

Comments from the Centre for Internet and Society on Renewal of .NET Registry Agreement

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The Centre for Internet and Society (CIS) is grateful for the opportunity to comment on the proposed renewal of the .NET Registry Agreement.

CIS would like to express its strong opposition to the proposed renewal. This is for three primary reasons:

1. *Inconsistency with ICANN's core values*

It is important to consider the proposed renewal in light of two Core Values which are meant to guide the decisions and actions of ICANN.

Section 1.2.(b)(iii) of the Bylaws contemplates ICANN's responsibility to, "Where feasible and appropriate, depending on market mechanisms to promote and sustain a competitive environment in the DNS market;" and *Section 1.2(b)(iv)* envisages, "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;".

The presumptive renewal of the .NET Registry agreement precludes an open tender, thereby significantly undermining competition in the DNS market. It ignores the public interest consideration, as the absence of competitive pressure on the contract also means the absence of pressure to lower user costs.

2. *Historical accident*

Verisign's operations over .NET is a historical accident; one that does not justify its collection of .NET revenues in perpetuity. [Policies for Contractual Compliance of Existing Registries](#) was approved in 2007 to include presumptive renewal. However, during the deliberations in that Policy Development Process, there was significant objection to presumption of renewal of registry contracts; with constituencies and individuals pointing out that such renewal was blatantly anti

competitive, and allowed for presumption to prevail even in the case of material breaches.

The proposed agreement contemplates using a portion of Registry Level Transaction Fees to create a “special restricted fund for developing country Internet communities to enable further participation in the ICANN mission for these stakeholders.” This form of tokenism to the global south will do little to achieve meaningful participation and diversity of civil society. .NET should instead, be opened to a competitive bid and open tender, in order to encourage innovators from around the world to benefit from it.

3. Irregularity of contract

The argument that the proposed changes are to bring the contract in line with other gTLD registry agreements doesn't hold because this contract is in itself completely irregular: it was not entered into after a competitive process that other gTLD registry agreements are subject to; and it is not subject to the price sensitivity that other contracts are either.