Response to Documentary Information Disclosure Policy Request

To: Padmini Baruah
Date: 30 December 2015
Re: Request No. 20151130-2

Thank you for your Request for Information dated 30 November 2015 (Request), which was submitted through the Internet Corporation for Assigned Names and Numbers (ICANN) Documentary Information Disclosure Policy (DIDP) on behalf of The Centre for Internet & Society (CIS). For reference, a copy of your Request is attached to the email forwarding this Response.

**Items Requested**

Your Request seeks the disclosure of the following documents relating to the presumptive renewal clauses in Registry Agreements:

1. Documents that reflect discussions explaining the rationale behind introducing such a presumptive renewal clause at the outset.

2. Documents that show the renewal of contracts between ICANN and VeriSign relating to the presumptive renewal of the .com and .net domain names, and PIR relating to the .org domain name.

**Response**

ICANN registry agreements include a presumptive right of renewal. The presumptive renewal clause is a provision within registry agreements which allows a registry operator the right to renew the agreement at its expiration, provided that the registry operator is in good standing at the time of renewal as set forth under the terms of the presumptive renewal clause. While some of terms may vary by registration agreements, the presumptive renewal clauses generally state:

**4.2 Renewal.**

(a) This Agreement will be renewed for successive periods of ten (10) years upon the expiration of the initial Term set forth in Section 4.1 and each successive Term, unless:

(i) Following notice by ICANN to Registry Operator of a fundamental and material breach of Registry Operator’s covenants set forth in Article 2 or breach of its payment obligations under Article 6 of this Agreement, which notice shall include with specificity the details of the
alleged breach, and such breach has not been cured within thirty (30) calendar days of such notice, (A) an arbitrator or court of competent jurisdiction has finally determined that Registry Operator has been in fundamental and material breach of such covenant(s) or in breach of its payment obligations, and (B) Registry Operator has failed to comply with such determination and cure such breach within ten (10) calendar days or such other time period as may be determined by the arbitrator or court of competent jurisdiction; or

(ii) During the then current Term, Registry Operator shall have been found by an arbitrator (pursuant to Section 5.2 of this Agreement) or a court of competent jurisdiction on at least three (3) separate occasions to have been in (A) fundamental and material breach (whether or not cured) of Registry Operator’s covenants set forth in Article 2 or (B) breach of its payment obligations under Article 6 of this Agreement.

(b) Upon the occurrence of the events set forth in Section 4.2(a) (i) or (ii), the Agreement shall terminate at the expiration of the then-current Term.


Item No. 1 seeks the disclosure of documents reflecting discussions regarding the rationale behind introducing a presumptive renewal clause at the outset. The documents responsive to this Item have been published and are described below.

presumption favoring renewal of VeriSign’s right to operate the .com registry if VeriSign meets the standards set forth in the amended Agreement. (See id.; see also, Redline of Existing NSI Registry Agreement to Proposed VeriSign .com Registry Agreement, available at http://archive.icann.org/en/nsi/redline-existing-to-proposed-com-agreement-25mar01.htm.) An explanation of the rationale behind introducing a presumptive renewal clause is provided in the ICANN Melbourne Meeting Topic: Proposed Revisions to VeriSign Agreements announcement:

ICANN and VeriSign management believe this proposal offers many significant benefits to the community—not the least of which is that it would lead to regularizing the contractual and financial relationship between VeriSign and ICANN so that it is in most respects the same as that of any other registry operator or registrar. The elimination of special rules or provisions dealing with VeriSign is an important step forward in the ICANN process.

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With respect to the presumptive renewal of the right to operate the .com registry, this also seems appropriate under the circumstances. Absent countervailing reasons, there is little public benefit, and some significant potential for disruption, in regular changes of a registry operator. In addition, a significant chance of losing the right to operate the registry after a short period creates adverse incentives to favor short term gain over long term investment. On the other hand, the community, acting through ICANN, must have the ability to replace a registry operator that is not adequately serving the community in the operation of a registry.

The registry agreements for the new TLDs try to balance these objectives by creating a fixed term, with an open renewal period, but allowing a right of first offer to the existing operator. In addition, they require compensation from any successor operator for the future revenue streams properly traceable to investments by the former operator. With respect to the .com registry, its size make a change in the registry operator more significant than for smaller registries, and potentially more disruptive. Therefore, a presumption of renewal for this registry, assuming that the stated criteria of service to the community have been met and can reasonably be predicted to be met during the renewal period, is more appropriate. This leaves the ICANN Board the ability to change the operator if necessary, but only if it can demonstrate that such a change would better serve the community. This seems an appropriate balance in these particular circumstances.

(Id.) Additional information regarding the proposed presumptive renewal provision is provided in the Information on Proposed VeriSign Agreement Revisions webpage,
A portion of the ICANN08 Public Forum, held on 12 March 2001, was devoted to the proposed amendments of the .com/.net/.org Registry Agreements. (See https://archive.icann.org/en/meetings/melbourne/index.html#agenda.) The agenda and presentation materials for the public forum discussion have been published at http://cyber.law.harvard.edu/icann/melbourne/archive/agenda-pf-031201.html. The notes of the Real-Time scribe is available at http://cyber.law.harvard.edu/icann/melbourne/archive/scribe-icann-031201-pf.html and the RealVideo archive of the session is available at http://cyber.law.harvard.edu/scripts/rammaker.asp?s=cyber&dir=icann&file=icann-031201b&start=10-15. A copy of the Real-Time comments received during the public forum has been published at http://cyber.law.harvard.edu/icann/melbourne/archive/subcomments-pf-031201.html, as well as a list of the remote participants (http://cyber.law.harvard.edu/icann/melbourne/archive/remoteparticipants-pf-031201.html) and Real-Time Chat log (http://cyber.law.harvard.edu/icann/melbourne/archive/chatlog-031201.html).

In Resolutions 01.22 and 01.23, adopted during the ICANN08 Public Board Meeting, the ICANN Board invited additional comments from the community regarding the proposal. On 30 March 2001, the Names Council formally submitted the Domain Name Supporting Organization’s (DNSO) comments on the proposed amendments. (See http://archive.icann.org/en/meetings/melbourne/dnso-input-verisign-revisions-28mar01.htm.) In reaction to these and other comments, ICANN and Verisign representatives discussed various changes the proposed agreements. On 31 March 2001, ICANN President M. Stuart Lynn wrote to then Verisign Chairman and CEO Stratton Sclavos requesting confirmation of Verisign’s agreement to specific changes. (See Letter from Lynn to Sclavos, dated 31 March 2001, available at https://www.icann.org/resources/pages/lynn-letter-to-sclavos-2001-03-31-en) Mr. Sclavos’ confirmation of the changes has been published at https://www.icann.org/resources/unthemed-pages/sclavos-letter-to-lynn-2001-04-01-en.

ICANN Board approved the revised agreements on 2 April 2001. (See Resolutions 01.47 and 01.48, available at https://features.icann.org/2001-04-02-revision-agreements-verisign; see also, Minutes of the 2 April 2001 Board Meeting, available at https://www.icann.org/resources/board-material/minutes-2001-04-02-en.)


To the extent that any additional documents responsive to Item No. 1 exists that have not already been published, those documents are subject to the following DIDP Defined Conditions of Nondisclosure and are not appropriate for disclosure:

- Information provided by or to a government or international organization, or any form of recitation of such information, in the expectation that the information will be kept confidential and/or would or likely would materially prejudice ICANN's relationship with that party.
- Internal information that, if disclosed, would or would be likely to compromise the integrity of ICANN's deliberative and decision-making process by inhibiting the candid exchange of ideas and communications, including internal documents, memoranda, and other similar communications to or from ICANN Directors, ICANN Directors' Advisors, ICANN staff, ICANN consultants, ICANN contractors, and ICANN agents.
- Information exchanged, prepared for, or derived from the deliberative and decision-making process between ICANN, its constituents, and/or other entities with which ICANN cooperates that, if disclosed, would or would be likely to compromise the integrity of the deliberative and decision-making process between and among ICANN, its constituents, and/or other entities with which ICANN cooperates by inhibiting the candid exchange of ideas and communications.
- Information subject to the attorney–client, attorney work product privilege, or any other applicable privilege, or disclosure of which might prejudice any internal, governmental, or legal investigation.
- Drafts of all correspondence, reports, documents, agreements, contracts, emails, or any other forms of communication.

Item No. 2 seeks the disclosure of “[d]ocuments that show the renewal of contracts between ICANN and VeriSign relating to the presumptive renewal of the .com and .net domain names, and PIR relating to the .org domain name.

The .com Registry Agreement
With respect to the .com TLD, the Registry Agreement was renewed in 2001, 2006, and 2012. For the 2001 renewal, the responsive documents are provided in the response to Item No. 1.


The Board approved the VeriSign Settlement Agreements, including the .com Registry Agreement on 28 February 2006. (See Minutes of 28 February 2006, available at https://www.icann.org/resources/board-material/minutes-2006-02-28-en; Board statements re VeriSign Settlement Agreements, available at https://archive.icann.org/topics/vrsn-settlement/board-statements-02mar06.html.) The .com Registry Agreement was signed on 1 March 2006. (See https://www.icann.org/resources/unthemed-pages/index-6c-2012-02-25-en.)

For the 2012 renewal, the following documents are responsive to your request:

The .net Registry Agreement

With respect to the .net TLD, the Registry Agreement was renewed in 2001, 2005, and 2011.

The 2001 amendments between ICANN and Verisign included, among other things, that the term of the .net Registry Agreement would be extended only to 1 January 2006, or twenty-two months shorter than the automatic extension in Section 23 of the existing agreement would produce. At that time, the .net TLD registry would be opened to competitive proposals, under a standard adapted from the existing agreement, but with Verisign having only the option of rapid arbitration rather than litigation (as in the existing agreement) to review an ICANN decision to select someone else to operate the registry, should that occur. As such, the presumptive clause was not incorporated into the 2001 renewal. Therefore, there are no documents responsive to your request for the 2001 renewal period.

In 2005, after an open and transparent process for designating a successor operator for the .net registry as specified in Section 5.2 of the 2001 .net Registry Agreement, which included a detailed request for proposal, public comment on the applications received, and comments and questions from prospective bidders, independent evaluation of the proposals received, comments from the applicants and the public on the independent
evaluation, and referrals and requests for advice on to the GNSO and other relevant committees and organizations, ICANN selected Verisign to continue its operation of the .net registry. (See Resolution 04.18, available at https://www.icann.org/resources/board-material/resolutions-2004-03-06-en; Resolution 05.35, available at https://www.icann.org/resources/board-material/resolutions-2005-06-07-en; Minutes of the 7 June 2005 Board Meeting, available at https://www.icann.org/resources/board-material/minutes-2005-06-07-en.) On 1 July 2005, ICANN entered into a Registry Agreement with Verisign for the operation of the .net registry. (See .net Registry Agreement, available at https://www.icann.org/resources/unthemed-pages/net-registry-agreement-2005-07-01-en.) The agreement included a presumptive renewal clause. (See id. at Section 4.2.) Thus, the documents responsive to your request with respect to the 2005 renewal are those documents that have been cited in this paragraph.

For the 2011 renewal, the following documents are responsive to your request:

PIR Renewal of the .org Registry Agreement


The 2001 amendments between ICANN and Verisign included, among other things, that the .org Registry Agreement would adopt the form of the registry agreements that will be entered into by the new gTLD registry operators. The term of the .org Registry Agreement would be shortened by almost one year to 31 December 2002, at which time Verisign would permanently relinquish its right to operate the .org registry, and an appropriate sponsoring organization representing non-commercial organizations would be sought (through some procedure yet to be determined) to assume the operation of the registry. (See .org Registry Agreement, available at https://www.icann.org/en/about/agreements/registries/verisign/org-index.htm.)

On 14 October 2002, after an open and transparent process for selecting a successor operator of the .org registry, which included a detailed request for proposal, public comment on the applications received, and comments and questions from prospective bidders, independent evaluation of the proposals received, and comments from the applicants and the public on the independent evaluation, the ICANN Board selected the proposal of the Public Internet Society (PIR) for negotiations to become successor operator of .org and directed the President and General Counsel “to negotiate a registry agreement with PIR consistent with the model .org Registry Agreement posted as part of the final Request for Proposals, supplemented as appropriate according to the proposal submitted by the Internet Society[.]” (Resolutions 02.110 – 02.115, available at https://features.icann.org/2002-10-14-successor-operator-org-registry: Minutes of the 14 October 2002 Board Meeting, available at https://www.icann.org/minutes/minutes-14oct02.htm: Materials on .org Reassignment webpage, available at https://archive.icann.org/en/tlds/org/.) On 3 December 2002, ICANN finalized the agreement with PIR to operate the .org registry. The 2002 .org Registry Agreement does not include a presumptive renewal clause and therefore, there are no documents responsive to your request for the 2001 renewal period.

The presumptive renewal clause was included in the 2006 renewal of the .org Registry Agreement. The draft agreement was posed for public comment 18 July 2006. On 8 December 2006, the ICANN Board approved the proposed .org Registry Agreement. (See Approved Resolutions of the 8 December 2006 Board Meeting, available at https://www.icann.org/minutes/resolutions-08dec06.htm.) On that day, ICANN and PIR entered into an Un sponsored Registry Agreement under which PIR operates the .org TLD. (See 2006 .org Registry Agreement, available at https://www.icann.org/resources/unthemed-pages/index-c1-2012-02-25-en.) The following documents are responsive to your request with respect to the 2006 renewal:
In 2008, the ICANN Board approved PIR’s proposal to implement DNS Security Extensions (DNSSEC) in .org and authorized ICANN to enter into the “associated amendment to the .ORG Registry Agreement, and to take other actions as appropriate to enable the deployment of DNSSEC in .ORG.” (Resolution 2008.06.26.08, available at https://www.icann.org/resources/board-material/resolutions-2008-06-26-en.) As the amendment was not related to the presumptive renewal clause, there are no documents responsive to your request.

For the 2013 renewal, the following documents are responsive to your request:

• Resolution 2013.08.22.11, available at https://www.icann.org/resources/board-material/resolutions-2013-08-22-en#2.c.

To the extent that any additional documents responsive to Item No. 2 exists that have not already been published, those documents are subject to the following DIDP Defined Conditions of Nondisclosure and are not appropriate for disclosure:

• Information provided by or to a government or international organization, or any form of recitation of such information, in the expectation that the information will be kept confidential and/or would or likely would materially prejudice ICANN's relationship with that party.

• Internal information that, if disclosed, would or would be likely to compromise the integrity of ICANN's deliberative and decision-making process by inhibiting the candid exchange of ideas and communications, including internal documents, memoranda, and other similar communications to or from ICANN Directors, ICANN Directors' Advisors, ICANN staff, ICANN consultants, ICANN contractors, and ICANN agents.

• Information exchanged, prepared for, or derived from the deliberative and decision-making process between ICANN, its constituents, and/or other entities with which ICANN cooperates that, if disclosed, would or would be likely to compromise the integrity of the deliberative and decision-making process between and among ICANN, its constituents, and/or other entities with which ICANN cooperates by inhibiting the candid exchange of ideas and communications.

• Information provided to ICANN by a party that, if disclosed, would or would be likely to materially prejudice the commercial interests, financial interests, and/or competitive position of such party or was provided to ICANN pursuant to a nondisclosure agreement or nondisclosure provision within an agreement.
• Confidential business information and/or internal policies and procedures.

• Information subject to the attorney-client, attorney work product privilege, or any other applicable privilege, or disclosure of which might prejudice any internal, governmental, or legal investigation.

• Drafts of all correspondence, reports, documents, agreements, contracts, emails, or any other forms of communication.

• Information that relates in any way to the security and stability of the Internet, including the operation of the L Root or any changes, modifications, or additions to the root zone.

About DIDP

ICANN’s DIDP is limited to requests for documentary information already in existence within ICANN that is not publicly available. In addition, the DIDP sets forth Defined Conditions of Nondisclosure. To review a copy of the DIDP, please see [http://www.icann.org/en/about/transparency/didp](http://www.icann.org/en/about/transparency/didp). ICANN makes every effort to be as responsive as possible to the entirety of your Request. As part of its accountability and transparency commitments, ICANN continually strives to provide as much information to the community as is reasonable. We encourage you to sign up for an account at MyICANN.org, through which you can receive daily updates regarding postings to the portions of ICANN’s website that are of interest because, as we continue to enhance our reporting mechanisms, reports will be posted for public access.

We hope this information is helpful. If you have any further inquiries, please forward them to didp@icann.org.