



19 May 2017

Competition, Consumer Trust and Consumer Choice Review Team

By email: comments-cct-rt-draft-report-07mar17@icann.org

RE: Competition, Consumer Trust and Consumer Choice Review Team Draft Report of Recommendations for New gTLDs

Neustar has reviewed the Draft Report and appreciates the opportunity to submit our comments to the CCT-RT on the recommendations made within.

While the premise of these recommendations is commendable, we have serious concerns about the ability to implement many of the recommendations given the scarceness of data available, the utility of the data once it is collected and whether the costs associated with these collection efforts are justified and would demonstrate commensurate value in determining consumer trust or competition.

We would like to make specific comment on the following recommendations, noting that the absence of our comment on a specific recommendation does not imply our acceptance or endorsement of such:

Recommendation 1: Formalize and promote ongoing data collection.

ICANN should establish a formal initiative, perhaps including a dedicated data scientist, to facilitate quantitative analysis, by staff, contractors and the community, of the domain name market and, where possible, the outcomes of policy implementation. This department should be directed and empowered to identify and either collect or acquire datasets relevant to the objectives set out in strategic plans, and analysis and recommendations coming from review teams and working groups.

Neustar Comment: The recommendation is vague, implementation would be costly and the outcomes of such initiative are unlikely to be commensurate with the cost. The premise of the recommendation is that review teams and working groups would have access to relevant and strategic data as prepared by a dedicated staff. The cost of hiring staff and acquiring or collecting data is significant, the availability of the data required is unknown, and the actual benefit to the community is potentially extremely limited. We suggest that a more practical approach to implementing this recommendation would be a short-term pilot project to determine the practicality, cost, and feasibility of this initiative.

Recommendation 2: Collect wholesale pricing for legacy gTLDs.

ICANN or an outside contractor should acquire wholesale price information from both legacy and new gTLD registries on a regular basis and provide necessary assurances that the data would be treated on a confidential basis. The data could then be used for analytic purposes by the ICANN organization and by others that execute non-disclosure agreements. This may require amendment to the Base Registry Agreement for legacy gTLDs.

Neustar Comment: We do not support this recommendation in its current form. Registry Operators may be reluctant to provide such commercial information to ICANN; amending legacy Registry Agreements to include such an obligation is unlikely to be successful for this reason. Without data from legacy and ccTLDs to provide



context, wholesale pricing information from new gTLDs has diminished utility. ICANN would also need to create a data standard to collect this information, given the variation and complexity of pricing models (i.e. tiered pricing, premium domain names, sales, marketing and promotional considerations). Given the business sensitive nature of pricing information, the recommendation is too vague on who would have access to this data, how that access would be arbitrated, and lacks a clearly defined purpose for which the data would be used.

Recommendation 3: Collect transactional pricing for the gTLD marketplace.

ICANN or an outside contractor should attempt to acquire at least some samples of wholesale price information from registries on a regular basis and provide necessary assurances that the data would be treated on a confidential basis. The data could then be used for analytic purposes by the ICANN organization and by others that execute nondisclosure agreements.

Neustar Comment: This is substantially similar to Recommendation 2, but with a more limited requirement of some samples of wholesale pricing rather than all pricing from all Registry Operators. For this reason our comment on Recommendation 2 stands, though with the acknowledgement that collecting data from a smaller sample of willing Registry Operators is more easily accomplished than obtaining pricing for all TLDs.

Recommendation 4: Collect retail pricing for the domain marketplace.

ICANN does not currently make use of retail price data that can be obtained directly from public sources such as <https://tld-list.com/> and <https://namestat.org>. We recommend that ICANN develop the capability to analyze these data on an ongoing basis. Alternatively, an amendment to the Registrar Accreditation Agreement would ensure the availability of this data with all due diligence to protect competitive information.

Neustar Comment: While we cannot speak for Registrars and resellers, we are concerned with the inappropriateness of suggesting ICANN amend contracts to force parties to disclose sensitive business data. The information to be collected is also complex - pricing varies between sellers, based on location and currency, and may fluctuate based on sales, bundling, and market forces. The complexity of tiered and premium pricing is an additional factor in considering the magnitude of the data to be collected.

Recommendation 5: Collect parking data.

ICANN should regularly track the proportion of TLDs that are parked with sufficient granularity to identify trends on a regional and global basis.

Neustar Comment: Collecting this data is a significant undertaking. Having conducted a similar analysis using a webcrawler, we note that parking data can be collected inexpensively in this manner however the quality of the resulting data is poor. A definition of 'parked' and a corresponding data standard will be required for meaningful data collection. WHOIS privacy services may also undermine the quality of the data if Registrant region is a data factor.

Recommendation 7: Collect TLD sales at a country-by-country level.

Some of this data is collected by third parties such as CENTR, so it is possible that ICANN can arrange to acquire the data.

Neustar Comment: This data may not be required or collected by some TLDs; while ccTLDs and new gTLDs are most likely to have this data, legacy TLDs may present a problem. WHOIS privacy services may also skew country-specific data results. It is not clear why this level of granularity would improve or facilitate an analysis of competition in the domain marketplace.

Recommendation 8: Create, support and/or partner with mechanisms and entities involved with the collection of TLD sales data at the country-by country level.

Some regional organizations such as CENTR, AFTLD and APTLD are already engaged in data collection and statistical research initiatives. ICANN should strive to partner with these organizations and explore ways in which it can enhance the capacities of these organizations so that their output is geared to ICANN's data requirements. ICANN should also seek to promote the ability of these disparate organizations to coordinate their efforts in areas such as standardization of research and methodology, so that their data is comparable. The regional initiatives that ICANN has already undertaken, such as the LAC and MEA DNS Marketplace studies, should be undertaken at regular periods, as they too provide invaluable country-level and regional data.

Neustar Comment: We support the continuation of the regional initiatives, such as the LAC and MEA DNS Marketplace studies. The suggestion that ICANN partner with ccTLD regional organisations seems to infer that ICANN provides funding to these organisations, which does not seem appropriate. Nor does it seem appropriate for ICANN to direct organisations to standardise the products to suit ICANN's purposes.

Recommendation 9: Conduct periodic surveys of registrants.

The survey should be designed and continuously improved to collect registrant trends. Some initial thoughts on potential questions is in Appendix F: Possible Questions for a Future Consumer Survey.

Neustar Comment: Given there are millions of Registrants, proper respondent selection is integral to achieve a representative sample with limited numbers. The cost of these surveys should be considered against the utility of the data given the sample of respondents.

Recommendation 11: The next consumer end-user and registrant surveys to be carried out should include questions to solicit additional information on the benefits of the expanded number, availability and specificity of new gTLDs.

In particular, for any future consumer end-user surveys, a relative weighting of the positive contributions to consumer choice with respect to geographic name gTLDs, specific sector gTLDs and Internationalized Domain Name (IDN) gTLDs should help determine whether there is a clear preference by consumers for different types of gTLDs and whether there are regional differences or similarities in their preferences.

The next consumer end-user survey should also include further questions about whether confusion has been created for consumers in expanding the number and type of gTLDs, how they navigate to websites and if the nature and manner of search has an impact on confusion (positive, negative or indifferent).

For registrants, it will be important to gather further data on the geographic distribution of gTLD registrants and the services provided to them by registrars, particularly in different regions, including languages offered for service interactions and locations beyond the primary offices.

The next CCT review would then be able to assess in more detail these aspects, by which time there should be more data and a longer history of experience with the new gTLDs, and in particular with those in languages other than English and those using non-Latin scripts.

Neustar Comment: The recommended additions to the surveys are numerous and the end result is likely to be a very long and overly detailed survey. Survey length is a deterrent to obtaining complete responses, which undermines the utility of the survey. For detailed qualitative data, focus groups would be much better suited, however they are more costly.

Recommendation 13: Conduct a study to identify (1) which new gTLDs have been visited most; (2) the reasons users identify to explain why visited certain new gTLDs more than others; (3) what factors matter most to users in determining which gTLDs to visit and (4) how users' behaviors indicate to what extent they trust new gTLDs.

Neustar Comment: We do not support this recommendation being a prerequisite to future TLD application rounds. This recommendation is ambitious and raises significant concerns on the practicality of collecting such data. Part 1 in particular gives pause to exactly what is being measured and how this could reasonably be accomplished. Parts 2-4 are further examples of detailed qualitative questions that are better handled using focus groups, which are costly.

Recommendation 15: ICANN should repeat selected parts of global surveys (for consumer end-user and registrant surveys, in addition to necessary baseline and questions – repeat 700, 800, 900, and 1100 series survey questions and questions 775, 1000, 1036, 1050, 155 and 1060) to look for an increase in familiarity with new gTLDs, visitation of new gTLDs and perceived trustworthiness of new gTLDs.

Neustar Comment: The data sought under this recommendation is substantially similar to that of Recommendation 13.

Recommendation 16: ICANN should commission a study to collect data on the impact of restrictions on who can buy domains within certain new gTLDs (registration restrictions) to (1) compare consumer trust levels between new gTLDs with varying degrees of registration restrictions; (2) determine whether there are correlations between DNS abuse and the presence or absence of registration restrictions; (3) assess the costs and benefits of registration restrictions and (4) determine whether and how such registration restrictions are enforced.

Neustar Comment: This recommendation assumes a consumer awareness of registration restrictions and the existence of differing consumer trust levels which may not exist. The utility of this data is limited in a practical sense - even if the study finds that consumer trust increases with registration restrictions, it is not desirable or logical for all TLDs to have registration restrictions. Registration restrictions are typically TLD-specific and based on the purpose and use of that TLD. Restrictions on registrations in a simple generic TLD are unlikely to be suitable or commercially viable.

Recommendation 19: Repeat data-gathering efforts that compare rates of abuse in domains operating under new Registry Agreement and Registrar Agreements to legacy gTLDs as future review teams deem necessary. Although we recommend a periodic data-gathering exercise, we anticipate that these studies will change over time as a result of input from the community and future review teams.

Neustar Comment: The significance of TLD size and maturity should be considered when comparing legacy and new gTLDs. Newer domain names are associated with a higher instance of abusive or malicious activity, as Registrants who have held domain name registrations for years are unlikely to suddenly begin using their domain name abusively.

Recommendation 26: [ICANN should perform a study on highly regulated new gTLDs to include the following elements:] the volume of complaints received by registrants from regulatory bodies and their standard practices to respond to those complaints.

Neustar Comment: Registrants do not have an obligation to ICANN to provide such information as contracted parties do. The availability and feasibility of the data requested under this recommendation is highly questionable.

Recommendation 33: Collect data comparing subjective and objective trustworthiness of new gTLDs with restrictions on registration, to new gTLDs with few or no restrictions.

Neustar Comment: Similarly to Recommendation 16, this recommendation assumes consumer awareness of restrictions and trust levels, and has limited practical utility. How 'objective trustworthiness' will be defined and measured is of particular interest, given the ambiguity of the term and lack of specificity in the recommendation.

Recommendation 34: Repeat and refine the DNS Abuse Study to determine whether the presence of additional registration restrictions correlate to a decrease in abuse in new gTLDs, and as compared to new gTLDs that lack registration restrictions, and as compared to legacy gTLDs.

Neustar Comment: This is premature without the results of the current DNS Abuse Study. If the outcome of the current study fails to provide useful information commensurate with the cost of the study, it shouldn't necessarily be repeated. The issue of defining abuse is ongoing, and third-party data relating to such has been unreliable at best.

Recommendation 40: Full Impact Study to ascertain the impact of the New gTLD Program on the cost and effort required to protect trademarks in the DNS should be repeated at regular intervals to see the evolution over time as the New gTLD Program continues to evolve and new gTLD registrations increase.

We would specifically recommend that the next Impact Survey be completed within 18 months after issuance of the CCTRT final report, and that subsequent studies be repeated every 18 to 24 months.

The evolution over time will provide a more precise picture of costs as they evolve and track the effectiveness of RPMs generally in the Domain Name System.

Neustar Comment: As with Recommendation 34, it is premature to recommend a study be repeated without assessing the outcomes and viability of that study.

Conclusion

We appreciate that the RT recommendations have been developed as a result of many hours of deliberation and investigation by the RT members. We acknowledge that while it is helpful to have access to data and information related to trends, markets and levels of trust associated with the domain name industry, we do not consider that the sole responsibility for the collection and analysis of this data should rest with ICANN, which in large part, these recommendations seem to suggest. Further, we are concerned that the costs associated with implementing the recommendations will far outweigh any benefit or utility derived from doing so.

Sincerely,



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