to be addressed? If so, what measures do you propose in response to this problem?
<b>RySG comment:</b>	The RySG believes the applicant should continue to have the option to respond to public comments available, where the applicant feels appropriate to do so. However, to minimise frivolous comments and false assertions, the source of the comments should be obtained and verified before publishing. For comments that may have a material impact on application scoring, we believe it is appropriate to continue to allow both general responses through the public forum and directly to ICANN through the designated application response period. In some cases, applicants may have information that is pertinent to assessing the relevance of a comment that they do not wish to share publicly through the public comment forum. Applicants should have mechanisms at their disposal for providing both public and not public information that is responsive to comments received.

Topic	2.3 Role of Application Comment
Type	Question
Text	2.3.e.3: If there is a application comment period prior to evaluations, should applicants be given a certain amount of time to respond to the public comments prior to the consideration of those comments. For example, if there is a 60-day public comment period, should an additional time period of 7-10 days be added solely for the purpose of providing an opportunity for applicants to respond to the comments if they so choose?
<b>RySG comment:</b>	Yes, the RySG believes this is a sensible enhancement, providing the applicant with an opportunity to reply to comments, especially those received at the end of the comment period.

Topic	2.4 Change Requests
Type	Preliminary Recommendation
Text	<p>2.4.c.1: The Working Group believes that at a high-level, a criteria-based change request process, as was employed in 2012, continues to make sense going forward. However, the Working Group believes that some operational improvements should be made.</p> <ul style="list-style-type: none"> <li>➤ Implementation Guidance under consideration: ICANN org could seek to provide guidance on both changes that will likely be approved and changes that will likely NOT be approved.</li> <li>➤ Implementation Guidance under consideration: ICANN org should also set forth the types of changes which are required to be posted for public comments and which are not.</li> <li>➤ Implementation Guidance under consideration: ICANN org should set forth in the Applicant Guidebook the types of changes that would require a re-evaluation of some or all of the application and which changes would not.</li> <li>➤ Implementation Guidance under consideration: The Working Group believes that several types of change requests that were disallowed in 2012 should be allowed in subsequent procedures under certain circumstances. The types of change requests for which some members of the Working Group believe should be allowed under limited circumstances are set out for public comment below in section (d). Please see section (e) for specific questions about these options.</li> </ul>
<b>RySG comment:</b>	The RySG is supportive of these suggested changes.

Topic	2.4 Change Requests
Type	Option
Text	<p>2.4.d.1: One of the types of changes that some members of the Working Group believe should be allowed are certain application changes intended to resolve string contention. For example, if there is string contention and each of the applicants in a contention set agree, then applicants should be allowed to 1) create joint ventures or 2) have a limited ability to select a different string, which must be closely related to the original string.</p> <ul style="list-style-type: none"> <li>➤ Implementation Guidance: ICANN org may determine that in the event of a joint venture, re-evaluation is needed to ensure that the new entity still meets the requirements of the program. The applicant may be responsible for additional, material costs incurred by ICANN due to re-evaluation and the application could be subject to delays.</li> <li>➤ Implementation Guidance: Some examples to consider in allowing for a new string to be selected include prepending/appending a new element to the original string or selecting a string that is closely related to the class/sector of the original string. ICANN org must perform a re-evaluation of the new applied-for string in all string related evaluation elements (e.g., DNS Stability, String Contention, etc.) and the application for the new string would be subject to string related objections (e.g., String Confusion Objections, Legal Rights Objections, etc.). Another Working Group member noted that in allowing for a string change, the new string would need to be (a) subject to name collision risk assessment, (b) put out for public comment and (c) open to established Objection procedures. The applicant may be responsible for additional, material costs incurred by ICANN due to re-evaluation and the application could be subject to delay.</li> </ul>
<b>RySG comment:</b>	The RySG is not in favor of allowing an applicant to change its string if it finds itself in a contention set as it can be gamed. Please see 2.4.e.1.2.

Topic	2.4 Change Requests
Type	Question
Text	2.4.e.1: Section (d) above outlines possible application changes that could be allowed in subsequent procedures and corresponding implementation guidance that the Working Group is considering.
<b>RySG comment:</b>	Some members of the RySG do not support the suggestion that applicants can change their string post-application. Please see 2.4.e.1.1 for details.

Topic	2.4 Change Requests
Type	Question
Text	2.4.e.1.1: Do you agree with allowing these types of changes? Why or why not? Does the implementation guidance above seem reasonable if these changes are allowed? The implementation guidance asks that ICANN provide better clarity on what types of changes will or will not be allowed and also what changes may require re-evaluation. Do you have suggestions on how to provide more precise guidance? Would this guidance replace or complement the seven criteria (see section (b) above for reference) above?
<b>RySG comment:</b>	Some members of the RySG are not in favor of allowing an applicant to change its string if it finds itself in a contention set, as they believe this feature can be gamed. For example, Applicants may apply for a string that it knows will be contended to be given a "slot" and cherry pick uncontended strings, ensuring an uncontended path through the ICANN Program after Reveal Day. This gives them an advantage over applicants that do not apply to change their string. In addition, Applicants that apply to change their strings may create new contention sets and contention resolution for "changed strings" could be considered as a completely new application round.

Topic	2.4 Change Requests
Type	Question
Text	2.4.e.1.2: If these changes are allowed, what are the potential risks or possibilities for gaming these types of changes? How can those risks be mitigated?
<b>RySG comment:</b>	The RySG believes that applicants should be prohibited from jumping from one contention set into another contention set.

Topic	2.4 Change Requests
Type	Question
Text	2.4.e.1.3: For the limited ability to change the applied-for string, what do you believe should be the criteria in considering such requests? Are there examples of where a change of an applied-for string should NOT be approved?
<b>RySG comment:</b>	A change of an applied-for string should not be approved where the applicant is attempting to jump into another contention set.

Topic	2.4 Change Requests
Type	Question
Text	2.4.e.2: What role should public comment play in determining if a change request should be granted?
<b>RySG comment:</b>	Applicants that apply for change requests should be evaluated in the same process and public comments should play the same role for "changed" strings as they do for "new" strings. The RySG supports the suggestion that ICANN should set forth the types of changes which are required to be posted for public comments and which are not as set forth in 2.4.c.1.

Topic	2.4 Change Requests
Type	Question
Text	2.4.e.3: Reflecting on the seven criteria utilized for considering change requests in 2012 (see section (b) above for reference), do you have specific changes that you would suggest being made to those criteria for usage in the future?
<b>RySG comment:</b>	No

Topic	2.5 Registrar Support for New gTLDs
Type	Option
Text	2.5.d.1: The following proposals have been discussed by the Working Group as options which can be pursued if there is support from the community to do so. Many of them require substantial resources by ICANN. No cost benefit analysis on these options have been performed and the Working Group is seeking input from the community on these proposals.
<b>RySG comment:</b>	No comment needed here as options are listed below

Topic	2.5 Registrar Support for New gTLDs
Type	Option
Text	2.5.d.1.1: ICANN org could select a "last-resort" wholesale registrar that would provide resellers with the ability to sell TLDs that lacked market interest and/or have their target markets in regions or verticals lacking ICANN-Accredited registrars. In order to not burden ICANN org or the selected registrar with making initial deposits for TLDs, only registries allowing Post Payment terms would be eligible for this resource.
<b>RySG comment:</b>	<p>Some members believe this to be beyond the mission of ICANN and should not be pursued, while others believe this is worth pursuing. As mentioned in the report, part of the due diligence in applying for a new gTLD should have been a market sizing exercise and determination if appropriate sales channels existed before applying, but ICANN itself was the first to invalidate that research by requiring RAA 2013 for registrars to sell new gTLDs. Although the removal of vertical integration prohibitions allows for any registry to now own a registrar so registries finding themselves without a registrar are free to either acquire a registrar or become accredited in their own right, this is not a feasible solution in small markets and niches.</p> <p>Some RySG members are of the opinion that, given the lack of market access tends to relate to operational requirements or pricing schemes that make the TLD undesirable to registrars in its own right, it is difficult to imagine that a registrar would have incentive to sign onto an agreement that required it to carry these TLDs, without limitations, without significant subsidy by ICANN. This could undermine the goals of the equivalent access requirements and effectively</p>

	<p>require registries and registrars that adapted their TLDs to market constraints to subsidize TLDs that failed to do so.</p> <p>Other RySG members believe that a wholesale registrar that only had one-time subsidies from ICANN, like a per-TLD onboarding revenue, could be both predictable to ICANN budgeting process and be very effective in making sales channels for smaller TLDs available, while still requiring registries to have attractive product offerings. It's of notice that different from retail operations that get most of their revenue from value-added services, not from domains, wholesale registrars do not cross-subsidize their integration costs on the domain side with revenues from hosting services. When that's combined with the large dependence of underserved regions from wholesale registrars, that provides for a death circle for gTLD markets in those regions.</p>
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Topic	2.5 Registrar Support for New gTLDs
Type	Option
Text	2.5.d.1.2: ICANN org could provide a "clearinghouse" for payments between the registries and registrars that operate in different currencies.
<b>RySG comment:</b>	<p>Some RySG members believe that this option seems beyond the mission of ICANN and should not be pursued. ICANN should not be inserting itself into the business relationships between registries and registrars. ICANN encountered many difficulties scaling its existing invoicing processes to account for the expansion brought on by the new gTLD program. It is hard to imagine that this vision could be carried out without significant cost, operational overhead, and error.</p> <p>Other RySG members disagree with the above and suggest that this option could be pursued with the help of global financial service providers; ICANN is not a financial institution and should not try becoming one, but it can sponsor such effort based on its role in the ecosystem, as long as it only requires fixed monthly/annual payments to support the system that are not dependent on transaction volumes.</p>

Topic	2.5 Registrar Support for New gTLDs
Type	Option
Text	2.5.d.1.3: In order to assist smaller registries during their launch period, ICANN could allow an increase to the number of names that can be registered without the use of an ICANN-Accredited Registrar. Expanding the number of names while at the same time allowing these names to be registered for purposes other than the promotion or operation of the TLD could allow these smaller registries to "get off the ground" and gain the momentum needed to become attractive enough for ICANN Accredited Registrars to carry.
<b>RySG comment:</b>	We strongly support the use of reserved names by the registry and third parties as a means of getting new registries off the ground. The 2012 round showed the value of anchor tenant programs as a means of increasing awareness of new TLDs in their early days by leveraging highly visible and relevant registrants to showcase intended use cases for the TLD. We strongly support the expansion of the reserved names allocation, both for names directly operated by the registry and by a third party pursuant to a qualified launch program, mindful that a number of questions (e.g. number of names, reporting requirements, etc.) would require further discussion.

Topic	2.5 Registrar Support for New gTLDs
Type	Option
Text	2.5.d.1.4: The Applicant Guidebook could note that there may be some benefit to potential applicants in communicating with ICANN accredited registrars before submitting an application, so that they fully understand potential market and technical integration issues that might be encountered.
<b>RySG comment:</b>	Part of the due diligence in applying for a new gTLD should be a market sizing exercise and determination if appropriate sales channels existed before applying. As we saw with the 2012, the issue of Universal Acceptance continues and also needs to be factored into any decision to apply. Adding a reminder to this effect would be beneficial. In addition, the experiences of 2012 round applicants should also inform future applicants. The RySG welcomes this reminder in the AGB.

Topic	2.5 Registrar Support for New gTLDs
Type	Option
Text	2.5.d.1.5: Some members of the Working Group also proposed that the Registry contract should bundle the capacity of becoming an Accredited Registrar.
<b>RySG comment:</b>	While these are two separate accreditation processes with different technical, financial and contractual requirements, there is a restriction that only appeared in the June 2012 version of the AGB (after the application window) preventing registries from using the same legal entity to also have registrar accreditations; this differs from regulatory models in other industries, that at times allow vertical integration with separate bookkeeping within the same legal entity. . Therefore, one choice would be the bundled capacity as suggested in this option, the other option would be to allow the same legal entity to become both, while following code of conduct, RA and RAA clauses. This later option would then vacate the need for this suggestion.

Topic	2.5 Registrar Support for New gTLDs
Type	Question
Text	2.5.e.1: Please comment on each of the proposal set forth above. What are the pros and cons of those proposals? Should any or all of them be adopted? Why or why not?
<b>RySG comment:</b>	See above for comments on each of the proposals.

Topic	2.5 Registrar Support for New gTLDs
Type	Question
Text	2.5.e.2: Are there any other proposals that could assist TLD Registries that have difficulty attracting ICANN Accredited Registrars?
<b>RySG comment:</b>	The RySG has not had an opportunity to assess any additional proposals. Unfortunately there is a contradiction between going more “vanilla” to attract registrars and to provide innovation, one of the cornerstones of the new gTLD program. But striking a balance between innovation and attractiveness for sales channels is a consideration that registries would benefit from doing in their business plans.

Topic	2.5 Registrar Support for New gTLDs
Type	Question
Text	2.5.e.3: Should ICANN even get involved in assisting Registries or is this outside the scope of ICANN's mission, bylaws, or mandate? Please explain.
<b>RySG comment:</b>	While some members believe that, ICANN inserting itself into the dynamics of the DNS marketplace is beyond the mission of ICANN and should not be pursued, others believe there is a role for ICANN as a facilitator in making a global domain ecosystem easier in the face of different regimes and systems among countries, notably the ones in underserved regions.

Topic	2.5 Registrar Support for New gTLDs
Type	Question
Text	2.5.e.4: The Working Group has not yet found a way to identify whether a TLD with low market performance has low performance due to lack of demand or lack of sales channels. How could the underlying issues be identified?
<b>RySG comment:</b>	Some RySG members believe this is beyond the scope of this WG and the remit of ICANN, and that if an such an effort is undertaken, it should be done outside of ICANN and directly between the entities in the marketplace. Certain members have concerns that there is not a cost-effective way to establish the connection postulated in this question. On the other hand, other RySG disagree that this is out of scope or out of ICANN's remit, but that doesn't solve the cost-effectiveness problem.

Topic	2.5 Registrar Support for New gTLDs
Type	Question
Text	2.5.e.5: Does ICANN forcing registrars to carry TLDs or designating registrars as "registrars of last resort" pose challenges to compliance oversight of these entities? Should registrars be liable for compliance actions for TLDs for which they did not want to carry but were forced to? By handpicking a few selected registrars as "last resort" does this create the possibility for compliance to go easy on them because ICANN needs them to play a specific role in the marketplace?
<b>RySG comment:</b>	As mentioned prior, some RySG members think that this type of interference in the market is beyond the remit of ICANN and should not be pursued. In addition to the compliance issues raised, there are probably a whole host of other issues which would surface if ICANN went down this path. In contrast to that, other RySG members disagree with such and believe it would make sense for ICANN to be in such a role. The RySG doesn't believe that the idea of a registrar of last resort was to force them do so, but to do RFP(s) that would allow them to do so under conditions they and ICANN Org mutually agree to. But that would indeed be one of the many issues with forcing unwilling registrars to carry TLDs.