

Decision: 2023 .NET Registry Agreement

Date: 29 June 2023

Submitter Name and Title: Russ Weinstein, Vice President, GDD Accounts and Services

Executive Summary

ICANN and Verisign, Inc. (Verisign), the registry operator of the .NET Top-Level Domain (TLD), have reached a preliminary agreement on the proposed renewal of the .NET Registry Agreement (RA). ICANN and Verisign have also reached preliminary agreement on an amendment to the 27 March 2020 [Binding Letter of Intent](#) (LOI) between the two parties. The LOI provides a framework for working together on additional initiatives and was originally put into place in 2020 as part of the [.COM Registry Agreement Amendment #3](#). The proposed renewal of the .NET RA is the result of bilateral negotiations between the two parties as provided for in the RA.

The [.NET Registry Agreement](#) entered into on 1 June 2017¹ is set to expire on 30 June 2023. The changes in the proposed 2023 .NET RA as compared to the 2017 version together accomplish three key things, all of which are in the global public interest:

- 1) Aligns requirements related to Registration Data Directory Services (RDDS) with the [recently approved changes to the Base gTLD Registry Agreement](#).**
 - Incorporation of requirements for providing Registration Data Directory Services (RDDS) via the Registration Data Access Protocol (RDAP) from the 2023 Global Amendment to ensure coordination for RDDS across the industry.
 - Alignment of the plan for the sunset of obligations for providing RDDS via the WHOIS Protocols with the 2023 Global Amendment to ensure a coordinated transition of services across the industry.

¹ The Board Paper for 2017 renewal of the .NET Registry Agreement is available as part of the briefing materials for the [24 June 2017 Meeting of the ICANN Board](#).

2) Enhances how ICANN and Verisign combat DNS Abuse

- Incorporation of the use of Bulk Registration Data Access (BRDA) for research. This enhances ICANN's ability to analyze the operational stability of the Domain Name System (DNS) through programs such as [Domain Abuse Activity Reporting \(DAAR\)](#).
- Incorporation of provisions similar to [Specification 11 Sections 3a and 3b from the Base gTLD Registry Agreement](#) to further combat DNS Abuse.
- Verisign commits to incorporate the obligations negotiated between ICANN and the gTLD Registries Stakeholder Group (RySG) to the Base RA focused on mitigating DNS Abuse to .NET. This commitment already exists for .COM via the LOI. The proposed changes to the Base gTLD Registry Agreement related to DNS Abuse are currently open for [Public Comment](#).

3) Enhancements to Security

- A new commitment by Verisign to work with ICANN to develop an obligation for both .COM and .NET to disclose security breach incidents to ICANN, based on [SSAC07](#).

The focus of the proposed 2023 .NET RA has been to align requirements for .NET with certain changes made in the Amendment #3 to the .COM RA in 2020, to amend the LOI to apply to .NET, and to add the contractual obligations included in the [2023 Global Amendment to the Base gTLD Registry Agreement](#), which the ICANN Board adopted by [resolution](#) on 30 April 2023.

The proposed 2023 .NET RA and amended LOI were posted for [Public Comment](#) for 42 days from 13 April 2023 to 25 May 2023 and received 57 comments. Per ICANN's standard practice, the comments have been reviewed, analyzed, and summarized into a report that was published in June of 2023. Following a careful review of the comments, ICANN has determined that one adjustment is needed to the proposed 2023 .NET RA, and that adjustment has been made following discussions between ICANN and Verisign.

Background

Verisign (previously Network Solutions Inc.) has operated the .NET TLD under Registry Agreements with ICANN since [November 1999](#). The current proposed renewal is for a term of six years, consistent with the prior two renewals of the .NET RA.

Section 4.2 of the 2017 .NET RA contains a presumption of renewal by the registry operator unless there has been a material breach of the agreement, which is not the case for .NET. The .NET RA is considered an “unsponsored registry agreement” and, as a legacy Registry Agreement, it is in a substantially different form than the [Base gTLD Registry Agreement](#) (Base RA). While both the Base RA and the .NET RA prescribe a fairly common set of obligations on the registry operator and ICANN, the differences in the .NET RA include among other things, a constraint on the pricing of domain registration services the registry operator may charge to registrars, a unique structure of fees owed by the registry operator to ICANN, and differences in the approach to specifying certain technical obligations such as the performance specifications for the critical registry functions, the procedures for introducing new registry services, and protocols for remedying non-compliance with contractual obligations.

In the 2017 .NET RA and the subsequent [Amendment 1](#) in 2020, Verisign agreed to include many of the provisions or obligations from the Base RA directly to the operation of the registry, such as:

- Registry Data Escrow - alignment to the templates and procedures used for data escrow of domain name registration data (2017 RA renewal).
- Zone File Access - public access to the zone file data via CZDS (2017 RA renewal).
- Registry Reporting - standardized monthly reporting of the Per-Registrar Transactions Report and Registry Functions Activity Report (Amendment 1 from April 2020).

It is important to understand that changes made to the Base RA are not automatically applied to the .NET RA. Any desired changes to the .NET RA must be negotiated bilaterally with the registry operator. For this reason, ICANN has worked hard in the global public interest to secure

binding commitments from Verisign related to .NET to incorporate changes that were either anticipated to be in or were still in the process of being negotiated for the Base RA. Examples of this include: (1) the commitment by Verisign in 2020 via the .COM Amendment #3 to update Appendix 5B (RDAP) to incorporate the contractual obligations for RDAP negotiated between ICANN and the RySG to the Base RA following approval by the ICANN Board, and (2) the commitment in 2020 by Verisign via the LOI² to help develop, then to incorporate, provisions related to combatting DNS Security Threats for the Base RA more than two years before formal negotiations on this topic began between ICANN and the contracted parties. This latter commitment has now been extended to include .NET via the proposed amendment to the LOI. The commitments regarding the requirements related to RDAP and the sunset of obligations to provide RDDS via the WHOIS Protocols from the 2023 Global Amendments have been incorporated into the proposed 2023 .NET RA, as Appendices 5A and 5B.

During the negotiations between ICANN and Verisign for the proposed 2023 .NET RA, ICANN successfully negotiated for inclusion of certain contractual obligations related to combatting DNS abuse. These are provisions that were also included in Amendment # 3 of the .COM RA or the LOI between ICANN and Verisign established in March 2020. These include:

- Commitments to combat DNS security threats based on Specification 11, Sections 3a and 3b of the Base RA.
- Incorporation of the use of BRDA to make bulk access to registration data files available to ICANN org for research purposes.
- Commitment (via an amendment to the LOI) by Verisign to incorporate the obligations to mitigate DNS Abuse [currently being negotiated between ICANN and the Registries for the Base RA](#), if the amendments are approved.

The proposed 2023 .NET RA incorporates certain contractual obligations from the 2023 Global Amendment to the Base RA, which specifies the operational requirements for providing RDDS via RDAP. The Global Amendment to the Base RA was voted on and approved by the gTLD

² See Sections 1A and B of the [Binding Letter of Intent between ICANN and Verisign](#).

registries and, on 30 April 2023, the ICANN Board of Directors [adopted a resolution](#) directing ICANN org to implement those obligations. Those obligations include:

- Implementation of the plan and milestones to sunset certain requirements to provide RDDS via the WHOIS protocols over a period of 18 months from the amendment effective date, and alignment on these milestones with those gTLDs on the Base RA to ensure a coordinated transition.
- A requirement to comply with the RDAP profile.
- Updated definitions for RDDS related terms.
- Reporting requirements for registries that include changes to address the advice from the ICANN Security and Stability Advisory Committee in SAC097 related to inconsistent reporting of RDDS queries.
- Service Level Requirements for RDAP availability, round-trip time and update time.
- Updates to Uniform Resource Locator (URL) web addresses in the RA and miscellaneous changes (e.g., URLs updated to “https” from “http”) to address outdated links.

The proposed 2023 .NET RA also includes clarifying language concerning Verisign’s restriction on owning 15% or more of a registrar to make it more clear that the restriction applies only to registrars that sponsor .NET names. In the Base RA, no such limitation is specified, as registries and registrars are allowed to be “vertically integrated” so long as they adhere to certain operational restrictions. Further, the proposed 2023 .NET RA maintains the same pricing constraints that existed in the .NET RAs going back to 2005, under which Verisign’s ability to increase the price it charges registrars for domain name registrations in .NET is limited to no more than 10% annually. The proposed 2023 .NET RA also does not change the existing structure of fees the registry operator must pay to ICANN.

In addition to the proposed 2023 .NET RA, ICANN and Verisign propose to amend the binding Letter of Intent (LOI) dated 27 March 2020 for two purposes:

- To extend the commitment by Verisign to adopt enhanced contractual provisions addressing security threats into the .NET RA (as mentioned above), as already provided for in the LOI for the .COM RA.
- To add an agreement that the parties develop mutually agreed upon requirements appropriate for the .COM and .NET TLDs for reporting security incidents to ICANN. This obligation is based on recommendations adopted by the Board from the Security and Stability Advisory Committee (SSAC) in its 3 November 2015 Advisory (SAC074).

In conclusion, the proposed .NET RA between ICANN and Verisign achieves several critical objectives for ICANN and will benefit the Internet community and global public interest by:

- Adding important provisions and commitments related to combatting DNS Abuse (Specification 11 3a and 3b, the ability to use BRDA for research, and the commitment to add requirements to mitigate DNS Abuse currently out for public comment).
- Aligning requirements for Registration Data Directory Services related to RDAP and the WHOIS Protocols to ensure alignment across the industry for this critical registry function and public service.
- Enhancing Security and Stability through the commitment to work together to develop appropriate obligations for the reporting of security breach incidents to ICANN as recommended by the SSAC and adopted by the Board.

SUMMARY AND ANALYSIS OF PUBLIC COMMENTS

The proposed 2023 .NET RA received 57 comments during the public comment period. This section provides a high-level summary of the comments. The Public Comment Summary & Analysis report posted in June 2023 provides more depth on each of the issues.

Commenters voiced general support on the incorporation of the contractual obligations from the 2023 Global Amendment to the Base gTLD Registry Agreement (Base RA) approved by the generic top-level domain (gTLD) registries and the ICANN Board, commitments to combat DNS security threats similar to those in the Base RA's Specification 11, Sections 3A and 3B, and the

extension of the Letter of Intent (LOI) between Verisign and ICANN org to apply to the .NET registry.

Registry Registrar Agreement (RRA)

Of the 57 comments received, most focused on Sections 2.7(b)(ii) and 2.7(b)(ii)(5) in the Registry Registrar Agreement (RRA) included as Appendix 8 in the proposed 2023 .NET RA³. The RRA is an agreement between the registry operator and the registrars that offer registration services in the TLD. The sections noted above specifically deal with the agreement between the registrar and registered name holder as part of the Registrar's Registration Agreement and Domain Name Dispute Policy.

Soon after the proposed 2023 .NET RA was posted for public comment, an individual commenter shared concerns with these sections of the RRA. The commenter mistakenly interpreted the redline to Section 2.7(b)(ii) to mean that the registry operator, Verisign, may in its "sole discretion" *redirect* a registered domain name, but the comment did not include the context of the specification to explain why this may occur. Verisign, as with many other registry operators that include this provision in their RRA, may "redirect" a registered domain name to comply with specifications from an authoritative industry group with respect to the Internet (e.g., Request for Comments or RFCs), to correct mistakes made by Verisign or the registrar, for non-payment of fees to Verisign, to protect against imminent threats to the security and stability of the registry operations, to comply with local law, and/or to stop or prevent violations of any of the terms and conditions of the agreement, operational requirements, or pursuant to Verisign's registry agreement with ICANN for .NET.

Regarding Section 2.7(b)(ii)(5), the commenter alleges that any government can seize, cancel, redirect, or transfer any domain and the registered name holder has "no recourse" with Verisign. This provision requires the registered name holder to agree that Verisign has the right to "deny, cancel, redirect or transfer any registration" or "put on registry lock" in its sole discretion *to comply with local law*. All registry operators, including Verisign, must comply with the local laws and processes in the jurisdictions in which they operate. This section clarifies that registries

³ Refer to Appendix I for relevant excerpt from Appendix 8, Registry Registrar Agreement, in the proposed .NET RA.

have an explicit contractual right to respond to a lawful government legal process. It does not mean that any government can seize or delete any domain in the TLD, as suggested.

Within two weeks, 36 additional comments were posted, echoing the same misunderstanding of these provisions. This led ICANN to post an update on 26 April 2023 clarifying the interpretation of Section 2.7(b)(ii) and Section 2.7(b)(ii)(5) of the RRA and explaining how the proposed redlines had been misinterpreted.

In its update, ICANN also provided commenters with information relating to process and precedent. The provisions in question were not revised as part of the proposed 2023 .NET RA, but were added to the RRA in 2022 following the completion of the [RRA Amendment Procedure](#). These provisions are typical for RRAs, and similar language is included in the RRAs for other leading registry operators, including GoDaddy Registry, Google Registry, Donuts Inc. (now Identity Digital), and Public Interest Registry. These provisions are also nearly identical to those in the .COM RRA that was updated in 2020 as part of Amendment #3 to the .COM RA. This change was included in the .COM RRA as part of the public comment proceeding on Amendment #3 and completion of the RRA Amendment Procedure. In none of the prior processes were concerns raised by registrars. Within a few days of the clarification post by ICANN the responses on this topic subsided.

It has come to ICANN's attention that a similar concern was raised by a community member about the similar provisions in the .COM RRA during the 2020 .COM Amendment #3 public comment proceeding. This concern was not highlighted in the Public Comment Summary & Analysis report of the .NET RA. ICANN acknowledges this but, the substance of the issue remains as stated above. This is a reasonable provision for a registry operator to include in its RRA on the basis of the interpretation clarified by ICANN.

Registry pricing, economic studies, and requests to conduct an RFP for the operation of .NET

Eleven comments expressed concerns related to items that were not changed as part of this renewal effort. Those included the process by which ICANN and Verisign negotiate changes to

the RA, requests to put the .NET registry out for tender, and the pricing of .NET domain name registrations.

With regard to the price of .NET domain name registrations, the proposed 2023 .NET RA establishes the current maximum wholesale price for a domain name registration or renewal and provides the registry operator the right to increase that maximum wholesale price by up to 10 percent per year. This same pricing structure has been in place since the 2005 .NET RA and there is no change to that pricing structure in the proposed 2023 .NET RA.⁴ The only modification in this provision of the proposed 2023 .NET RA is the quoted registration price, which reflects the current wholesale price of a .NET domain name registration (during and pursuant to the terms of the 2017 .NET RA).

Eight comments were received regarding the price and/or pricing structure of .NET domain name registrations. Several of these comments effectively request that ICANN eliminate the registry operator's ability to increase the wholesale price of a .NET domain registration altogether. ICANN acknowledged this concern in the Public Comment Summary & Analysis report and further addresses it here.

At this time, ICANN has three models for pricing terms in Registry Agreements: (1) the legacy pricing constraint present in the .NET and .NAME RAs (permitting 10 percent increase per year); (2) the pricing constraints present in the .COM RA, which were set by the relevant competition authority, in this case, the United States Department of Commerce National Telecommunications and Information Administration (NTIA); and (3) no cap or constraints to pricing levels, as is the case in the Base RA. All three models contain requirements to provide advance notice of price increases to registrars, to enable registrations for up to 10 years, and to prohibit discriminatory pricing.

⁴ It should be noted that, even though the registry operator has been permitted to increase the .NET registration price 10 percent per year since 2005, there are several years in which the .NET wholesale registration price was not increased at all.

Not one of ICANN's current Registry Agreements prohibits the registry operator from raising wholesale prices of domain name registrations. From 2012 to 2020, there was a provision in the .COM RA which prohibited the registry operator from increasing the wholesale price of a domain name registration or renewal. However, this price freeze was put into place in the .COM RA at the request of Verisign, based on direction given to Verisign from the relevant governmental authority, NTIA, in the then operative "Cooperative Agreement"⁵ Verisign has had with NTIA for the operation of .COM.

NTIA has made no such similar direction with regard to .NET. And, as noted above, the .NET RA has contained the same pricing structure (allowing 10 percent increases per year) since 2005. As explained in ICANN's Bylaws, which were developed through the bottom-up, multistakeholder process, ICANN is not a governmentally authorized regulatory authority.

Several comments related to pricing suggested that ICANN should conduct an economic study to establish the appropriate pricing terms for the .NET TLD. ICANN carefully considered these comments and notes that an economic study is not necessary in this instance, in part because, as commenters acknowledge, the pricing structure in the proposed 2023 .NET RA is not being changed. The same pricing structure in the .NET RA has been in place since 2005, with limits as to the frequency of changes and maximum allowable increases. In addition, the existing pricing structure enables the registry operator to assess and implement prices it believes will be competitive in the domain name registration marketplace within the contractual limits, which aligns with ICANN's Core Value⁶ "to promote and sustain a competitive environment in the DNS market" where feasible and appropriate, and depending on market mechanisms.

Several commenters that noted their concerns regarding the price of a .NET domain name also suggested that ICANN should add provisions similar to Section 2.13 of the Base RA, "Cooperation with Economic Studies," to the proposed 2023 .NET RA. The comments suggest that adding such a section would enable ICANN to collect data and conduct a study to determine if the price increases are contrary to the public interest or may have an impact on the

⁵ See NTIA and Verisign Cooperative Agreement, available at <https://www.ntia.doc.gov/page/verisign-cooperative-agreement>.

⁶ ICANN's Core Values are documents in the ICANN Bylaws, available at <https://www.icann.org/resources/pages/governance/bylaws-en>

DNS marketplace. However, this is not necessary in order to gather such data for .NET. This registration information and wholesale pricing for .NET already exists in the public realm as the registry operator of .NET is required to provide notice to ICANN of any increases to its wholesale pricing. Moreover, the provision in the Base RA requiring new gTLD registry operators to cooperate in economic studies was added in order to study the impact of new gTLDs in the marketplace, not legacy TLDs.

As for the negotiation process, this is an established bilateral process in which all registry operators have the ability to negotiate the terms of their RA with ICANN. This inherently means the discussions are between the two contracted parties. A few comments suggest that the .NET registry should be put out for tender or competitive bid. However, Section 4.2 of the 2017 .NET RA provides that the .NET RA “shall be renewed” upon the expiration date absent a material contractual breach. In the absence of a serious breach of any agreement, the renewal provisions in the registry agreement are in place to: (1) provide continued security and stability; and (2) encourage long-term investment in robust TLD operations. It is worth noting that Verisign has a track record of over 25 years of 100% uninterrupted Domain Name System resolution for the .NET (and .COM) TLD.⁷

Registration Restrictions/Reserved Names

ICANN received support for removing the obligation to reserve second-level domains that match an existing TLD. However several commenters raised a concern that the edits to section 3.1.d(i) Registration Restrictions made an inadvertent change that appeared to remove the right to renew registrations for second-level domains that were registered prior to a name being added to the schedule of reserved names. ICANN acknowledges the public comment report did not address this concern in the written analysis. The preamble to Appendix 6 Schedule of Reserved Names states “Except to the extent that ICANN otherwise expressly authorizes in writing, the Registry Operator shall reserve names formed with the following labels from initial (i.e. other than renewal) registration within the TLD.” ICANN confirms that the protection sought by the commenters remains in effect. Registration renewal continues to be allowed for those

7

<https://investor.verisign.com/news-releases/news-release-details/verisign-reports-fourth-quarter-and-full-year-2022-results>

second-level names where initial registration occurred prior to the names being placed on the Schedule of Reserved Names.

Perceived difference between the proposed 2023 .NET RA and the Base RA in relation to obligations to comply with Consensus Policies

The several comments expressed concern on the use of the defined terms “Security” and “Stability” that have been in the .NET RA since 2005. The concern focuses on the use of capitalized “S” in Section 3.1(b)(iv)(1) of the proposed 2023 .NET RA versus a lowercase “s” used in Specification 1, Section 1.2.1 of the Base RA when referring to “security” and “stability”.⁸ These provisions set forth the allowed topics for ICANN Consensus Policies. The question raised is whether the use of the capitalized “S” in the proposed 2023 .NET RA might restrict Verisign’s obligation to comply with Consensus Policies under Section 3.1(b)(iv)(1) to those policies that fall within the defined terms of Security and Stability, while the lowercase “s” used in the Base RA could, it was argued, theoretically allow for a broader mandate for ICANN to enforce Consensus Policies related to broader conceptions for security and stability.

Both the proposed 2023 .NET RA and the Base RA have similar definitions for “Security” and “Stability”. In both agreements, the provisions noted above focus on compliance with Consensus Policies, specifically for issues for which uniform or coordinated resolution is reasonably necessary to facilitate interoperability, security and/or stability of the Internet or DNS.

ICANN acknowledges the comments on this topic and has reviewed and researched the question extensively. The provision in question has been in place since the 2005 .NET RA and used in registry agreements, including .COM and .NAME, as well as .BIZ, .INFO, and .ORG before the latter three TLDs transitioned to the Base RA in 2019, without any policy development work or Consensus Policies being limited as hypothesized in the comments. ICANN acknowledges, however, that the capitalization of the “s” could in theory potentially lead to different interpretations of the applicability of certain future Consensus Policies under Section 3.1(b)(iv)(1) for the 2023 .NET RA.

⁸ Refer to Appendix II for excerpts from the relevant agreements

Because in this instance it was not the intent of ICANN or Verisign to limit in this manner the applicability of Consensus Policy topics for which uniform or coordinated resolution is reasonably necessary to facilitate the interoperability, security and/or stability of the Internet or DNS, ICANN and Verisign have mutually agreed to update Section 3.1(b)(iv)(1) of the .NET RA to the lower case “s.”

Consultation with the ICANN Board

ICANN org routinely consults with the ICANN Board regarding renewals and amendments of gTLD Registry Agreements. A written briefing was provided to the ICANN Board prior to the opening of the Public Comment proceeding regarding the proposed 2023 .NET RA and amendment to the binding LOI. After the closing of the Public Comment window, ICANN org reviewed, analyzed, and considered each of the 57 comments received. On 11 June 2023, ICANN org briefed the Board in detail about the community’s comments and ICANN org’s analysis regarding each of the topics set forth in this paper. The Board acknowledged that ICANN’s Interim President and CEO would make the final decision on the proposed 2023 .NET RA and on the amendment to the binding LOI, as operational responsibilities such as negotiating and entering into contracts fall within the ICANN President and CEO’s authority as set forth in the Board-approved [Delegation of Authority Guidelines](#) and, in pertinent part, in ICANN’s Bylaws at Article 15, Section 15.4 (“The President shall be the Chief Executive Officer (CEO) of ICANN in charge of all of its activities and business.”) The Board further acknowledged that, while the Interim President and CEO would make the final decision, she would continue to do so in consultation with the Board, including the detailed discussions regarding the community’s comments that occurred as noted above. This is the same approach that was utilized with the .COM RA Amendment #3 in 2020, wherein ICANN org reviewed and discussed the issues with the Board, and ICANN’s President and CEO was responsible for making the contractual decision. And, just as ICANN is doing with this decision paper about the 2023 .NET RA, ICANN org prepared and published a decision paper with respect to the .COM RA Amendment #3 in 2020, documenting the rationale for the decision, in order to keep the community informed and comply with ICANN’s transparency obligations.

Recommendation

During the negotiations, Verisign has demonstrated its commitment to include in the 2023 .NET RA contractual obligations that align with the Base RA. This includes incorporating obligations from the 2023 Global Amendment to the Base RA and from the .COM RA Amendment 3, as well as amending the LOI between ICANN and Verisign to also apply to .NET; thereby encompassing the obligations negotiated between ICANN and the RySG to the Base RA that are focused on mitigating DNS Abuse, which is in the global public interest. The proposed 2023 .NET RA also adds a new commitment by Verisign to work with ICANN to develop an obligation and protocols for disclosing security breach incidents to ICANN, based on SSAC074, for both .COM and .NET.

ICANN and Verisign addressed a concern noted in the public comments regarding a perceived disparity between the proposed 2023 .NET RA and the Base RA about the applicability of Consensus Policies. To eliminate the perceived disparity or risk of differing interpretations, ICANN and Verisign have mutually agreed to update Section 3.1(b)(iv)(1) of the proposed 2023 .NET RA to the lower case “s” to be consistent with the Base RA.

Following a thorough review and analysis of the public comments, and consultation with the ICANN Board, and for all of the reasons set forth above ICANN org has recommended that the ICANN Interim President and CEO, or her designee(s), renew the .NET RA (as revised to include the change to Section 3.1 (b) (iv)(1) as described above) and the amended binding Letter of Intent. This recommendation is based on the significant improvements in the proposed renewal of the .NET RA from the 2017 version that support the global public interest in improved Registration Data Directory Services, combatting DNS Abuse, and disclosure of security breach incidents.

Decision



After careful consideration of the public comments and detailed discussion with the ICANN Board, and for all of the reasons set forth above the ICANN Interim President and CEO has decided to execute the 2023 .NET RA as recommended by the ICANN org team, and to execute the amended LOI with Verisign as was proposed for Public Comment.

Signature Block:

By: _____

Sally Costerton

Title: ICANN Interim President and CEO

APPENDIX 1**.NET Registry Agreement****Appendix 8, Registry Registrar Agreement, Section 2.7(b)(ii) and Section 2.7(b)(ii)(5)****2.7. Registrar's Registration Agreement and Domain Name Dispute Policy.**

(a) Registrar shall have in effect a valid and enforceable electronic or paper registration agreement with each Registered Name Holder which may be amended from time to time by Registrar, provided a copy is made available to Verisign. Registrar shall provide a copy of Registrar's registration agreement upon request for same by Verisign. Registrar shall include in its registration agreement those terms required by this Agreement and other terms that are consistent with Registrar's obligations to Verisign under this Agreement. Registrar shall employ in its domain name registration business the Uniform Domain Name Dispute Resolution Policy and the Inter-Registrar Transfer Policy, each as adopted by the ICANN Board on 26 August 1999 and 7 November 2008 and as each may be amended from time to time.

(b) Registrar's registration agreement with each Registered Name Holder, shall also include the following:

(i) a provision prohibiting the Registered Name Holder from distributing malware, abusively operating botnets, phishing, pharming, piracy, trademark or copyright infringement, fraudulent or deceptive practices, counterfeiting or otherwise engaging in activity contrary to applicable law and providing (consistent with applicable law and any related procedures) consequences for such activities, including suspension of the registration of the Registered Name;

(ii) a provision that requires the Registered Name Holder to acknowledge and agree that Verisign reserves the right to deny, cancel, **redirect** or transfer any registration or transaction, or place any domain name(s) on registry lock, hold or similar status, as it deems necessary, in its unlimited and sole discretion: (1) to comply with specifications adopted by any industry group generally recognized as authoritative with respect to the Internet (e.g., RFCs), (2) to correct mistakes made by Verisign or any Registrar in connection with a domain name registration,

(3) for the non-payment of fees to Verisign; (4) to protect against imminent and substantial threats to the security and stability of the Registry TLD, System, Verisign's nameserver operations or the internet, **(5) to ensure compliance with applicable law, government rules or regulations, or pursuant to any legal order or subpoena of any government, administrative or governmental authority, or court of competent jurisdiction, and/or** (6) to stop or prevent any violations of any terms and conditions of this Agreement, the Operational Requirements, or pursuant to Verisign's Registry Agreement with ICANN; and (iii) a provision requiring the Registered Name Holder to indemnify, defend and hold harmless Verisign and its subcontractors, and its and their directors, officers, employees, agents, and affiliates from and against any and all claims, damages, liabilities, costs and expenses, including reasonable legal fees and expenses arising out of or relating to, for any reason whatsoever, the Registered Name Holder's domain name registration. The registration agreement shall further require that this indemnification obligation survive the termination or expiration of the registration agreement.

APPENDIX II

1. Definitions of Security and Stability in .NET Registry Agreement and the Base Registry Agreement:

a. .NET Registry Agreement: 3.1(d)(iv)(G)

- **Security:** For purposes of this Agreement, an effect on security by the proposed Registry Service shall mean (1) the unauthorized disclosure, alteration, insertion or destruction of Registry Data, or (2) the unauthorized access to or disclosure of information or resources on the Internet by systems operating in accordance with all applicable standards.
- **Stability:** For purposes of this Agreement, an effect on stability shall mean that the proposed Registry Service (1) is not compliant with applicable relevant standards that are authoritative and published by a well-established, recognized and authoritative standards body, such as relevant Standards- Track or Best Current Practice RFCs sponsored by the IETF or (2) creates a condition that adversely affects the throughput, response time, consistency or coherence of responses to Internet servers or end systems, operating in accordance with applicable relevant standards that are authoritative and published by a well-established, recognized and authoritative standards body, such as relevant Standards-Track or Best Current Practice RFCs and relying on Registry Operator's delegation information or provisioning services.

b. Base Registry Agreement. 7.3 Defined Terms:

- For the purposes of this Agreement, unless such definitions are amended pursuant to a Consensus Policy at a future date, in which case the following definitions shall be deemed amended and restated in their entirety as set forth in such Consensus Policy, Security and Stability shall be defined as follows:
 - For the purposes of this Agreement, an effect on “**Security**” shall mean (1) the unauthorized disclosure, alteration, insertion or destruction of registry data, or (2) the unauthorized access to or

disclosure of information or resources on the Internet by systems operating in accordance with all applicable standards.

- (b) For purposes of this Agreement, an effect on “**Stability**” shall refer to (1) lack of compliance with applicable relevant standards that are authoritative and published by a well-established and recognized Internet standards body, such as the 23 relevant Standards-Track or Best Current Practice Requests for Comments (“RFCs”) sponsored by the Internet Engineering Task Force; or (2) the creation of a condition that adversely affects the throughput, response time, consistency or coherence of responses to Internet servers or end systems operating in accordance with applicable relevant standards that are authoritative and published by a well-established and recognized Internet standards body, such as the relevant Standards-Track or Best Current Practice RFCs, and relying on Registry Operator’s delegated information or provisioning of services.

1. Relevant provisions in the .NET Registry Agreement and the Base Registry Agreement

a. .NET Registry Agreement: 3.1(b)(iv)(1)

- (iv) Consensus Policies and the procedures by which they are developed shall be designed to produce, to the extent possible, a consensus of Internet stakeholders, including the operators of gTLDs. Consensus Policies shall relate to one or more of the following: (1) issues for which uniform or coordinated resolution is reasonably necessary to facilitate interoperability, **Security and/or Stability** of the Internet or DNS; (2) functional and performance specifications for the provision of Registry Services (as defined in Section 3.1(d)(iii) below); (3) Security and Stability of the registry database for the TLD; (4) registry policies reasonably necessary to implement Consensus Policies relating to registry operations or registrars; or (5) resolution of disputes regarding the registration of

domain names (as opposed to the use of such domain names). Such categories of issues referred to in the preceding sentence shall include, without limitation: (A) principles for allocation of registered names in the TLD (e.g., first-come, firstserved, timely renewal, holding period after expiration); (B) prohibitions on warehousing of or speculation in domain names by registries or registrars; (C) reservation of registered names in the TLD that may not be registered initially or that may not be renewed due to reasons reasonably related to (a) avoidance of confusion among or misleading of users, (b) intellectual property, or (c) the technical management of the DNS or the Internet (e.g., establishment of reservations of names from registration); (D) maintenance of and access to accurate and up-to-date information concerning domain name registrations; (E) procedures to avoid disruptions of domain name registration due to suspension or termination of operations by a registry operator or a registrar, including procedures for allocation of responsibility for serving registered domain names in a TLD affected by such a suspension or termination; and (F) resolution of disputes regarding whether particular parties may register or maintain registration of particular domain names.

b. Base Registry Agreement - Specification 1, Section 1.2.1

- Consensus Policies and the procedures by which they are developed shall be designed to produce, to the extent possible, a consensus of Internet stakeholders, including the operators of gTLDs. Consensus Policies shall relate to one or more of the following:
 - 1.2.1 issues for which uniform or coordinated resolution is reasonably necessary to facilitate interoperability, security and/or stability of the Internet or Domain Name System (“DNS”);
 - 1.2.2 functional and performance specifications for the provision of Registry Services;
 - 1.2.3 Security and Stability of the registry database for the TLD;

- 1.2.4 registry policies reasonably necessary to implement Consensus Policies relating to registry operations or registrars;
- 1.2.5 resolution of disputes regarding the registration of domain names (as opposed to the use of such domain names); or
- 1.2.6 restrictions on cross-ownership of registry operators and registrars or registrar resellers and regulations and restrictions with respect to registry operations and the use of registry and registrar data in the event that a registry operator and a registrar or registrar reseller are affiliated.