

9 January 2015

Mr. Cherine Chalaby
Chair, Board New gTLD Program Committee
ICANN
12025 Waterfront Drive, Suite 300
Los Angeles, CA 90094

Dear Mr. Chalaby,

fTLD Registry Services (fTLD) submitted community applications to ICANN for the .BANK and .INSURANCE gTLDs, and after investing substantial time and resources over the past several years we look forward to bringing these gTLDs to market in 2015. We are writing to express our concern about recent communications between the ICANN At-Large Advisory Committee (ALAC), the GNSO Business Constituency (BC) and the ICANN Board regarding ICANN Governmental Advisory Committee (GAC) Advice for Category 1 strings requiring enhanced safeguards.¹

While fTLD appreciates and supports the spirit of these requests, having also advocated to ICANN along similar grounds, fTLD respectfully disagrees with the approach the ALAC and BC have proposed for the reasons detailed in this communication. fTLD has worked diligently with its communities during the last three years and has expended significant time and resources to establish gTLDs that will provide enhanced consumer protections beyond those called for by many stakeholders in the ICANN community. Any additional delays to fTLD at this point would be unwarranted. fTLD also would like to raise specific concerns regarding the ICANN Board's New gTLD Program Committee (NGPC) proposed approach to address this important issue set forth in its 19 December 2014 communication which we believe is too narrow given the number of stakeholders impacted by this problem.

fTLD Commitment to Principles Included in GAC Safeguards

fTLD was founded to ensure that the .BANK and .INSURANCE gTLDs are operated on behalf of the global banking and insurance communities and to protect and serve the needs of these communities, their customers and Internet users. The enhanced consumer protection safeguards, which are articulated in the BC and the ALAC communications, are the very bedrock upon which fTLD was founded and is operated. Not only are such commitments included in fTLD's applications, but as a registry operator these representations are binding via our Registry Agreement for .BANK (see Specification 12: Community Registration Policies) and the same will hold true for .INSURANCE. Moreover, alleged violations of these commitments are subject to the Registry Restrictions Dispute Resolution Procedure (RRDRP) an administrative challenge process set forth in the Applicant Guidebook.²

While other registry operators have advocated in favor of watering down GAC Advice for some of the strings enumerated in Category 1 of its Beijing Communique, fTLD wrote to the NGPC in November 2013 advocating in favor of adopting the GAC Advice, especially those requirements involving the verification of registrants' licenses and charters at the **time of registration**.³ Notwithstanding, the NGPC's decision not to implement GAC Advice as provided, fTLD has followed through on the commitments made in its

¹ See <http://www.atlarge.icann.org/correspondence/statement-public-interest-comments-16oct14-en.pdf> for ALAC statement; <https://www.icann.org/en/system/files/correspondence/cooper-to-chehade-et-al-09dec14-en.pdf> for BC statement; and ICANN New gTLD Program Committee (NGPC) response to ALAC communication <https://www.icann.org/en/system/files/correspondence/chalaby-to-greenberg-19dec14-en.pdf>

² See <http://newgtlds.icann.org/en/applicants/agb/rrdrp-04jun12-en.pdf>

³ See <https://www.icann.org/en/system/files/correspondence/schwartz-to-crocker-08nov13-en.pdf>

applications to verify registrants before domain names are activated as evidenced by the recent press release announcing the selection of Symantec as the verification agent for .BANK and .INSURANCE.⁴

Concerns Regarding ALAC's Proposed Recommendations

While fTLD supports the spirit of ALAC's call for increased consumer protection safeguards consistent with GAC Advice, fTLD respectfully disagrees with ALAC's proposed remediation plan. To "freeze" the contracting and delegation of all 28 strings identified by the GAC (including .BANK and .INSURANCE) as requiring enhanced safeguards as well as proposing the formation of a sub-committee and creating a liaison role for ALAC with ICANN's Contract Compliance and Safeguards group creates unwarranted delays for the impacted communities. This approach paints all of these domains with the same broad method and ignores completely the differentiation that fTLD has created with .BANK and .INSURANCE is already implementing significant safeguards for consumers and users of its domains.

If the NGPC was to implement ALAC's recommendations, the ICANN community would be denied the opportunity to see if the proposed consumer safeguards that fTLD and its communities have designed and will implement are effective in practice. fTLD has reached out to the ALAC leadership in an attempt to communicate these concerns without success.

fTLD would also like to bring to the attention of the ALAC, the BC and the GAC letters sent to ICANN by the Financial Services Roundtable/Global Federation of Insurance Associations/Independent Community Bankers of America⁵ and the International Banking Federation (IBFed), the representative body for national and international banking associations from leading financial nations around the world.⁶ In its communication the IBFed not only advocates for the adoption of the original GAC Category 1 Advice regarding verification and validation of registrants' credentials at the time of registration in strings representative of highly regulated sectors, but also cites the specific actions of fTLD in implementing these consumer protection safeguards stating:

fTLD has already selected a third-party agent that will be implementing its verification requirements for all applicants for domains in the .BANK and .INSURANCE gTLDs. In our view, the positive response from companies willing to implement strict verification requirements has greater validity than NGPC's arbitrary determination to weaken an important security standard without any evidence that it cannot be accomplished.

fTLD's verification will include a security check to ensure that the applicant is not on any governmental black list, that it is a registered and active organization in its jurisdiction and has valid credentials proving that it is a bank or insurance company or otherwise falls into fTLD's definition of other approved banking or insurance entities. Moreover, fTLD will verify that the applicant is a full-time employee of the entity requesting the domain, that the employee is authorized to request the registration and that the domain conforms to fTLD's Name Selection Policy. fTLD's verification process very closely models that mandated by the CA/Browser Forum for issuing Extended Validation SSL Certificates.

While ALAC works to advance the interests of the individual at-large user within the ICANN community, fTLD encourages them and other stakeholder groups to research and reach out to those with subject matter expertise to propose meaningful solutions that are fair, equitable and scalable in the marketplace. It is only through this inclusive and fact-based approach that the common interests we are collectively advocating can be achieved.

Concerns Regarding the BC's Proposed Recommendations

In its communication to the ICANN Board, the BC effectively supports the ALAC's call for the suspension of all "contracting and delegation of any new gTLD in highly-regulated sectors that have failed to

⁴ See [https://www.ftld.com/FTLD-Release-re-Symantec-\(f\)-20141208.pdf](https://www.ftld.com/FTLD-Release-re-Symantec-(f)-20141208.pdf)

⁵ See <https://www.icann.org/en/system/files/correspondence/icba-qfia-fsr-to-chalaby-13oct14-en.pdf>

⁶ See <https://www.icann.org/en/system/files/correspondence/scutt-to-chalaby-10oct14-en.pdf>

implement GAC safeguards” and specifically references .BANK and .INSURANCE. The BC position appears to be based on the false presumption that the only way to incorporate consumer protection safeguards is through Public Interest Commitments (PICs) as set forth in Specification 11 of the Registry Agreement. As noted above and having submitted community applications for both gTLDs, fTLD is contractually obligated to implement the consumer protection safeguards included in its applications and included in its Registry Agreement as Specification 12 and subject to the RRDRP. Additionally, all of the PICs in Specification 11 cannot be unilaterally amended or revoked by fTLD and are subject to enforcement via the Public Interest Commitments Dispute Resolution Procedure (PICDRP).⁷

With regard to GAC Category 1 Advice safeguards six thru eight regarding pre and post verification of a registrant’s charter/license at the time of registration, as noted above fTLD recently announced the selection of Symantec as its verification agent to fulfill these responsibilities. Moreover, on 19 December 2014, fTLD sent a letter to ICANN⁸ detailing the updates made to the enhanced security requirements originally submitted to ICANN in 2011.⁹ The enhanced security requirements, developed by a community-based working group and voluntarily adopted by fTLD for its operations for .BANK and .INSURANCE, mandate the re-verification of registration data and credentials every two years or upon the domain renewal, whichever comes first. The re-verification process is in addition to the registrar requirement, under the 2013 Registrar Accreditation Agreement, to annually verify Whois information. As such, fTLD’s proposed operations of .BANK and .INSURANCE fully comply with GAC Category 1 Advice for gTLDs in highly regulated sectors. Any call for suspending the contract execution or delegation of these strings is misguided.

Notwithstanding this difference of opinion of how best to implement GAC Advice, fTLD supports the spirit of the BC communication advocating for increased consumer protection safeguards, and in particular notes the BC’s call for “working consultation with relevant regulatory and industry bodies... [to] promote self-regulatory best practices that will improve consumer disclosure and protection.” Consistent with this approach, fTLD has worked closely with the global banking and insurance communities, including relevant regulatory and industry bodies in the formulation of its operational policies and security requirements. This outreach and collaboration is evidenced in the composition of fTLD’s Advisory Council¹⁰, its various working groups and the organizations that endorsed fTLD’s applications.¹¹

NGPC’s Proposed Resolution Framework

fTLD supports the actions of the NGPC in acknowledging the importance of GAC Advice for gTLDs requiring enhanced safeguards and for not unilaterally halting further contract signing and/or delegation of this subset of strings. If the NGPC would have implemented these recommendations, fTLD would have been wrongfully denied the opportunity to demonstrate to the community the viability of its enhanced consumer protection and security safeguards after working on them for more than three years.

However, fTLD would like to raise some concerns regarding the NGPC’s proposed framework for addressing the underlying issue, which has generated concern by many parties (ICANN Board, GAC, ALAC, BC, fTLD, and the global financial services community.). While fTLD respects the right of the ICANN Board to engage in dialog with representative groups within the ICANN structure, the issues of consumer safeguards for gTLDs requiring enhanced protections must involve a larger cross-section of the impacted communities. Therefore, fTLD respectfully requests that the NGPC consult with ICANN staff and GAC on how to constitute an appropriately inclusive group of stakeholders to engage in any dialog with the NGPC on this important public policy issue.

⁷ See <https://newgtlds.icann.org/en/applicants/agb/picdrp-19dec13-en.pdf>

⁸ See <https://www.icann.org/en/system/files/correspondence/schwartz-to-crocker-19dec14-en.pdf>

⁹ See <https://www.icann.org/en/correspondence/aba-bits-to-beckstrom-crocker-20dec11-en.pdf>

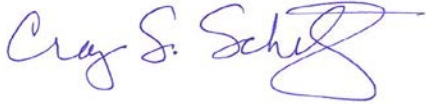
¹⁰ See <http://www.ftld.com/advisory-council.html>

¹¹ See <http://www.ftld.com/endorsers.html>

fTLD Supports Enhanced Consumer Protection Safeguards

fTLD welcomes and encourages the ICANN and global financial services communities to continue this important dialog about enhanced consumer protection safeguards. Please do not hesitate to contact us with any questions or comments.

Sincerely,

A handwritten signature in blue ink that reads "Craig S. Schwartz". The signature is fluid and cursive, with the first name "Craig" and last name "Schwartz" clearly legible.

Craig Schwartz
Managing Director

cc: Stephen Crocker, Chair, ICANN Board of Directors
Thomas Schneider, Chair, ICANN Governmental Advisory Committee
Alan Greenberg, Chair, ICANN At-Large Advisory Committee
Elisa Cooper, Chair, ICANN GNSO Business Constituency
Sally J Scutt, Managing Director, International Banking Federation
Paul Smocer, Presidents, BITS/Financial Services Roundtable
Viveca Ware, Executive Vice President, Independent Community Bankers of America
Sally Robinson, Policy Advisor, Global Federation of Insurance Associations