

GT GreenbergTraurig

RySG Alternative Proposal for Continuity Operations Instrument

No Thanks

Paul McGrady Greenberg Traurig, LLP October 27, 2011 Dakar



The COI puts future end users at risk.

The COI allows market entrants who do not have appropriate funding levels to enter the market.

If you can't meet the Guidebook's current requirements, you are dramatically undercapitalized. Don't apply.

ICANN Board: if they can't meet the Guidebook's current requirements, don't approve them!





.Brand applicants will be long established businesses who can obtain the necessary letter of credit for a few thousand dollars and a couple of calls to their banker. The COI, which only helps undercapitalized startups, will cost .Brand applicants 20 or 30 times what they need to pay under the current "final" Guidebook.

(What else is next? Mandatory cooperative advertising? Mandatory shared benefits plans for all employees of all registries? Mandatory buying cooperatives?)





The COI implies a uniform level of risk.

Undercapitalized startups are more likely to fail than .Brand applicants. Mutualizing the risk across vastly disparate risk profiles is unfair to the healthy businesses which may apply. In fact, an extra \$50,000 may be yet another factor which discourages financially healthy applicants to apply.

ICANN Board: if you allow this significant re-write of the Guidebook at the 11th hour, you must have an opt out mechanism for those who can meet the current requirements of your "final" Guidebook.





The COI makes ICANN an insurance provider.

Providing insurance not part of ICANN's mission. Does ICANN have an appropriate license issued by the State of California allowing them to issue such a policy?

The heavily one-sided Guidebook will not protect ICANN from regulatory complaints and investigations.

If the ICANN community would like to tee up a litigation issue which could bring Round 1 to a halt before it opens, this is it.



The COI hurts backend registry providers who back it.

RSP's who back the COI are going to have to explain to their potential .Brand customers why they backed a change to the Guidebook which cost their clients an extra \$50,000 + per application.

(Of course, it goes with out saying that each undercapitalized registry applicant who can afford to apply only if the COI is adopted will result in millions of dollars of additional defensive registration costs for the branding community.)

RSPs who want to sell to .Brands need to be <u>on the record</u> now that you are against the COI. You very likely will be asked to provide documentation to confirm this in an RFI you receive from .Brands. Press releases and a letter to the ICANN Board, preferrably both, are best.

