## Comment re: Statistical Analysis of DNS Abuse in gTLDs (SADAG) Report

I join with the authors of a <u>previously submitted comment</u> (emphasis added):

"In general, the paper is a fine piece of work. It appears to be careful in its planning and execution, and it marshaled an impressively large set of data. The authors deserve credit for making an important contribution to the ICANN community's understanding of abuse issues, and the paper should be considered seriously .... As the authors noted, the study's methodology under-counts the number of malicious domain registrations. The authors counted a registration as "malicious" only if it was blocklisted within three months of creation. We recently documented how phishers sometimes "age" their domains in order to get better domain reputation scores. Similarly, we often see spammers wait four or more months before using their domains, and this activity sometimes involves many domains. "

This study is indeed a refreshing change from the usual "junk study" ICANN procures in support of its <u>failed new gTLDs policy-making</u>, and "horrible" implementation.

This study just reinforces the **FACT** that **new gTLDs** have **FAILED** in their purported objectives of consumer (registrant) trust, and as a result, also **FAIL** their purported objectives concerning "choice" and "competition." Both **CCTRT** and **ICANN** need to stop living in denial and dishonesty. I incorporate by reference my previously submitted **comment** in its entirety, submitted May 19, 2017, to the **Competition**, **Consumer Trust and Consumer Choice Review Team Draft Report of Recommendations for New gTLDs**.

My additional comments relating to both the study and CCTRT **issues of consumer trust, choice, and competition**:

## A) <u>Internet Grew to 332 Million Domain Names in Q2 2017, But ICANN New gTLDs Declining</u>: Why?



.COM and .NET registry operator <u>Verisign.com reported</u> this past week that globally, the **internet** grew to **331.9 million domain name registrations** as of June 30, 2017 (end of Q2 2017), an **increase** of approximately 1.3 million registrations in Q2 2017, a growth rate of 0.4 percent over Q1 2017, and an increase in domain name registrations of 6.7 million, or 2.1 percent, year over year.

At the end of Q2 (June 30, 2017), the **.COM domain name base** totaled **129.2 million domain name registrations**, an <u>increase</u> from Q1's 128.4 million, while the **.NET domain name base** totaled **15.1 million** domain name registrations, a less than 1% decrease from Q1's 15.2

million (pdf). .NET registrations have slowly been declining since 2016, a trend likely to continue since global monopolies ICANN and Verisign seem intent on continuing their price-gouging of .NET consumers (registrants) worldwide. New .COM and .NET domain name registrations together totaled 9.2 million in Q2 2017 vs. 8.6 million in Q2 2016. Unlike .NET domains, .COM wholesale prices are presently capped and controlled by the U.S. Department of Commerce (NTIA). The U.S. Department of Justice Antitrust Division is currently investigating ICANN and Verisign.

As of June 30 2017, Verisign reported the world's **ten largest TLDs** (top-level domains) were:

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1. .com
               129.2 million registrations
                21.4 million registrations
 2. .cn
                19.1 million registrations
 3. .tk*
                16.2 million registrations
 4. .de
                 15.1 million registrations
 5. .net
                10.7 million registrations
 6. .uk
                10.4 million registrations
 7. .org
 8. .ru
                 6.4 million registrations
 9. .info
                  5.9 million registrations
10. .nl
                  5.7 million registrations
* .tk is a ccTLD that is provided for free to individuals and businesses worldwide. The zone size for
.tk was last estimated by Zooknic in Q4 2014 and this zone size was subsequently used in the Q4
2014 through Q2 2016 DNIBs. In Q3 2016, Zooknic reported a significant decline in the .tk zone and
restated the estimated zone size of .tk for each quarter from Q4 2014 through Q3 2016 using a
proprietary methodology. As a result, for comparative purposes of this DNIB to the Q2 2016 DNIB,
Verisign has applied an updated estimate of the total zone size across all TLDs for Q2 2016 of 325.2
million and an updated estimate of the total ccTLD zone size for Q2 2016 of 140.5 million.
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As of June 30, 2017, there were 302 <u>ccTLDs</u> (country-code top-level domains) delegated in the <u>internet root</u>, including *Internationalized Domain Names* (<u>IDNs</u>), with the top 10 ccTLDs comprising 64.8 percent of all ccTLD domain name registrations. <u>Total ccTLD domain name</u> **registrations** were approximately **144.2 million**, a 0.8 percent <u>increase</u> over the first quarter of 2017, and a 2.6 percent <u>increase</u> year over year.

**Summary** as of Q2 2017 (June 30, 2017) domain name registrations globally:

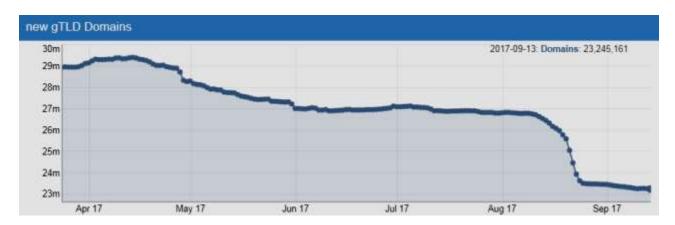
TOTAL:	331.9 million domain name registrations
.COM:	129.2 million domain name registrations
.NET:	15.1 million domain name registrations
.ORG:	10.4 million domain name registrations
.INFO:	5.9 million domain name registrations
302 ccTLDs:	144.2 million domain name registrations
1200+ other gTLDs	27.1 million domain name registrations

<u>Editor's note</u>: "other gTLDs" include <u>ICANN's new gTLDs</u> which were launched starting in 2014, and many are already referred to as *"garbage extensions"* by astute domain name registrants worldwide.

ICANN new gTLDs are failing, badly, in the global domain names marketplace--



**New gTLDs**' domain name registrations <u>declined</u> in **Q2 2017**, and the **decrease in registrations** has continued—**new gTLDs have lost** *more than* 6 million domain name registrations in just 5 months--from April 13, 2017 (29,420,893), thru September 13, 2017 (23,245,161), a <u>decline</u> of **-21%** according to <u>nTLDstats.com</u>:



And things are <u>not</u> going to get better, anytime soon, for ICANN's new gTLDs, as elucidated in this <u>Sept 18, 2017, post</u> at DomainIncite.com.

- B) Reasons why ICANN's new gTLDs are failing, losing millions of registrations--ICANN's New gTLDs As Global DNS Malware--Let's review all the ways ICANN's new gTLDs are now known to be global DNS malware:
- 1. New gTLDs are known to "break stuff" and cause "collisions;"
- **2. New gTLDs** are known to "<u>fail to work as expected</u>" on the internet--the so-called "Universal Acceptance" (UA) problem--which ICANN knew about long before (<u>since at least 2003</u>) it expanded the gTLDs from just 22 to over 1200 beginning in early 2014, which is why ICANN tried to absolve itself of liability--even though it has **failed to warn consumers** (registrants)--see <u>Base Registry Agreement Section 1.2</u>:
  - **1.2 Technical Feasibility of String**. While ICANN has encouraged and will continue to encourage universal acceptance of all top-level domain strings across the Internet, certain top-

level domain strings **may encounter difficulty** in acceptance by ISPs and webhosters and/or validation by web applications. Registry Operator shall be responsible for ensuring to its satisfaction the technical feasibility of the TLD string prior to entering into this Agreement. (emphasis added)

- **3. Absolute unlimited monopolistic pricing powers** granted to **new gTLD registry operators**, including the right to **unlimited increases** in **domain name registration and renewal fees**--ICANN and its "ICANN community" (which is effectively controlled by registry operators and registrars) **rejected** the <u>recommendation and advice of the U.S. Department of Justice Antitrust Division</u> to protect consumers (registrants). New gTLD Registry Operators are free to "rape and pillage" the global domain names marketplace and consumers (registrants) worldwide, **thanks to ICANN.**
- **4.** The **Electronic Frontier Foundation (EFF)** has <u>warned registrants</u> to **avoid new gTLDs** due to **ICANN's new gTLDs'** <u>flawed and overreaching RPMs</u>.
- **5.** And now, the icing on ICANN's global malware cake, <u>SIDN Labs</u> and <u>Delft University of Technology</u>'s <u>report</u> (pdf), characterizing new gTLDs as "phishing and malware domains."

Is it any wonder some desperate new gTLD registry operators have <u>tried giving away new gTLD</u> <u>domain names for free</u>? Is it any wonder new gTLDs are attracting malicious actors? Is it any wonder that new gTLD domain name registrations are collapsing—see <u>new gTLD Statistics</u> by <u>Top-Level Domains</u> | <u>ntldstats.com</u>.

This is what happens when you let special interests (a/k/a lobbyists) run internet governance via a governance model known as "multistakeholderism," limiting and excluding governments from their proper role in protecting the public interest. Add to that the **dysfunctional ICANN** organization which created for its **new gTLDs**, a new "Global Domains Division" (try to find any reference to that in the ICANN Articles or Bylaws), primarily staffed by incompetent cronies of ICANN's equally inept ex-CEO who quit 3½ years into a 5-year contract. In its expansion of new gTLDs, ICANN has proven to be unfit for the purpose for which it was originally intended.

<u>ICANN foolishly and incompetently expanded gTLDs</u> (generic top-level domains) from just 22 (.com, .net, .org ... .gov, .mil, .edu, .int) to over 1200 starting in 2014, and now the **new gTLDs hucksters** (registry operators *et al*) are finding out that **hundreds** of **new gTLDs** are "<u>unwanted</u> and unneeded" and they are going broke, and want ICANN to "bail them out." ICANN has slowly begun to realize its own "pipe dream" about **new gTLDs** was <u>delusional</u>, and is now "looking out for #1" (#1 is the ICANN organization and its budget that pays the <u>obscenely extravagant salary and benefits packages</u> to ICANN management and much of the staff)."

Obviously, <u>ICANN</u> and its "ICANN community" of lobbyists and "special interests," as well as most new gTLD registry applicants and operators, are **clueless** about what consumers (registrants) really want and need. Hardly surprising since most domain name registrants are excluded, by design, from ICANN policy-making structures.

ICANN Damaged a Competitive Domain Name Market With Its New gTLDs | DomainMondo.com Feb 16, 2016: "What would Jon Postel have done?"

"<u>Domain Mondo Aug 25, 2014 | Are Domain Names Dinosaurs?</u>: "John Gilmore said "Jon's [<u>Jon Postel</u>] initial design would have expanded to dozens of TLDs long before ICANN, and <u>increased them by 50 or 100 a year until demand slacked off</u>" (source: <u>It's time for ICANN to go - Salon.com</u> July 2002, emphasis added).

"But <u>ICANN</u> and its "ICANN community" didn't care what Jon Postel would have done. ICANN didn't care about "market demand" or how many new gTLDs could be reasonably, and profitably, supported by "market demand." ICANN didn't even listen to the <u>FTC</u> (see also this <u>2011 pdf</u>), nor the <u>former Chairman of the FTC</u>, nor the <u>founding Chair of the ICANN Board of Directors</u>, nor anyone else, including the <u>Antitrust Division of the US Department of Justice (pdf)</u>, all of whom could see that ICANN's new gTLDs expansion was fraught with pitfalls and unintended consequences. It was, after all, "<u>all about the money</u>" from which ICANN could justify "expanding hub offices, exorbitant salaries and benefits, exploding staff levels and budgets."

"So now we are beginning to see the consequences of ICANN's folly--perhaps a few "winners" and everyone else left with losses, and domain name registrants paying more, "much more" in domain name costs."

## **Conclusion:**

With its <u>2012 round of expanding gTLDs</u> from just 22 to *more than* 1200, ICANN has *made a mess of the DNS* and given *multistakeholderism* a bad name. And it's not as if ICANN wasn't warned, repeatedly, as noted hereinabove. No, this disaster wasn't any *force majeure*, but a disaster of ICANN's own making, founded upon a mixture of arrogant power and greed:

"I really can't see a legitimate upside where new benefits [of the new gTLDs] outweigh costs, and everyone I mention this to feels the same way. People just shake their heads. It's all about the money. They [ICANN] are creating these extensions because they can."--University of Pennsylvania Wharton School marketing professor Peter Fader, co-director of the Wharton Customer Analytics Initiative (source: Knowledge@Wharton May 21, 2014).

ICANN's new gTLDs program is a "systemic failure" of both the organization and the "ICANN community"—they need to "own it" and be held accountable. It is as important to understand "how we got here" as "what happened." The failed ICANN leadership that got us into this *mess* includes Peter Dengate Thrush (former ICANN Board Chairman), Steve Crocker (ICANN Board member and Chairman), ICANN ex-CEOs Rod Beckstrom and Fadi Chehade, former ICANN Chief Strategy Officer Kurt Pritz ("architect of ICANN's new gTLD program"), and lastly but not least, Akram Atallah, interim ICANN CEO (twice) and President of ICANN's "Global Domains Division."

Respectfully submitted September 19, 2017,

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