The Requestor, Namecheap Inc., seeks reconsideration of ICANN organization’s 2019 renewal of the Registry Agreements (RAs) with Public Interest Registry (PIR) and Afilias Limited (Afilias) for the .ORG and .INFO generic top-level domains (gTLDs), respectively (individually .ORG Renewed RA and .INFO Renewed RA; collectively, the .ORG/.INFO Renewed RAs), insofar as the renewals eliminated “the historic price caps” on domain name registration fees for .ORG and .INFO. The Requestor claims that ICANN org’s “decision to ignore public comments to keep price caps in legacy gTLDs is contrary to ICANN’s Commitments and Core Values, and ICANN should reverse this decision for the public good.”

Specifically, the Requestor claims that the .ORG/.INFO Renewed RAs are contrary to:

(i) ICANN org’s commitment to “seek input from the public, for whose benefit ICANN in all events shall act.”

(ii) ICANN org’s Core Value of “[s]eeking and supporting broad, informed participation reflecting the functional, geographic, and cultural diversity of the Internet at all levels of policy development and decision-making to ensure that the bottom-up, multistakeholder policy development process is used to ascertain the global public interest and that those processes are accountable and transparent.”

(iii) ICANN org’s Public Comment Opportunities page, which states that “Public Comment is a key part of the policy development process (PDP), allowing for refinement of recommendations before further consideration and potential

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1 The Board designated the Board Accountability Mechanisms Committee (BAMC) to review and consider Reconsideration Requests before making recommendations to the Board on the merits of those Requests. Bylaws, Art. 4, § 4.2(e). However, the BAMC is empowered to act only upon consideration by a quorum of the Committee. See BAMC Charter https://www.icann.org/resources/pages/charter-bamc-2017-11-02-en. Here, the majority of the BAMC members have recused themselves from voting on this matter due to potential or perceived conflicts, or out an abundance of caution. Accordingly, the BAMC does not have a quorum to consider Request 19-2 so the Board itself has issued this Proposed Determination in lieu of a Recommendation by the BAMC.

2 Request 19-2, § 3, at Pg. 2.

3 Id. § 8, at Pg. 3.

4 Id. § 8, at Pg. 4.

5 Id. § 8, at Pg. 4.
adoption,” and is “used to guide implementation work, reviews, and operational activities of the ICANN organization.”6

(iv) ICANN org’s statements concerning its call for Public Comment that the “purpose of this public comment proceeding is to obtain community input on the proposed .ORG renewal agreement.”7

The Requestor also asserts that ICANN Staff failed to consider material information concerning the nature of the .ORG TLD and security issues with new gTLDs when it executed the .ORG/.INFO Renewed RAs.8

The Requestor “requests that ICANN org and the ICANN Board reverse its decision and include (or maintain) price caps in all legacy gTLDs.”9

I. Brief Summary.

PIR is the registry operator for the .ORG TLD.10 ICANN org and PIR entered into an RA on 2 December 2002 for the continued operation of the .ORG gTLD, which was renewed in 2006 and 2013.11 ICANN org and Afilias first entered into an RA on 11 May 2001 for the operation of the .INFO gTLD, which was renewed in 2006 and 2013.12 Before the recent renewals, the RAs for .ORG and .INFO included price caps, which limited the initial prices and allowable price increases for registrations.13 Both RAs were scheduled to expire on 30 June 2019.

In anticipation of the 30 June 2019 expiration, ICANN org bilaterally negotiated renewals to the agreements with each registry operator. The proposed renewals were based on

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6 Id. § 8, at Pg. 4.
7 Id., § 8, at Pg. 4.
8 Id., § 8, at Pg. 10.
9 Id., § 9, at Pg. 12.
10 Id., § 8, at Pg. 4.
11 Id., § 8, at Pg. 4.
12 Id., § 9, at Pg. 12.
13 Id., § 9, at Pg. 12.
ICANN org’s base generic TLD Registry Agreement updated on 31 July 2017 (Base RA), modified to account for the specific nature of the .ORG and .INFO gTLDs.\(^4\) As a result, the proposed Renewed RAs’ terms were substantially similar to the terms of the Base RA.

From January 2019 to June 2019, ICANN Staff briefed and met with the Board several times regarding the proposed .ORG/.INFO Renewed RAs.\(^5\) On 18 March 2019, ICANN Staff published the proposed .ORG/.INFO Renewed RAs for public comment to obtain community input on the proposed renewals. ICANN Staff described the material differences between proposed renewals and the current .ORG and .INFO RAs. These differences included removal of limits on domain name registration fee increases that had been in prior .ORG and .INFO RAs. ICANN Staff explained that the change would “allow the .ORG [and .INFO] renewal agreement[s] to better conform with the [Base RA],” while “tak[ing] into consideration the maturation of the domain name market and the goal of treating the Registry Operator[s] equitably with registry operators of new gTLDs and other legacy gTLDs utilizing the [Base RA].”\(^6\)

and .INFO agreements.\(^7\) The comments predominantly related to three themes: (1) the proposed removal of price cap provisions; (2) inclusion of certain rights protection mechanisms

\(^4\) See 2019 .ORG RA Public Comment Proceeding; 2019 .INFO RA Public Comment Proceeding. The RA for the operation of .BIZ was also set to expire on 30 June 2019; as a result of bilateral negotiations with the registry operator for .BIZ and after considering public comments, ICANN org and the registry operator for .BIZ entered into a Renewed RA for .BIZ that was based on (and therefore substantially similar to) the Base RA. See https://www.icann.org/resources/agreement/biz-2019-06-30-en.


\(^6\) 2019 .ORG RA Public Comment Proceeding. New gTLDs are TLDs released as part of ICANN org’s New gTLD Program. See https://newgtlds.icann.org/en/about/program. Legacy gTLDs are gTLDs that existed before ICANN org’s New gTLD Program. .ORG and .INFO are legacy TLDs.

(RPMs), including the Uniform Rapid Suspension (URS) rules; and (3) the RA renewal process.\textsuperscript{18}

ICANN Staff analyzed the public comments, including those addressing the proposed removal of price cap provisions, in its Report of Public Comments.\textsuperscript{19} It concluded that removing the price cap provisions was “consistent with the Core Values of ICANN org as enumerated in the Bylaws,” insofar as removing the price cap provisions would “promote competition in the registration of domain names,” and enabled ICANN org to “depend upon market mechanisms to promote and sustain a competitive environment in the [Domain Name System (DNS)] market.”\textsuperscript{20} ICANN org also noted that the Base RA protected existing registrants’ pricing by requiring the registry operator to: (1) give registrars six months’ advance notice of price changes; and (2) allow registrants to renew their domain name registrations for up to 10 years \textit{before} those price changes take effect.\textsuperscript{21} ICANN Staff then noted that it would “consider the feedback from the community on this issue,”\textsuperscript{22} “and, in consultation with the ICANN Board of Directors, make a decision regarding the proposed registry agreement.”\textsuperscript{23}

Following consultation with the ICANN Board of Directors and with the Board’s support, on 30 June 2019, ICANN Staff announced that it had executed the .ORG/.INFO Renewed RAs. The .ORG/.INFO Renewed RAs did not include price caps.\textsuperscript{24}

\textsuperscript{18} Report of Public Comments, .INFO, at Pg. 3; Report of Public Comments, .ORG, at Pg. 3.
\textsuperscript{19} ICANN org received some comments supporting removal of the price cap provision because “ICANN org is not and should not be a price regulator,” and because the Base RA would provide certain protections to current registrants. Report of Public Comments, .ORG, at Pg. 6.
\textsuperscript{20} \textit{Id.}, at Pg. 8.
\textsuperscript{21} \textit{Id.}
\textsuperscript{22} \textit{Id.}
\textsuperscript{23} \textit{Id.}, at Pg. 1.

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On 12 July 2019, the Requestor filed Request 19-2, seeking reconsideration of the .ORG/.INFO Renewed RAs.

The Ombudsman accepted Request 19-2 for consideration, and, after investigating, concluded that “the CEO and Staff acted within the scope of the powers given them by the Board,”\(^ {25} \) and that “no rules or duties of corporate governance were violated (including the ICANN Bylaws).”\(^ {26} \)

The Board has considered Request 19-2 and all relevant materials. Based on its extensive review of all relevant materials, the Board finds that reconsideration is not warranted because ICANN org’s execution of the .ORG/.INFO Renewed RAs was consistent with ICANN’s Bylaws, policies, and procedures, and ICANN Staff considered all material information prior to executing the .ORG/.INFO Renewed RAs.

II. Facts.

A. Historic .ORG and .INFO RAs.

On 2 December 2002, ICANN org and PIR entered into a RA for the continued operation of .ORG, which became effective in 2003.\(^ {27} \) ICANN org and Afilias first entered into a RA on 11 May 2001 for the operation of .INFO.\(^ {28} \) Both RAs included price caps.\(^ {29} \)

In 2006, ICANN org considered removing price caps from several legacy gTLDs, including .INFO and .ORG.\(^ {30} \) However, after reviewing over 2,000 comments from over 1,000 commenters, many opposing removal of the price caps, and at the Board’s direction, ICANN org


\(^ {26} \) Id.


\(^ {28} \) 2019 .INFO RA Public Comment Proceeding.


renegotiated the .ORG and .INFO RAs to include price caps. Following a public comment period for the revised RAs (which included price caps), on 8 December 2006, the Board approved .ORG and .INFO RAs with price caps (as proposed and posted during the public comment period for the revised RAs).

B. The New gTLD Program and the Base RA.

In 2005, ICANN’s Generic Names Supporting Organization (GNSO) undertook a policy development process to consider expanding the DNS by introducing new gTLDs. In 2007, the GNSO concluded that “ICANN must implement a process that allows the introduction of new [gTLDs].” Accordingly, ICANN org established and implemented the New gTLD Program, “enabling the largest expansion of the [DNS].”

In 2009, ICANN org commissioned Professor Dennis W. Carlton to analyze “whether price caps... would be necessary to insure the potential competitive benefits” of new gTLDs. Carlton concluded that price caps were “unnecessary to insure competitive benefits of the proposed process for introducing new [gTLDs],” and also noted that “competition among suppliers to attract new customers in markets characterized by switching costs [such as the

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33 https://newgtlds.icann.org/en/about/program.
35 https://newgtlds.icann.org/en/about/program.
market for gTLDs] limits or eliminates the suppliers’ [i.e., the registry operators’] incentive and ability to act opportunistically.”

He explained that “a supplier that imposes unexpected or unreasonable price increases will quickly harm its reputation[,] making it more difficult for it to continue to attract new customers. Therefore, even in the absence of price caps, competition can reduce or eliminate the incentives for suppliers to act opportunistically.”

Carlton performed his analysis during the Base RA development process. That process included multiple rounds of public comment on the proposed Base RA, several months of negotiations, meetings with stakeholders and communities, and formal community feedback via a public comment forum. The Base RA was established in 2013 and aligns with the GNSO’s policy recommendations for new gTLDs. Since 2014, ICANN org has worked with legacy gTLD registry operators to transition the agreements for legacy gTLDs to the Base RA as well, and several legacy gTLDs, including .CAT, .JOBS, .MOBI, .PRO, .TEL, .TRAVEL, and .ASIA have adopted the Base RA in renewal agreements. The Base RA does not contain price caps, but it “does contain requirements designed to protect registrants from a price perspective,” including requirements that registry operators “provide registrars at least 30 days advance written notice of any price increase for initial registrations, and to provide a minimum 6-month notice for any price increases of renewals.”

![Image](https://newgtlds.icann.org/en/applicants/agb)

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37 Id., at ¶ 12.
38 Id.
42 26 July 2019 Letter, at Pg. 1.
43 Id.
to renew for up to 10 years before implementing a price change, and subject to restrictions on discriminatory pricing.\textsuperscript{44}

Using the Base RA for renewed legacy gTLDs without price cap provisions “is consistent with the gTLDs launched via the new gTLD program and will reduce ICANN org’s role in domain pricing.”\textsuperscript{45} This promotes ICANN’s Core Values of “introduc[ing] and promot[ing] competition in the registration of domain names and, where feasible and appropriate, depend[ing] upon market mechanisms to promote and sustain a competitive environment in the DNS market.”\textsuperscript{46}

The Base RA provides additional protections for the public benefit. For example, in 2015 the Board noted that the Base RA allows ICANN org to “designate an emergency interim registry operator of the registry for the TLD, which would mitigate the risks to the stability and security of the [DNS].”\textsuperscript{47} Additionally, using the Base RA ensures that the Registry will use “uniform and automated processes, which will facilitate operation of the TLD,” and “includes safeguards in the form of public interest commitments in Specification 11.”\textsuperscript{48}

The Board has also explained that transitioning legacy gTLDs to the Base RA “will provide consistency across all registries leading to a more predictable environment for end-users.”\textsuperscript{49} The Base RA’s requirement that the registry operator only use ICANN accredited

\textsuperscript{44} Id.
\textsuperscript{45} Id.
\textsuperscript{46} Id., at Pg. 2.
\textsuperscript{49} Rationale for Board Resolution 2015.09.28.06.
registrars that are party to the 2013 Registrar Accreditation Agreement “will provide more benefits to registrars and registrants.” Finally, the Board has noted that the Base RA “includes terms intended to allow for swifter action in the event of certain threats to the security or stability of the DNS,” another public benefit.

C. The 2019 .ORG and .INFO RA Renewals.

The .ORG RA with PIR was renewed several times, including on 22 August 2013. Likewise, the .INFO RA with Afilias was renewed on 22 August 2013.

In anticipation of the 30 June 2019 expiration of the 2013 .ORG and .INFO RAs, ICANN org bilaterally negotiated renewals with each registry operator. The proposed renewals were based on ICANN org’s Base RA, modified “to account for the specific nature[s]” of each TLD and as a result of negotiations between ICANN and the registry operators. On 18 March 2019, ICANN org published the proposed .ORG/.INFO RAs for public comment to obtain community input on the proposed renewals. ICANN org published redline versions of the proposed renewal agreements against the Base RA, and identified the material differences between proposed renewals and the Base RA. ICANN org explained that

[i]n alignment with the [Base RA], the price cap provisions in the current .ORG [and .INFO] agreement[s], which limited the price of registrations and allowable price increases for registrations, are removed from the .ORG [and .INFO] renewal agreement[s]. Protections for existing registrants will remain in place, in line with the [Base RA]. This change will not only allow the .ORG [and .INFO] renewal agreement[s] to better conform with the [Base RA], but also takes into consideration the maturation of the domain name market and the goal of treating the Registry Operator

50 Id.
51 Id.
52 2019 .ORG RA Public Comment Proceeding.
53 2019 .INFO RA Public Comment Proceeding.
equitably with registry operators of new gTLDs and other legacy gTLDs utilizing the [Base RA].

The public comment period for the .ORG/.INFO Renewed RAs opened on 18 March 2019 and closed on 29 April 2019. During that time, ICANN org received over 3,200 submissions in response to its call for public comments on the proposed .ORG agreement, and over 500 submissions in response to its call for comments on the proposed .INFO agreement. The comments predominantly related to three themes: (1) the proposed removal of the price cap provisions; (2) inclusion of the RPMs; and (3) the RA renewal process.

ICANN org detailed its analysis of the public comments concerning the .ORG/.INFO Renewed RAs—including those addressing the proposed removal of price cap provisions—in its Report of Public Comments. ICANN org concluded that

> removing the price cap provisions in the .ORG [and .INFO RAs] is consistent with the Core Values of ICANN org as enumerated in the Bylaws approved by the ICANN community. These values guide ICANN org to introduce and promote competition in the registration of domain names and, where feasible and appropriate, depend upon market mechanisms to promote and sustain a competitive environment in the DNS market.

ICANN org also noted that

the Base [RA] would also afford protections to existing registrants . . . [e]nacting this change will not only allow the .ORG renewal agreement to conform to the Base [RA], but also takes into consideration the maturation of the domain name market and the goal of treating the Registry Operator equitably with registry

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59 Id., at Pg. 3; Report of Public Comments, .ORG, at Pg. 3.
60 Report of Public Comments, .ORG, at Pg. 8; Report of Public Comments, .INFO, at Pg. 7.
61 Report of Public Comments, .ORG, at Pg. 8; Report of Public Comments, .INFO, at Pg. 7.
operators of new gTLDs and other legacy gTLDs utilizing the Base [RA].

ICANN org explained that it would “consider the feedback from the community on this issue,” and then ICANN org would “consider the public comments received and, in consultation with the ICANN Board of Directors, make a decision regarding the proposed registry agreement.”

ICANN org reviewed and considered all of the comments submitted concerning the proposed .ORG/.INFO Renewed RAs, then ICANN Staff briefed the ICANN Board on its analysis of the public comments during the Board workshop on 21-23 June 2019. With support from the Board to proceed with execution of the proposed renewals and pursuant to the ICANN Delegation of Authority Guidelines, on 30 June 2019, ICANN org executed the .ORG/.INFO Renewed RAs.

D. The Request for Reconsideration and Ombudsman Report.

The Requestor submitted Request 19-2 on 12 July 2019. Pursuant to Article 4, Section 4.2(l) of the Bylaws, ICANN org transmitted Request 19-2 to the Ombudsman for consideration, and the Ombudsman accepted consideration of the reconsideration request.

After investigating, the Ombudsman concluded that “the CEO and Staff acted within the scope of the powers given them by the Board,” and that “no rules or duties of corporate
governance were violated (including the ICANN Bylaws).” He determined that the “Board were well aware of the public comments” because ICANN Staff briefed the Board on the comments, and because the comments were publicly available, so Board members could have read each comment had they so desired. Additionally, the Ombudsman concluded that “the whole renewal process and the terms themselves may be described as a corporate governance matter, and no rules or duties of corporate governance were violated (including the ICANN Bylaws).”

E. Relief Requested.

The Requestor “requests that ICANN org and the ICANN Board reverse its decision and include (or maintain) price caps in all legacy TLDs.”

III. Issues Presented.

The issues are as follows:

1. Whether ICANN Staff’s decision not to include price caps in the .ORG/.INFO Renewed RA contradicts ICANN’s Mission, Commitments, Core Values, or established ICANN policies; and

2. Whether ICANN Staff failed to consider material information when it executed the .ORG/.INFO Renewed RAs.

IV. The Relevant Standards for Reconsideration Requests.

Articles 4.2(a) and (c) of ICANN’s Bylaws provide in relevant part that any entity “may submit a request for reconsideration or review of an ICANN action or inaction . . . to the extent the Requestor has been adversely affected by:

70 Id.
71 Id.
72 Id., at Pg. 5. On 12 September 2019, the Internet Commerce Association (ICA) wrote to the Ombudsman, asserting that the Ombudsman “made ill-informed and disparaging comments about members of the ICANN community” in the Ombudsman’s evaluation. 12 September 2019 letter from Z. Muskovitch to H. Waye, https://www.icann.org/en/system/files/files/reconsideration-19-2-namecheap-letter-ica-to-icann-ombudsman-12sep19-en.pdf. The ICA asked the Ombudsman to “apologize to the numerous people who submitted these Comments and to retract [his] ill-advised statements.” Id., at Pg. 3.
73 Request 19-2, § 9, at Pg. 12.
(i) One or more Board or Staff actions or inactions that contradict ICANN’s Mission, Commitments, Core Values and/or established ICANN policy(ies);

(ii) One or more actions or inactions of the Board or Staff that have been taken or refused to be taken without consideration of material information, except where the Requestor could have submitted, but did not submit, the information for the Board’s or Staff’s consideration at the time of action or refusal to act; or

(iii) One or more actions or inactions of the Board or Staff that are taken as a result of the Board’s or Staff’s reliance on false or inaccurate relevant information.”

The Board now considers Request 19-2’s request for reconsideration of Staff action on the grounds that the action was taken in contradiction of ICANN’s Bylaws and without consideration of material information. The Board has reviewed the Request and now makes this proposed determination. Denial of a Request for Reconsideration of ICANN Staff action is appropriate if the Board determines that the requesting party has not satisfied the reconsideration criteria set forth in the Bylaws.

V. Analysis and Rationale.

A. The .ORG/.INFO Renewed RAs Are Consistent With ICANN Org’s Commitments.

The Requestor claims that omitting the price caps from the .ORG/.INFO Renewed RAs contradicts ICANN org’s Commitment to “seek input from the public, for whose benefit ICANN in all events shall act.”

The Requestor acknowledges that “ICANN [org] requested public comment regarding the changes to the .ORG registry agreement.” It asserts, however, that ICANN org “reject[ed] all
of the comments against removing the price cap with a conclusory statement that is devoid of any supporting evidence,” and as a result, “the public comment process is basically a sham.”\(^{79}\) In sum, the Requestor claims that including price caps in the .ORG/.INFO Renewed RAs “ignore[d] the public benefit or almost unanimous feedback to the contrary.”\(^{80}\)

The Requestor does not dispute that ICANN org “review[ed] and consider[ed] all 3,200+ comments received,”\(^{81}\) and acknowledged that the removal of the price caps was “[a] primary concern voiced in the comments.”\(^{82}\) ICANN Staff presented and discussed the “key issues raised in the public comment process and correspondence,” including removal of price caps, with the Board before executing the .ORG/.INFO Renewed RAs.\(^{83}\) Further, as the Ombudsman noted, the Board was “well aware of the public comments.”\(^{84}\)

The Reports of Public Comment were the result of ICANN Staff’s extensive analysis of the comments; consistent with ICANN Staff’s ordinary process for preparing the Report of Public Comment, ICANN Staff identified the main themes in the comments and summarized them, providing exemplary excerpts for each of those themes.\(^{85}\) Neither the Bylaws, nor any ICANN policy or procedure, requires ICANN Staff to discuss each position stated in each comment. By the same token, there is no threshold number of comments about a topic that, if reached, requires ICANN Staff to address that topic in the Report of Public Comments. Even a single comment on a theme may merit inclusion in the report, under certain circumstances;

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\(^{79}\) Id. \(\S\) 8, at Pgs. 10, 12.
\(^{80}\) Id. \(\S\) 8, at Pg. 12.
\(^{81}\) 26 July 2019 Letter at Pg. 2.
\(^{82}\) Report of Public Comments, .ORG, at Pg. 3; Report of Public Comments, .INFO, at Pg. 3.
\(^{83}\) 26 July 2019 Letter, at Pg. 2.
\(^{84}\) Ombudsman Evaluation of Request 19-2, at Pg. 5.
\(^{85}\) See Report of Public Comments, .ORG, at Pg. 3 (“This section intends to summarize broadly and comprehensively the comments submitted to this public comment proceeding but does not address every specific position stated by each contributor.”); Report of Public Comments, .INFO, at Pg. 3 (same).
likewise, a multitude of comments on a theme may merit little or no consideration in the report, under other circumstances.\textsuperscript{86}

That ICANN org ultimately decided to proceed without price caps despite public comments opposing this approach does not render the public comment process a “sham” or otherwise demonstrate that ICANN org failed to act for the public benefit. ICANN Staff’s careful consideration of the public comments—as reflected in its Report of Public Comments and discussion with the Board,\textsuperscript{87} demonstrate the exact opposite, namely that the inclusion of price caps was carefully considered.

Further, the Report of Public Comments demonstrates ICANN Staff’s belief that it was acting for the public benefit by “promot[ing] competition in the registration of domain names,” providing the same “protections to existing registrants” afforded to registrants of other TLDs, and treating “the Registry Operator equitably with registry operators of new gTLDs and other legacy gTLDs utilizing the Base [RA].”\textsuperscript{88} There is no support for the Requestor’s assertion that ICANN Staff’s belief in this regard was based upon “conclusory statements not supported by evidence.”\textsuperscript{89} ICANN org considered Professor Carlton’s 2009 expert analysis of the Base RA, and specifically his conclusion that limiting price increases was not necessary, and that the increasingly competitive field of registry operators in itself would serve as a safeguard against anticompetitive increases in domain name registration fees.\textsuperscript{90}

\textsuperscript{86} The Board acknowledges the ICA’s disagreement with the Ombudsman’s characterization of certain comments as “spam” and “computer generated.” 12 September 2019 Letter, at Pgs. 1-2. ICANN Staff acknowledged both the volume of comments submitted concerning the proposed .ORG/.INFO Renewed RAs and the issues they raised—including the removal of price cap provisions—without discounting the comments based on their apparent source. See Report of Public Comments, .ORG; Report of Public Comments, .INFO. Accordingly, the ICA’s arguments do not change the Board’s determination that reconsideration is not warranted here.

\textsuperscript{87} 26 July 2019 Letter, at Pg. 2.

\textsuperscript{88} Report of Public Comments, .ORG, at Pg. 8.

\textsuperscript{89} Request 19-2, § 8, at Pg. 12.

Finally, ICANN Staff was aware of the Board’s 2015 statements (made in the course of approving the migration of another legacy gTLD, .PRO, to the Base RA) that the Base RA as a whole benefits the public by offering important safeguards that ensure the stability and security of the DNS and a more predictable environment for end-users.91

In sum, the Requestor’s conclusory assertion that ICANN org did not act for the public benefit is unsupported and does not support reconsideration.

B. The .ORG/.INFO Renewed RAs Are Consistent With ICANN Org’s Core Values.

The Requestor asserts that omitting the price caps from the .ORG/.INFO Renewed RAs contradicts ICANN org’s Core Value of

> [s]eeking and supporting broad, informed participation reflecting the functional, geographic, and cultural diversity of the Internet at all levels of policy development and decision-making to ensure that the bottom-up, multistakeholder policy development process is used to ascertain the global public interest and that those processes are accountable and transparent.92

Contrary to the Requestor’s argument, ICANN org did seek broad, informed participation through the public comment process for the .ORG/.INFO Renewed RAs. As noted above, ICANN org considered the responses and other factors, including its commitment to “[m]ake decisions by applying documented policies consistently, neutrally, objectively, and fairly, without singling out any particular party for discriminatory treatment,”93 and its Core Values of “depending on market mechanisms to promote and sustain a competitive environment in the DNS market” where “feasible and appropriate,” and “[i]ntroducing and promoting competition in

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91 See Rationale for Board Resolution 2015.09.28.06.
92 Request 19-2, § 8, at Pg. 4.
93 Bylaws, Art. 1, § 1.2(a)(v); see also 26 July 2019 Letter, at Pg. 1.
the registration of domain names where practicable and beneficial to the public interest as identified through the bottom-up, multistakeholder policy development process.”

Moreover, the public comment process is but one of several channels for ICANN’s multistakeholder community to voice opinions. Members of the community may also voice their opinions in public meetings and through the final recommendations of supporting organizations, advisory committees, and direct correspondence with ICANN org. Accordingly, the multistakeholder community provides input to ICANN org in many ways, and ICANN org considers this input to ensure that all views have been taken into account during a decision-making process.

However, ICANN org’s Core Values do not require it to accede to each request or demand made in public comments or otherwise asserted through ICANN’s various communication channels. Here, ICANN org ultimately determined that ICANN’s Mission was best served by replacing price caps in the .ORG/.INFO Renewed RAs with other pricing protections to promote competition in the registration of domain names, afford the same “protections to existing registrants” that are afforded to registrants of other TLDs, and treat registry operators equitably. Further, the Base RA, which is incorporated in the .ORG/.INFO Renewed RA, “was developed through the bottom-up multi-stakeholder process including multiple rounds of public comment.”

The Requestor has not demonstrated that ICANN org failed to seek or support broad participation or ascertain the global public interest. To the contrary, ICANN org’s transparent processes reflect its continuous efforts to ascertain and pursue the global public interest by

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94 Bylaws, Art. 1, § 1.2(b)(iii), (iv); see also 26 July 2019 Letter, at Pg. 2.
95 Report of Public Comments, .ORG, at Pg. 8; Report of Public Comments, .INFO, at Pg. 7.
96 26 July 2019 Letter, at Pg. 1.
migrating the legacy gTLDs to the Base RA. Accordingly, this argument does not support reconsideration.

C. ICANN Org’s Statements Concerning The Purpose Of Public Comments Do Not Support Reconsideration.

The Requestor asserts that reconsideration is warranted because omitting the price caps from the .ORG/.INFO Renewed RAs is contrary to ICANN org’s statement on its Public Comment Opportunities page that “Public Comment is a key part of the policy development process (PDP), allowing for refinement of recommendations before further consideration and potential adoption,” and is “used to guide implementation work, reviews, and operational activities of the ICANN organization.” The Requestor asserts that omitting the price caps is inconsistent with ICANN org’s statement that the “purpose of this public comment proceeding is to obtain community input on the proposed .ORG renewal agreement.”

Ultimately, ICANN org’s decision not to include price caps in the .ORG/.INFO Renewed RAs does not mean that ICANN org failed to “obtain community input” or “use[]” the public comment “to guide implementation work” of ICANN org. To the contrary, it is clear that ICANN org actively solicited community input, and carefully analyzed it as part of its efforts—in consultation with the Board—to ascertain, and then with the Board’s support, to pursue, the global public interest.

Additionally, the Board notes that reconsideration is available for ICANN Staff actions that contradict ICANN’s Mission, Commitments, Core Values and/or established ICANN policy(ies). ICANN org’s general description of the purpose of the public comment process is

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97 Request 19-2, § 8, at Pg. 4.
98 Id.
99 See id.
100 Bylaws, Art. 4 § 4.2(c). The challenged action must adversely affect the Requestor as well. Id.
not a Commitment, Core Value, established policy, nor part of ICANN org’s Mission.

Accordingly, even if ICANN org’s decision to execute the .ORG/.INFO Renewed RAs without price caps contradicted these statements—and it did not, as explained in Section V.A above — this inconsistency could not form the basis of a Reconsideration Request.

D. The Requestor Has Not Demonstrated That ICANN Org Acted Without Consideration Of Material Information.

The Requestor asserts that ICANN org’s analysis of the proposed removal of price caps “ignores significant information that is contrary to its sweeping conclusions.”\textsuperscript{101} Specifically, the Requestor asserts that ICANN org’s analysis ignores that:

1. .ORG “is the 3rd largest” TLD, and “additional analysis is needed to determine whether this market share can result in uncompetitive practices,”\textsuperscript{102}

2. .ORG “was established in 1985,” “is universally known, associated with nonprofit use, and has an excellent reputation,”\textsuperscript{103}

3. It can be “a cumbersome and costly process” for an established entity to change domain name, and “often” leads to “negative results (inability to connect with users, loss of search engine positions, confusion over validity of new domain, etc). Many would rather stay with an established domain (and the associated goodwill).”\textsuperscript{104}

4. “TLDs are not interchangeable, as ICANN states. While there may be 1,200 other gTLDs to choose from, many of the new gTLDs are closed and not useable by nonprofits . . . or targeted to certain uses . . . and cannot be used by nonprofits or businesses. It would be desirable for ICANN to identify which new gTLDs might be acceptable replacements to .ORG.”\textsuperscript{105}

5. Although some new gTLDs are targeted to nonprofits, “there are few registrations in those TLDs (perhaps demonstrating that nonprofits do not want an alternative to .ORG).”\textsuperscript{106}

\textsuperscript{101} Request 19-2, § 8, at Pg. 10.
\textsuperscript{102} Id.
\textsuperscript{103} Id.
\textsuperscript{104} Id., at Pg. 10-11.
\textsuperscript{105} Id., at Pg. 11.
\textsuperscript{106} Id.
6. “There are some concerns [that] higher levels of abuse exists in new gTLD domains . . . . ICANN’s own analysis shows greater levels of abuse in new gTLDs compared to legacy TLDs.”

7. “[I]t is possible that new gTLDs will not be usable in internet browsers, mobile devices, or email systems- all which greatly diminish the ability for nonprofits to switch to a new gTLD for their main domain name.”

The Report of Public Comments for the .ORG Renewed RA makes clear that ICANN org did consider some of these concerns. Specifically, with respect to Item 1, ICANN Staff noted that commenters “questioned whether ICANN org conducted an economic study or research on the potential market implications of removing the existing pricing protections.” With respect to Item 2, ICANN Staff acknowledged that commentators noted that “.ORG was developed, cultivated and established over decades as catering to non-profit and similar charitable organizations.” With respect to Items 3, 4, 5, and 7, ICANN Staff acknowledged “concerns about the burden and costs associated with moving [a] web presence to another TLD,” along with comments characterizing .ORG as “the most appropriate registry for a charity or non-profit.” Accordingly, the Requestor’s argument that the information about these six “concerns” was not considered or was ignored is incorrect and therefore does not support reconsideration.

With respect the Requestor’s assertion that “ICANN’s own analysis shows greater levels of abuse in new gTLDs compared to legacy TLDs,” the Requestor mischaracterizes the cited ICANN report. As the Requestor notes, the 2019 Domain Abuse Activity Reporting (DAAR) report concluded that 48.11% of the “domains identified as security threats . . . were in legacy

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108 Id., at Pg. 11-12.
109 Report of Public Comments, .ORG, at Pg. 5.
110 Id., at Pgs. 3-4.
111 Id., at Pgs. 4-5.
[TLDs],” and the remaining 51.89% of the domains identified as threats were in new gTLDs.\textsuperscript{113} Further, the Report indicates that about 12% of TLD domain names are hosted on new gTLDs.\textsuperscript{114} However, the Report also notes that 88% of the new gTLD domains identified as security threats were concentrated in only 25 new gTLDs, out of over 340 new gTLDs.\textsuperscript{115} The Report further noted that 98% of the domains identified as security threats were hosted by “the 50 most-exploited new [TLDs].”\textsuperscript{116} Accordingly, even if ICANN Staff did not consider the 2019 DAAR Report, the Requestor has not shown that the information contained in it was material to the inclusion of price caps in the .ORG/.INFO Renewed RAs. Moreover, the cited portions of the DAAR Report relate to security threats, not domain name registration fees. This argument does not support reconsideration.

E. The Requestor Has Not Demonstrated That It Has Been Adversely Affected By The .ORG/.INFO Renewed RAs.

The Requestor asserts that it has been adversely affected by the challenged conduct because, “[a]s a domain name registrar, removal of prices caps for legacy TLDs will negatively impact [the Requestor’s] domain name registration business,” insofar as the .ORG/.INFO Renewed RAs create an “uncertainty of price increases.”\textsuperscript{117} That the Requestor could not quantify the actual financial impact on the Requestor of removing the price caps at the time it submitted Request 19-2 was not material to our preliminary procedural evaluation, because the Requestor asserted that the financial uncertainty itself is the harm. Accordingly, the Board Accountability Mechanisms Committee (BAMC) concluded that Request 19-2 was sufficiently

\textsuperscript{113} 31 January 2019 DAAR Report, Executive Summary.
\textsuperscript{114} Id., at Pg. 5.
\textsuperscript{115} Id., at Pg. 6. Similarly, four legacy TLDs hosted more than 94% of the legacy TLD domains identified as security threats. Id.
\textsuperscript{116} Id., at Pg. 6.
\textsuperscript{117} Request 19-2, § 6, at Pg. 2; see also id. § 10, at Pg. 13.
stated. However, the BAMC’s conclusion that the Requestor sufficiently asserted that it was materially harmed was not a determination that the Requestor was in fact materially harmed or, if so, that removing the .ORG/.INFO Renewed RAs caused that harm.

The Board now concludes that the Requestor has not shown that it has been harmed by the .ORG/.INFO Renewed RAs. As noted above, in 2009, Professor Carlton concluded that price caps were unnecessary to protect against unreasonable increases in domain name registration fees. Professor Carlton explained that “a supplier that imposes unexpected or unreasonable price increases will quickly harm its reputation[,] making it more difficult for it to continue to attract new customers. Therefore, even in the absence of price caps, competition can reduce or eliminate the incentives for suppliers to act opportunistically.”

The Requestor has not shown that it has, in fact, been harmed by the financial uncertainty it identified in Request 19-2, nor that it has been harmed by any price increases under the .ORG/.INFO Renewed RAs. Instead, the Requestor asserts that “additional analysis is needed to determine whether” the removal of price caps in the .ORG RA “can result in uncompetitive practices.” This suggestion of further study is insufficient, at this stage, to warrant Reconsideration. The Requestor has not identified any evidence that it has been harmed or will be harmed by removal of the price caps, and the evidence that is available—Professor Carlton’s expert report—indicates that such harm is not expected. Accordingly, reconsideration is not warranted.

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118 See Ombudsman Action on Request 19-2, at Pg. 2.
120 Id.
121 Request 19-2, § 8, at Pg. 10.
VI. **Proposed Determination.**

The Board has considered the merits of Request 19-2 and, based on the foregoing, concludes that ICANN org’s execution of the .ORG/.INFO Renewed RAs did not contradict ICANN’s Bylaws, policies, or procedures, and that ICANN Staff did not fail to consider material information in executing the Agreements. Accordingly, the Board proposes denying Request 19-2.

Because the BAMC did not have a quorum to consider Request 19-2, the Board itself has issued this Proposed Determination in lieu of a Recommendation by the BAMC. Accordingly, the issuance of this Proposed Determination triggers Requestor’s right to file a rebuttal consistent with Article 4, Section 4.2(q) of the Bylaws.