## **Public Comment Summary Report**

### Proposed Renewal of the Registry Agreement for. COM

### **Open for Submissions Date:**

26 September 2024

### **Closed for Submissions Date:**

05 November 2024

### **Summary Report Due Date:**

26 November 2024

Category: Other

Requester: ICANN org

ICANN organization contact(s): <a href="mailto:globalsupport@icann.org">globalsupport@icann.org</a>

### **Open Proceeding Link:**

https://www.icann.org/en/public-comment/proceeding/proposed-renewal-of-the-registry-agreement-for-com-26-09-2024

### Outcome:

The proposed renewal of the .COM registry agreement (.COM Renewal RA) and the proposed second amendment to the Letter of Intent (LOI) were posted for public comment from 26 September 2024 to 05 November 2024 and received 27 comments during the open public comment proceeding. One additional comment was submitted by the At-Large Advisory Committee (ALAC) on 08 November and was accepted by ICANN, for a total of 28 comments.

Commenters focused on the following issues, which are addressed in detail in the Summary of Submissions below:

- 1. The ability for the registry operator to increase the maximum wholesale price of .COM domain names.
- 2. The desire for ICANN to seek community input prior to negotiating the renewal terms of the agreement.
- 3. A request for ICANN to open the management of the .COM gTLD to a public bidding process to foster more competitive pricing.
- 4. The suggestion that ICANN org conduct an economic study prior to the renewal of the .COM RA
- 5. The suggestion that ICANN should include Section 2.15 "Cooperation with Economic Studies" from the Base RA in the .COM RA.
- 6. The alignment of certain obligations for the .COM gTLD with those in the Base gTLD Registry Agreement.

- 7. The assertion that Verisign should do more to curb child sex abuse material (CSAM) in .COM.
- 8. Comments regarding the public comment process.
- 9. Concerns related to the secondary market for domain names.

ICANN appreciates the time, dedication, and participation in this proceeding and is grateful to those who provided their timely feedback.

### Section 1: Topics of Public Comments Received

ICANN posted for public comment the proposed renewal of the current .COM Registry Agreement (.COM RA), set to expire on 30 November 2024. The proposed renewal is a result of bilateral negotiations between ICANN and Verisign, Inc. (Verisign), the registry operator for the .COM top-level domain (TLD).

The proposed renewal agreement for the .COM RA is based on the current .COM RA, as amended by Amendment 1 (2016), Amendment 2 (2019), and Amendment 3 (2020), and incorporates important concepts from the generic top-level domain (gTLD) Base Registry Agreement (Base RA), bringing these enhanced obligations to the largest gTLD.

Below is a summary of the key changes in the proposed .COM Renewal RA:

- Certain contractual obligations from the <u>2023 Global Amendment to the Base gTLD Registry Agreement</u> to include requirements to deliver the Registration Data Directory Services (RDDS) over the Registration Data Access Protocol (RDAP). These include:
  - A requirement to comply with the gTLD RDAP profile,
  - Updated definitions for RDDS-related terms,
  - Updated reporting requirements that include changes to address the advice from the ICANN Security and Stability Advisory Committee in <u>SAC097</u> 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 and miscellaneous changes (e.g., URLs updated to "https" from "http") to address outdated links, and
  - Adjustments to the allowable uses by ICANN of Bulk Registration Data Access (BRDA) to include use for research purposes.
  - Note that, unlike in the Base RA, Verisign committed to continue to operate the WHOIS service in parallel with the RDAP for RDDS for .COM and requested to not have the option to sunset the obligations related to the WHOIS protocol.
- The obligations from the <u>2024 Global Amendment to the Base gTLD Registry</u>
   Agreement related to mitigating Domain Name System (DNS) Abuse. These include:
  - A definition of DNS Abuse, that includes domain names used to perpetrate phishing, malware, botnets, pharming, and spam (when spam is used to deliver other forms of DNS Abuse).

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- A requirement to take the appropriate mitigation actions to stop, or otherwise disrupt, a registered domain name in .COM from being used for DNS Abuse,
- A target outcome for stopping or otherwise disrupting the use of second level
   .COM domain names for DNS Abuse.
- Certain contractual obligations to further align the proposed .COM Renewal RA with the Base RA including:
  - The addition of a registry-level fixed fee of US \$6,250 per calendar quarter,
  - o An updated "Variable Registry-Level Fee" provision,
  - The addition of an "adjustment to fees" provision based on a percentage change in the U.S. Consumer Price Index (CPI), and
  - An update to reflect the change from uppercase "S" to a lowercase "s" for "security" and "stability" related to the applicability of ICANN Consensus Policies.
- Certain commitments to further enhance the security, stability, and resiliency of the .COM gTLD with potential impact on the Internet and its users:
  - An obligation for ICANN and Verisign to work together on a business continuity plan to preserve and enhance the security, stability, and resiliency of .COM should the need arise.
  - An obligation for Verisign to disclose to ICANN security incidents that may significantly jeopardize the registry's systems. This new obligation is the result of work ICANN and Verisign undertook together as part of <u>Amendment 1</u> to the binding Letter of Intent (LOI) between ICANN and Verisign. This obligation is based on recommendations by the ICANN Security and Stability Advisory Committee in its 3 November 2015 Advisory (<u>SAC074</u>) which were <u>accepted</u> by the ICANN Board in February 2018.
- Updated three-party data escrow agreement among Verisign, the data escrow provider, and ICANN.

ICANN and Verisign also agreed to further amend the binding <u>Letter of Intent</u> (LOI) dated 27 March 2020, as amended in 2023, to include:

- 1. A commitment by Verisign to work with ICANN to determine the appropriate process for ICANN to publish statistics concerning security incident disclosures to ICANN based on the recommendations in SAC074.
- For Verisign to support the development of a multilingual Internet that includes
  working with ICANN to improve the accessibility of the DNS in local languages and/or
  scripts through the development of Label Generation Rules (LRG) tables, code for
  processing, standards development, and "best practices" development.

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### Section 2: Submissions

Organizations and Groups:			
Name	Submitted by	Initials	
Internet Commerce Association	Zak Muscovitch	ICA	
Business Constituency		BC	
Registrar Stakeholder Group	Ashley Heineman	RrSG	
Asxit LLC	Sundram Tiwari	TS	
ADASTRA	David Newhoff	DN	
.ECO	Jean Williams	JW	
ODTU G.V B.T A.S (METUnic)	Kadir Erdogan	KE	
National Center on Sexual Exploitation	Dawn Hawkins	DH	
Department of Electronic Systems, Technical Faculty of IT & Design, Centre for Communication, Media and Information Technologies, Aalborg University	Roslyn Layton	RL	
eCorp	Chad Folk	CF	
Leap of Faith Financial Services	George Kirikos	GK	
Turncommerce	Jeffery Reberry	JR	
NameFocus	Joshua Ten Brink	JTB	
SK Creations, Inc	Domain Administrator	SK	
Mega Domains	Ehren Schaiberger	ES	
Digimedia.com, LP	Jay Chapman	JC	
Tucows	Sarah Wyld	SW	
Reserved Media, LLC	Bill Patterson	BP	

### Individuals:

Name	Affiliation (if provided)	Initials
Vance Ryan	Business Constituency	VR
Nat Cohen	Business Constituency	NC
Muhammad Faizan Rasheed		MFR
John Carr		JC
Steen Hof		SH
Hiren Patel		HP
Alan August	Independent Domain Investor & Industry Stakeholder	AA
Matthew Klein		MK
Russ Goodwin		RG
Michael Palage	At Large Advisory Committee	MP

### Section 2a: Late Submissions

At its discretion, ICANN org accepted a late submission from the ALAC to append its submitted comment, due to character limitations. This has been appended to this summary report.

Name	Submitted By	Initials
ALAC	Michael Palage	ALAC

# Sections 3/4: Summary of Submissions/Analysis of Submissions

ICANN received 28 comments from some individual community members, as well as some community groups on the proposed .COM Renewal RA. ICANN thanks all of the contributors for their valuable input and feedback. All comments have been thoroughly reviewed and a categorized summary of ICANN org's analysis is provided below. Several comments discussed multiple themes and are reflected as such in the summary.

This public comment summary and analysis report includes a summary of the comments by each of the categories listed below with the analysis of the comments provided immediately following each category:

- 1. The ability for the registry operator to increase the maximum wholesale price of .COM domain names.
- 2. The desire for ICANN to seek community input prior to negotiating the renewal terms of the agreement.
- 3. A request for ICANN to open the management of the .COM gTLD to a public bidding process to foster more competitive pricing.
- 4. The suggestion that ICANN org conduct an economic study prior to the renewal of the .COM RA.
- 5. The suggestion that ICANN should include Section 2.15 "Cooperation with Economic Studies" from the Base RA in the .COM RA.
- 6. The alignment of certain obligations for the .COM gTLD with those in the Base gTLD Registry Agreement.
- 7. The assertion that Verisign should do more to curb child sex abuse material (CSAM) in .COM.
- 8. Comments regarding the public comment process.
- 9. Concerns related to the secondary market for domain names.
- 1. The ability for the registry operator to increase the maximum wholesale price of .COM domain names.

### **COMMENTS SUMMARY**

"... the Cooperative Agreement between the US Government (NTIA) and Verisign allows a 7% price increase annually for four of six years, starting in 2020. ICANN's proposed renewal

permits this maximum increase. We request justification for any price hikes, especially those exceeding necessary costs. Furthermore, ICANN's fee increases should be linked to the Consumer Price Index (CPI) for transparency, and we ask for explanations for any increases beyond the CPI." (VR)

"Ensuring that .COM remains accessible and affordable is essential for maintaining a competitive and innovative internet landscape." "This includes encouraging competition, enhancing transparency, and promoting fair pricing practices within the domain name industry to safeguard the interests of the broader internet community." (KE)

"For this proposed renewal of .COM, the BC requests that ICANN explain and justify its decision to allow Verisign the maximum annual increase of 7% in years 3 through 6. We understand that the NTIA Cooperative Agreement allows a maximum of 7% annual increases in years 3 through 6, but we want to understand ICANN's rationale for adopting that maximum, instead of limiting Verisign to a lower percentage increase." (BC)

"Any price that is willingly negotiated between ICANN and Verisign that is within the permitted maximum price cap under the Cooperative Agreement, should be justified with an explanation by ICANN as to why the price is required, especially if it is an increased price." "We note that when it comes to increasing the fees charged by ICANN itself to Verisign, namely the Registry Level Fees under Section 7.2(d) of the Proposed Agreement, ICANN has linked any such increase to the Consumer Price Index. If ICANN believes that tying the fees which it receives to the Consumer Price Index ("CPI") is fair and reasonable, why does it believe that 7% - a much higher number – is fair and reasonable when it comes to fees ultimately paid by registrants?" (ICA)

"The RrSG notes with concern the continued significant ongoing price increases for the .com TLD. The RrSG has previously discussed the adverse effects of removing price caps on annual registration fees in our 2019 response to the proposed renewal of .info, .org, and .biz Registry Agreements; this is all the more important for .com as this is the TLD with the highest volume of registrations and will thus affect the broadest pool of registrants." "The RrSG is concerned that ICANN has made no effort to provide any justification for higher fees." (RrSG)

"The Tucows family of Registrars remains concerned about the incremental price increases built into this Agreement." "This is one example of a worrying trend of registries misunderstanding the role of a domain name in the life of a registrant. The significant margin that Verisign already has in .com will only grow as prices are raised." (SW)

"At NameFocus, we are a domain investment company, and the proposed fee increases in .COM registration and renewal fees would significantly impact our business. We respectfully urge ICANN to reconsider allowing these fee increases ..." "... we urge ICANN to protect domain investors and other stakeholders by maintaining current fee structures in the .COM registry agreement. Preserving these rates will support market stability, encourage long-term investments in .COM domains, and promote a healthy domain name ecosystem." (JTB)

"Verisign's current pricing is already set without any competition and without regard for how much operating the registry actually costs." (SH)

"Verisign already enjoys profit margins of 60 to 70% and are looking to increase pricing on .com and .net registrants even more." (ES)

"The internet has become an essential utility, impacting daily communication, commerce, and access to information. With .COM as one of the largest and most widely used TLDs, any price increase will directly affect millions of registrants worldwide. For many individuals,

businesses, and organizations, especially those with limited resources, an increase in domain costs may pose a financial strain." (HP)

#### ANALYSIS OF COMMENTS

ICANN received 20 (out of 28) comments expressing concerns that the proposed .COM Renewal RA will enable the registry operator to increase the wholesale prices of .COM domain name registrations. The commenters used several rationale for their concerns, including, potential harm on domain name investors, how Verisign's profitability should be considered, and seeking ICANN's justification for allowing the maximum limits to the wholesale price increases allowed by the Cooperative Agreement between Verisign and the National Telecommunications and Information Administration (NTIA), an agency within the U.S. Department of Commerce (DOC).

The maximum price provision being questioned by commentors, Section 7.3(d)(ii) of the proposed .COM Renewal RA, was substantively unchanged from the current .COM RA. The provision allows the registry operator the right to increase wholesale prices for .COM domain registrations by up to 7 percent in four out of six years of the term of the .COM RA. This restriction is based on the guidance from the DOC, the relevant regulatory authority for competition issues, as documented in <a href="mailto:Amendment 35">Amendment 35</a> to the <a href="Cooperative Agreement">Cooperative Agreement</a> between Verisign and the NTIA.

It is important to note that, per its Bylaws, ICANN's mission is to ensure the security and stability of the Internet's unique identifier systems. ICANN is not a competition authority or price regulator and does not have the remit or expertise to serve as one. Accordingly, ICANN defers to relevant competition authorities and/or regulators to determine if any conduct or behavior by the .COM registry operator raises anti-competition concerns and, if so, to address such concerns as they deem appropriate. In its statement announcing Amendment 35 of the Cooperative Agreement, the DOC stated that, "[t]he amendment repeals Obama-era price controls and provides Verisign the pricing flexibility to change its .com Registry Agreement with ICANN to increase wholesale .com prices." In Amendment 35 of the Cooperative Agreement, the DOC noted that the domain name marketplace had grown more dynamic and concluded that it was in the public interest that, among other things, Verisign and ICANN may agree to amend the .COM Registry Agreement to permit an increase to the wholesale price for .COM registry services, up to a maximum of seven percent in each of the final four years of each six-year period (the first six-year period commenced on October 26, 2018). As of the completion of negotiations between ICANN and Verisign, there was no new or modified guidance from the DOC or any regulatory or competition authority.

The commenters suggest that ICANN has a responsibility to set or restrain the wholesale pricing of a .COM domain registration. As a reminder, none of ICANN's current Registry Agreements set or restrain actual wholesale prices (although a few do limit the annual percentage the registry operator can increase the wholesale price of a domain name registration or renewal). And, unlike nearly all other gTLD RAs managed pursuant to contract with ICANN, the .COM RA contains a restriction on the maximum annual wholesale price increase of domain name registrations Verisign can make, which is consistent with the limitations the NTIA places on Versign via the Cooperation Agreement.

Some commenters point to the passages in the ICANN's Bylaws related to promoting competition and acting in the public interest as to why ICANN should be compelled to seek lower wholesale domain name registration prices for the .COM TLD. However, as described above ICANN's mission, as enshrined in the ICANN Bylaws, which were developed through the bottom-up, multistakeholder process, is to ensure the security and stability of the Internet's unique identifier systems. ICANN is not a competition authority or price regulator

and does not have the remit to serve as one. As stated in ICANN's Bylaws, Article 1, section, 1.2(b)(iv), ICANN's role with regard to competition is "introducing and promoting competition in the registration of domain names where practicable and beneficial to the public interest as identified through the bottom-up, multistakeholder policy development process". ICANN has and will continue to work toward promoting more opportunity in the marketplace pursuant to its remit by increasing choice and innovation for the Internet community. ICANN's New gTLD Program is an example of ICANN enabling more consumer choice in the top-level domain name space. ICANN has accredited more than 2,800 registrars to enable choice and competition at the retail level of the domain registration services.

# 2. The desire for ICANN to seek community input prior to negotiating the renewal terms of the agreement.

### COMMENTS SUMMARY

"ICANN must seek community input before negotiating registry agreement renewals. The current practice of allowing comments only after negotiations is frustrating and disregards the concerns of business users and registrants. This lack of proactive engagement is disheartening for those who wish to provide meaningful feedback." (VR)

"Secret negotiations between ICANN and registry operators, such as Verisign's management of the .Com TLD, directly violate ICANN's bylaws on transparency." "ICANN must reform its comment process to genuinely incorporate community feedback before finalizing agreements, ensuring it upholds its multistakeholder model and commitment to public trust." (JR)

"...the ALAC is very concerned about an emerging trend where ICANN Org has repeatedly engaged in bi-lateral negotiations with its contracting parties to bring about substantive policy and operational changes that are more appropriately delegated to the community and the multistakeholder model under the ICANN bylaws." (ALAC)

"ICANN should seek community input before negotiating registry agreement renewals. As with all previous instances of ICANN putting renewals or amendments of crucial registry agreements out for "Public Comment", we are not content to merely comment after ICANN has already negotiated and approved changes." (ICA)

"Given the delayed public comment process and Verisign's strengthened negotiating position due to the absence of viable alternatives, opportunities to implement substantial changes that could address larger issues facing the domain name industry are limited." "This situation diminishes the likelihood of negotiating fairer pricing or fostering competition that could alleviate the financial pressures on registrars and promote a healthier, more competitive market." (KE)

"This letter expresses deep disappointment in ICANN's lack of transparency and accountability in its no-bid contract negotiations terms and process with Verisign for .COM renewals. ICANN continues to ignore any and all public input as well as the Facts and prioritizing Verisign's financial interests over millions of end users it's meant to protect." (CF)

### ANALYSIS OF COMMENTS

ICANN follows an established process to bilaterally negotiate renewal agreements with registry operators. In such bilateral discussions, ICANN and the registry operator will enter into initial contractual negotiations. After both parties agree on the terms of the proposed agreement ICANN invites the community to comment through the public comment process

to collect valuable community input before proceeding. The proposed .COM Renewal RA and proposed amendment to the binding LOI) are a result of this established process.

ICANN relied on the Base gTLD RA developed via the multistakeholder process, as well as the 2023 Global Amendment to the Base RA, which was adopted by the ICANN Board on 30 April 2023, and the 2024 Global Amendment to the Base RA, which was adopted by the ICANN Board on 21 January 2024, as a foundation for the negotiations with Verisign. ICANN also sought to incorporate community recommendations or advice to the Board that the Board has accepted, such as SSAC074 regarding security incident disclosures.

It is important to remind the community of the unique framework of ICANN's contracts with registries, which allow for two primary methods of incorporating new obligations for registries. The first is through direct bilateral negotiations between ICANN and the registry operator. The second is by way of the bottom-up Consensus Policy process. The policy process is the way the ICANN community can evolve or create new obligations for gTLD registries to address the changing environment and address security, stability or resilience needs. The obligations must be within what is known within the ICANN community as "the picket fence" which is enumerated in Annex G-2 of ICANN's Bylaws and must be "developed through a bottom-up consensus-based multistakeholder process and designed to ensure the stable and secure operation of the Internet's unique names systems".

# 3. A request for ICANN to open the management of the .COM gTLD to a public bidding process to foster more competitive pricing.

### COMMENTS SUMMARY

"We are deeply concerned by ICANN's decision to once again forgo a competitive bidding process for the .Com Registry Database operations. Competitive bidding is the most reliable way to achieve fair, market-based pricing for .Com domains. Instead, ICANN has chosen to renew Verisign's agreement without considering the potential benefits of opening the contract to competition." (JR)

"Despite ICANN's Bylaws, there is unfortunately no competitive bidding process for the operating rights to the .COM registry since ICANN agreed to a virtually perpetual contract with a presumptive right of renewal." (ICA)

"While the RrSG is uncomfortable recommending any specific price, the best way to achieve market-based pricing is to put the .com Registry Agreement out for competitive bidding. Failing to do so is inconsistent with ICANN's bottom-up multistakeholder model, as we pointed out in our previous public comment with regard to the renewal of the .net Registry Agreement with Verisign in 2023." (RrSG)

"Ideally, the COM registry operation is put out to open bid so that the market can determine what pricing should be." (SH)

"Verisign has exclusive control over the .com and .net registries. We need a competitive bidding process." (ES)

"Why is the Public Interest Registry paying its registry service provider under \$2.00 per domain name per year to provide registry services for the .ORG registry while ICANN is paying its registry service provider over \$10.00 per domain name per year for essentially the same services?" (NC & MFR)

### ANALYSIS OF COMMENTS

Commenters suggest that ICANN should open the management of .COM to a public bidding process to foster more competitive wholesale pricing for second level .COM domain name registrations. Section 4.2 of the current .COM RA provides that the .COM RA "shall be renewed" upon the expiration date absent a 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.

Verisign continues to have a track record of operational excellence, having maintained 100 percent DNS availability for .COM for more than 27 years without interruption. The .COM gTLD plays a critical role in the global Internet infrastructure, serving as the backbone for hundreds of millions of websites, apps, email accounts and core Internet systems worldwide. Ensuring the continued secure, stable, and resilient operation of .COM is a top priority for both ICANN.

Verisign has met the criteria in the .COM RA to qualify for renewal, and ICANN must abide by this contractual commitment.

# 4. The suggestion that ICANN org conduct an economic study prior to the renewal of the .COM RA

### COMMENTS SUMMARY

"ICANN previously committed to conducting and sharing economic studies to inform its decisions. However, key studies—such as Dennis Carlton's reports—have yet to be made available to the public, leaving stakeholders in the dark." "ICANN must turn over all economic studies it has conducted". (JR)

"It remains incumbent on ICANN to ensure that decisions to increase prices, which will significantly and adversely affect domain registrants as their domains come due for renewal, are based on relevant data, and that any price increases must be thoroughly considered specifically considering the community's best interests. An economic study of competition in the market is imperative, especially considering the potential impact such price increases might have on registration volumes that could negatively impact ICANN's revenue and the health of the Internet overall." (RrSG)

"Tucows supports the Registrar Stakeholder Group's suggestion that ICANN conduct an economic study and consider ways to improve competition in the TLD marketplace." (SW)

### ANALYSIS OF COMMENTS

In response to the comments requesting market analysis or economic study, as previously stated, ICANN is not a competition authority or a price regulator, and ICANN has neither the remit nor expertise to serve as one. ICANN does not set prices for any gTLD. In the case of .COM, the relevant regulatory authority, the DOC, through Amendment 35 of the Cooperative Agreement with Verisign, has mandated price increase restrictions, which became part of the .COM RA in 2020, and remain unchanged in the proposed .COM Renewal RA.

As stated in ICANN's Bylaws, Article 1, section, 1.2(b)(iv), ICANN's role with regard to competition is "introducing and promoting competition in the registration of domain names where practicable and beneficial to the public interest as identified through the bottom-up, multistakeholder policy development process". ICANN has and will continue to work toward

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promoting more opportunity in the marketplace pursuant to its remit by increasing choice and innovation in the registration of domain names for the Internet community.

## 5. The suggestion that ICANN should include Section 2.15 "Cooperation with Economic Studies" from the Base RA in the .COM RA

### COMMENTS SUMMARY

"In its Public Comment request, ICANN mentioned that the renewal proposal includes concepts from the Base Registry Agreement (Base RA), but it notably omits Section 2.15, which mandates registry cooperation with economic studies commissioned by ICANN. This provision is crucial for the .COM registry, which accounts for a significant majority of domain registrations. We urge ICANN to include this requirement in the renewed Agreement to enhance the utility of economic studies." (VR)

- "... one of the key features of the Base RA is inclusion at Section 2.15, of a provision requiring the registry to reasonably cooperate with an economic study if initiated or commissioned by ICANN." "Given that one of the express purposes of the proposed renewal is to incorporate important concepts from the Base RA, we are concerned with this omission." (BC)
- "...one of the key features of the Base RA is Section 2.15, a provision requiring the registry to reasonably cooperate with an economic study if initiated or commissioned by ICANN." "Cooperation with any such economic study is all the more crucial for the .COM registry given that it accounts for the overwhelming majority of domain name registrations overseen by ICANN. Any economic study missing .com registration data would be substantially less utility." (ICA)

### ANALYSIS OF COMMENTS

In response to the request from commenters to add Section 2.15 of the Base gTLD RA to the proposed .COM Renewal RA, it is important to understand that Section 2.15 which addresses cooperation with economic studies, is intended to "study on the impact or functioning of new generic top-level domains on the Internet, the DNS or related matters." It does not pertain to the legacy TLDs and was intended to facilitate assessment of the introduction of new gTLDs.

Some of these comments suggest that adding the provision would enable ICANN to collect data to determine if the price increases are in the public interest or may have an impact on the DNS marketplace. Unlike most other gTLDs, the .COM RA requires the wholesale price for .COM to be disclosed to ICANN and all of the registrars six months prior to any changes that take effect. In addition, the domains under management (DUMs) of all gTLDs are publicly available on icann.org. Since the wholesale pricing for .COM is public and the zone file information is available, conducting a study, if necessary, would not be impeded.

As mentioned above, ICANN is not a competition or regulatory authority, and does not set prices for domain name registrations.

6. The alignment of certain obligations for .COM with those in the Base gTLD Registry Agreement.

COMMENTS SUMMARY

"The BC generally supports the Proposed Renewal of the Registry Agreement for .COM..." (BC)

"Compliance with the new RDAP requirements found in the 2023 Global Amendment to the Base gTLD Registry Agreement will bring .com into line with the other gTLDs, providing uniformity of implementation and experience, a positive outcome that Tucows is pleased to see." "Bringing the DNS Abuse related obligations from the 2024 Global Amendment to the Base gTLD RA into the .com Registry Agreement ensures that the definition of DNS Abuse and the required steps to stop or otherwise disrupt that Abuse are included in the Registry Agreement impacting hundreds of millions of domains. Tucows supports this and is confident that this will benefit the Internet as a whole"." "The new obligation for Verisign to create and maintain a business continuity plan with ICANN is surprising in its novelty for this Registry Agreement but pivotal for the health of the Internet. Tucows also supports this effort. (SW)

"I appreciate the proposed measures to align the .COM RA with the Base gTLD Registry Agreement to improve security and mitigate DNS Abuse. The commitment to operating WHOIS in parallel with RDAP and the continued efforts to counter DNS Abuse are crucial steps forward in safeguarding the internet environment for all users." (HP)

"I also commend the collaborative efforts between Verisign and ICANN to enhance the multilingual accessibility of the DNS. Expanding the internet's reach and making it accessible to speakers of diverse languages and scripts aligns well with ICANN's goals of an open and globally inclusive internet." (HP)

The ALAC welcomes what it considers to be positive changes to the proposed .COM RA Renewal, particularly the changes that Verisign voluntarily commits to, such as:

- Inclusion of CPI index provision to raise Registry Level Fees, see section 7.2(d) of .COM RA and 6.5 in baseline RA;
- Inclusion of DNS Abuse mitigation provisions from 2024 Global Amendment to baseline gTLD RA;
- Uppercase/Lowercase changes for "security" and "stability";
- Updated reporting requirements in connection with SAC907;
- RDAP SLAs;
- Permission to use Bulk Registration Data Access (BRDA) for research purposes;
- Continued commitment to support WHOIS service; and
- Updated Data Escrow Agreement.

### ANALYSIS OF COMMENTS

ICANN org acknowledges and appreciates the feedback received on the proposed updates to the .COM Renewal RA that include the alignment of certain obligations for .COM with those in the Base gTLD Registry Agreement, the 2023 Global Amendment to the Base RA to include requirements to deliver the Registration Data Directory Services (RDDS) over the RDAP, and the obligations from the 2024 Global Amendment to the Base gTLD Registry Agreement related to mitigating Domain Name System (DNS) Abuse.

ICANN further recognizes the positive comment on the collaboration efforts between Verisign and ICANN to enhance the multilingual accessibility of the DNS via the second amendment to the LOI.

7. The assertion that Verisign should do more to curb child sex abuse material (CSAM) in .COM.

### COMMENTS SUMMARY

"Since records of these things began being kept, Verisign has presided over a situation where .com has been one of the top level domains where the highest proportion of child sex abuse material has been found by those agencies charged with the responsibility for searching out or receiving reports of illegal content of that kind." (JC)

"As an organization deeply committed to combating child sexual abuse and exploitation online, we submit this comment to express our profound distrust and frustration with Verisign's continued management of the .com and .net registries. Verisign's ongoing negligence and failure to uphold its significant responsibility in curbing child sexual abuse material (CSAM) on domains under its stewardship is not only unacceptable but dangerous. We firmly believe that Verisign should not be allowed to run these critical top-level domains any longer." (DH)

### ANALYSIS OF COMMENTS

ICANN appreciates the feedback received on this important topic. ICANN expects all gTLD registry operators to comply with laws and to combat CSAM within their registries. CSAM is an issue of internet content, and outside of ICANN's remit.

### 8. Comments regarding the public comment process.

#### COMMENTS SUMMARY

"ICANN now requires participants to create accounts and agree to Terms of Service to submit comments". This new change to the ICANN public comment period creates unnecessary barriers and further deters general participation. ICANN should encourage people outside the ICANN ecosystem to submit public comments." (JR)

"The decision to close ICANN's comment period on Election Day (November 5, 2024) raises concerns about timing and transparency. Ending a public comment period on a day of such national importance in the United States will further deter participation, as public attention is understandably focused elsewhere." (JR)

"The ICA is greatly concerned with the diminished accessibility of the ICANN Public Comment procedure. When ICANN last requested Public Comments on the .COM Registry Agreement in 2020, over 9,040 Public Comments were received. The response from the public was amongst the largest, if not the largest, that ICANN has ever received." "On February 7, 2020, ICANN's Sr. Vice President, Policy Development & Support, notified stakeholders that ICANN would now require members of the public to create a cumbersome account with ICANN and submit comments exclusively through ICANN's website, rather than email. This had the obvious and intended effect of severely limiting public participation by making it more onerous for members of the public to submit comments to ICANN. As a result of ICANN's steps to quell public comments, ICANN can now a vastly decreased volume of comments and will not receive a genuine gauge of the public's concerns." (ICA)

"ICANN has a long history of ignoring public input, especially input that originates from domain name registrants." "The proposed renewal of the Registry Agreement for .COM

should be reconsidered and rejected by the ICANN Board. This renewal exemplifies ongoing and longstanding concerns regarding the protection of registrants' rights." (GK)

"The ICANN public comment process is broken, lacking transparency and accountability." (JR)

### ANALYSIS OF COMMENTS

The public comment process is a critical part of ICANN's multistakeholder model. It provides a mechanism by which stakeholders can have their opinions and recommendations communicated, evaluated, and documented in a formal, public manner. It presents the ICANN community with the chance to provide inputs for consideration within ICANN's decision-making processes. On 21 August 2021, ICANN announced feature improvements to the public comment process that include:

- Submissions available in search results
- Number of submissions published to individual proceedings available in real time
- Filtered search by category or date range
- Improved keyword(s) search for proceedings, submissions, and files
- Email subscription alerts for individual proceedings and their submissions
- New guided form submission feature
- Submission management feature allowing individual users or ICANN groups to track their submissions
- New consolidated Other Public Consultations pages to provide the community with a central location for other ICANN community surveys or public consultations that fall outside the public comment process
- Improved layout and user experience

These updates have been aimed at helping improve the overall user experience with the public comment process and are not intended to deter participation from people in and outside of the ICANN ecosystem. Further, the requirement to create an account to submit a public comment is no different than creating a user account like that of social media platforms such as Facebook, Instagram, or X. Since the updates were made in August 2021, ICANN has opened 79 public comment proceedings and no questions or concerns have been raised about the user experience or the requirement to create an account to submit a public comment.

Regarding the timing of the public comment period for the proposed .COM Renewal RA, ICANN opened the public comment period as soon as it was feasible to do so. The standard public comment period lasts for 40 days and as the comment period opened on 26 September 2024, it was coincidental that the comment period ended on 05 November 2024, which was also the day of the presidential election in the United States. There was ample opportunity to provide comments during the standard 40-day comment period and, aside from the one request submitted by the ALAC on 08 November, there were no requests to extend the comment period.

### 9. Concerns related to the secondary market for domain names

"I encourage ICANN to consider addressing secondary market activity that adversely affects .com registrants. As a small business owner, I believe that common-sense contractual and policy changes can benefit small businesses and individuals who rely on the .com domain extension to establish and maintain an essential online presence. Countries outside the U.S.

are adopting policies to mitigate anti-business consequences that can result from secondary market speculation in domain names. The U.S. should follow their example." (DN)

"I cite research showing that while the retail price of .com names is but \$10, the average price for a domain name on the secondary market is \$1660. This blatant abuse of the .com regime runs counter to ICANN policy and values. I encourage ICANN to explore multistakeholder policy development processes to address the unregulated secondary market for domain names in a manner that protects consumers and safeguards the dynamism of the domain name marketplace." (RL)

### ANALYSIS OF COMMENTS

ICANN acknowledges the comments regarding the secondary market for domain names and recognizes that the secondary market is subject to the market dynamics of supply and demand. ICANN does not set or control prices on either the wholesale, retail market or secondary market as ICANN is not a competition or regulatory authority.

### Section 5: Next Steps

ICANN org has carefully considered the comments received and has shared this report with the ICANN Board of Directors for their consideration. The ICANN Board will make a decision regarding the proposed renewal of the .COM Registry Agreement.



**EN** 

AL-ALAC-ST-1024-01-00-EN

ORIGINAL: English

DATE: 08 November 2024

STATUS: Ratified

# AT-LARGE ADVISORY COMMITTEE ALAC Statement on the Proposed Renewal of the Registry Agreement for .COM

### Ratification Record

On 26 September 2024, the Public Comment proceeding opened for the Proposed Renewal of the Registry Agreement for .COM. On 16 October 2024, Michael Palage discussed the comments for the ALAC statement during the At-Large Consolidated Policy Working Group (CPWG) call. The At-Large CPWG decided it would be in the interest of end users to develop and submit an ALAC statement for this Public Comment proceeding. Michael Palage volunteered to draft the initial ALAC statement for CPWG consideration and ALAC endorsement.

On 23 October 2024, the initial comments for a draft statement were shared with the CPWG for review and input. On 04 November 2024, the At-Large Public Comment Statement was finalized. The ALAC Chair, Jonathan Zuck, requested that the Public Comment Statement be ratified by the ALAC before submission to the ICANN Public Comment feature.

On 04 November 2024, staff confirmed the online vote resulted in the ALAC endorsing the statement with 14 out of 15 votes in favor. 0 votes against, and 1 abstentions. Please note 100% of ALAC members participated in the poll. The ALAC members who participated in the poll are (alphabetical order by first name): Aziz Hilali, Bill Jouris, Bukola Oronti, Claire Craig, Eduardo Diaz, Joanna Kulesza, Jonathan Zuck, Justine Chew, Lilian Ivette De Luque, Marcelo Rodriguez, Pari Esfandiari, Raihanath Gbadamassi, Satish Babu, Shah Zahidur Rahman, and Tommi Karttaavi. You may view the results here: <a href="https://tally.icann.org/cgi/results?e=8f2a7b6b601">https://tally.icann.org/cgi/results?e=8f2a7b6b601</a>.

### AT-LARGE ADVISORY COMMITTEE

The At-Large Advisory Committee (ALAC) appreciates this opportunity to comment on the proposed renewal of the Registry Agreement (RA) for .COM through the <u>September 2024 Public Comment Proceeding</u>.

The ALAC welcomes what it considers to be **positive changes** to the proposed .COM RA Renewal, particularly the changes that Verisign voluntarily commits to, such as:

- Inclusion of CPI index provision to raise Registry Level Fees, see section 7.2(d) of .COM RA and 6.5 in baseline RA:
- Inclusion of DNS Abuse mitigation provisions from 2024 Global Amendment to baseline gTLD RA;
- Uppercase/Lowercase changes for "security" and "stability";
- Updated reporting requirements in connection with SAC907;
- RDAP SLAs;
- Permission to use Bulk Registration Data Access (BRDA) for research purposes:
- Continued commitment to support WHOIS service; and
- Updated Data Escrow Agreement.

However, the ALAC is very concerned about an emerging trend where ICANN Org has repeatedly engaged in bi-lateral negotiations with its contracting parties to bring about substantive policy and operational changes that are more appropriately delegated to the community and the multistakeholder model under the ICANN bylaws.<sup>1</sup>

<sup>&</sup>lt;sup>1</sup> The following slide deck outlining this emerging trend was presented to the CPWG on 23 October 2024, see

https://community.icann.org/pages/viewpage.action?pageId=384794785&preview=/384794785/38574531 <u>0/CPWG-Verisign-COM.pdf</u>. A recording of this presentation to the CPWG is also available at <a href="https://icann.zoom.us/rec/share/9iwumGfSsyWkpu9Ef2FUCb\_4FoyVI-OHIIK7YdbL4c\_nE6IsHn7ojbSWxk0iwE-h.Efof1tWCDhDCCLLy?startTime=1729692196000">https://icann.zoom.us/rec/share/9iwumGfSsyWkpu9Ef2FUCb\_4FoyVI-OHIIK7YdbL4c\_nE6IsHn7ojbSWxk0iwE-h.Efof1tWCDhDCCLLy?startTime=1729692196000</a>.