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AT-LARGE ADVISORY COMMITTEE

ALAC Statement on the Competition, Consumer Trust and Consumer Choice Review Team Draft Report of Recommendations for New gTLDs

Introduction

Holly Raiche, ALAC Member of the Asian, Australasian, and Pacific Islands Regional At-Large Organization (APRALO) and the ALAC Leadership Team Member, developed an initial draft of the Statement on behalf of the ALAC.

On 06 April 2017, the first draft of the Statement was posted on its [At-Large Workspace](#).

On that same date, ICANN Policy Staff in support of the At-Large Community sent a Call for Comments on the Statement to the At-Large Community via the [ALAC Announce Mailing List](#).

On 18 May 2017, a version incorporating the comments received was posted on the aforementioned workspace and the ALAC Chair requested that Staff open an ALAC ratification vote.

In the interest of time, the ALAC Chair requested that the Statement be transmitted to the ICANN public comment process, copying the ICANN Staff member responsible for this topic, with a note that the Statement is pending ALAC ratification.

Once ratified, this Statement will be resubmitted incorporating updated ratification information in the introduction section.

ALAC Statement on the Competition, Consumer Trust and Consumer Choice Review Team Draft Report of Recommendations for New gTLDs

The ALAC appreciates the considerable amount of effort that has clearly gone into the Competition, Consumer Trust and Consumer Choice Review Team (CCT-RT)'s analysis and Draft Report (the report). It provides important information on outcomes of the first round of new gTLDs.

The ALAC comments on the report are focussed on the interests of end users of the Internet. Specifically, while increased competition may be considered as an important outcome of the new TLDs, the ALAC is focussed on whether the introduction of new gTLDs has resulted in increased consumer trust and increased consumer choice.

The Draft Report makes it clear that a significant amount of further information is necessary before it is possible to say that the introduction of new gTLD has increased either consumer trust or consumer choice. The ALAC, therefore, endorses the Report's pre-requisite recommendation for more and better data before it is possible to state that the objectives of the program have achieved. At this point, therefore, the ALAC does not support any new round of new gTLDs.

From the ALAC perspective, perhaps the most glaring gap is any information on consumer trust. As the Report reported:

However, the Review Team noted that the surveys did not define consumer trust (and other key terms) and contained few questions that explored the objective behavior of the survey respondents that could serve as a proxy for consumer trust. Moreover, certain responses that identified factors relevant to consumer trust -- such as reputation and familiarity -- were broad concepts that did not lend themselves to providing precise guidance for either future applicants, ICANN, or other community stakeholders. (P. 28)

The report went on to discuss both reputation and familiarity, as proxies for trust, (pp 63-67) finding that there was greater public trust in the legacy gTLDs than new gTLDs, but that one factor that could contribute to trust was that certain restrictions be placed on who can become a registrant and on how the new name is used.

In discussions ALAC has held on gTLDs over time, we recognise the reluctance of some registrars in holding names that require additional steps to their registration processes. However, processes must be found for those registries that want to improve their trust levels such that they are not unduly inhibited from doing so.

Another important area for further analysis is the high level (63%) of new gTLDs that are 'parked'. (p. 33) This begs the questions as to whether and/or how they are being used now and the future; can they be counted as contributing to consumer choice. As academic studies have shown, many of those parked domains are used for purposes that harm consumer interests. Importantly, therefore, can they be counted as contributing to consumer choice?

An added difficulty is that the report defines a 'parked' domain as one that 'redirects to another domain in a different TLD.' That means the term includes registrations that can be either defensive or a means to reach more users - pages that redirect to the owners prime web site. That differs from domains that are simply monetized or unused, and should be accounted for differently.

One of the areas of most concern for ALAC is end users and their reactions to new gTLDs. Again, there is a real lack of data on customer confusions. Quoting again from the report:

Although there was some data available about the benefits of the expansion for consumer end users and registrants, we lacked specific data about the risks of confusion. As a result, our analysis on this topic is incomplete. (p. 57)

An important related issue is what is clearly a failure in dealing with confusing strings. Table 17 of the Report (p. 120) lists the single and plural strings delegated, where in some cases, both the singular and plural strings were allowed; in other cases not. There must be a clear policy and enforcement of this issue to avoid further end user confusion.

Another area for further data is the question on the extent to which end users use domain names at all. According to the Report over half of the end users search for sites using search engines rather than specific gTLDs. (p. 58)

However, the Report does suggest that end users have some expectation that there will be a connection between the specific gTLD and the website. (p. 64) Indeed, their expectations are that there will be restrictions on registrations to reflect that connection. (p. 67) This strengthens the ALAC view that all applications for new gTLDs should contain a commitment that details how the name will relate to the registrars and their registrant's use of the new gTLD. In the last round, such commitments could be in the form of Public Interest Commitments (PIC - Registry agreement Specification 11) for regular TLDs and Registration policies for Community TLDs (Specification 12)

The Report gives special attention to concerns with sensitive and regulated strings. These are the strings identified by both the GAC and the ALAC as of particular concern as their use can be misleading in sensitive areas such as health, the law, etc. And again, the complaints data available is not sufficiently clear to identify whether or not additional recommendations are needed. (pp 83-4)

Another important issue for the ALAC is the small number of successful applicants from the 'Global South'. The Report's focus on this area has been, in its words, the 'inequities' in the process: the application process itself, the cost, the available support. We would also suggest further investigation into why there were so few applications; were there factors other than cost or difficulty in application process that played a part. While we do support the Report's recommendations on outreach, application simplification (pp 110-11), we propose further investigation into possible other factors that may have contributed to the small number of successful applications from the Global South.

The Report notes that two major studies are being undertaken – on DNS Abuse and a survey by trademark owners – to help address the information gap. Another major gap is sufficiently disaggregated and analysed data from the Contractual Compliance area.

The ALAC believes that more research is needed, particularly in areas dealing with consumer trust and consumer choice, before any further round of new gTLDs. Such research can be expensive, but the ALAC believes that it is absolutely mandatory that we carry it out, and notes that there are significant unspent funds in the New gTLD Program that can reasonably be used to gather this crucial information

Specifically the ALAC particularly supports the following report recommendations:

- Recommendation 5 – on 'parked' domains, with research disaggregating the data to indicate why it is being parked
- Recommendations 11-12 – for further information on consumer choice
- Recommendations 13-16 on consumer trust
- Recommendations 37-38 on public interest commitments.