ICANN BOARD PAPER NO. 2024.11.25.1a

TITLE: **Renewal of .COM Registry Agreement 2024**

PROPOSED ACTION: For Board Consideration and Approval

EXECUTIVE SUMMARY:

The current .COM Registry Agreement[1] (.COM RA) between ICANN and VeriSign, Inc. (Verisign), the registry operator of the .COM generic Top-Level Domain (gTLD), is scheduled to expire 30 November 2024. The .COM gTLD is unique in that, in addition to the .COM RA between ICANN and Verisign, the National Telecommunications and Information Administration of the United States (NTIA), a department within the Department of Commerce (DOC), and Verisign maintain the "Cooperative Agreement"[2] to manage certain Domain Name System responsibilities, and partially relating to Verisign's operation of the .COM gTLD. The last change to the Cooperative Agreement was Amendment 35[3] in October 2018. Amendment 35 of the Cooperative Agreement continued the term "through November 30, 2024, and shall automatically renew for six-year terms, unless the DOC provides Verisign with written notice of non-renewal within one hundred twenty days (120) prior to the end of the then current term ('Expiration Date')." For clarity, ICANN is not a party to the Cooperative Agreement, nor does it participate in the discussions or negotiations that occur between the NTIA and Verisign related to the Cooperative Agreement.

As of the end of the third quarter of calendar year 2024, the .COM gTLD had 156.7M domain names under management (DUMs), while the next largest gTLD[4] is .CN, a country code TLD

[1] .COM Registry Agreement: https://www.icann.org/resources/agreement/com-2012-12-01-en
[2] https://www.ntia.doc.gov/page/verisign-cooperative-agreement
[3] https://www.ntia.doc.gov/files/ntia/publications/amendment_35.pdf
[4] https://dnib.com/articles/the-domain-name-industry-brief-q3-2024

(ccTLD), with roughly 20M DUMs. The .COM gTLD accounts for approximately $38M of ICANN's funding in FY2024, which represented 44% of the funding from all registries.

In January 2024 and again in August 2024, ICANN org and the Board aligned on ICANN's key objectives for the .COM RA renewal discussions with Verisign which included:

1. Incorporate key concepts and provisions from the 2023 Global Amendment to the Base gTLD Registry Agreement (Base RA) related to providing Registration Data Directory Services (RDDS) over the Registration Data Access Protocol (RDAP).
2. Incorporate key concepts and provisions from the 2024 Global Amendment to the Base RA related to mitigating DNS Abuse.
3. Align certain obligations for the .COM gTLD with those in the Base RA, including those related to fees paid to ICANN.
4. Add commitments to further enhance the security, stability, resilience and accessibility of the .COM gTLD.

ICANN posted the proposed renewal of the .COM RA (.COM Renewal RA) and the second amendment to the Letter of Intent (LOI) for Public Comment on 26 September 2024 and received 27 comments by the close of the comment period on 05 November 2024. ICANN accepted one additional comment submitted by the At-Large Advisory Committee (ALAC) on 08 November, bringing the total number of public comments to 28.

The proposed .COM Renewal RA and second amendment to the LOI are the product of good faith negotiations between ICANN and Verisign, and represents ICANN's best efforts to support the delivery of ICANN's mission and provide continued benefit to the Internet community. Meaningful progress was made on each of the key objectives for the renewal agreement as aligned between ICANN org and the Board. Following the review and consideration of the public comments, the ICANN org team recommends renewing the proposed agreement and amending the LOI under these new terms.

ICANN ORGANIZATION RECOMMENDATION:

ICANN org recommends that the Board approve the proposed .COM Renewal RA with Verisign for the continued operation of the .COM gTLD and the second amendment to the LOI to facilitate the fulfillment of ICANN's mission and strategic plan.

PROPOSED RESOLUTION:

Whereas, the current .COM Registry Agreement (.COM RA) between ICANN and Verisign commenced on 01 December 2012, has been amended three times during its term, and is scheduled to expire on 30 November 2024.

Whereas, Verisign satisfied the criteria in the .COM RA to qualify for renewal.

Whereas, the ICANN org team consulted with the Board on key objectives prior to beginning negotiations with Verisign for the proposed renewal of the .COM RA (.COM Renewal RA).

Whereas, ICANN and Verisign negotiated in good faith to develop a proposed .COM Renewal RA for the operation of the .COM gTLD, and a second amendment to the Letter of Intent (LOI) between ICANN and Verisign.

Whereas, the Board recognizes that together the proposed .COM Renewal RA and the second amendment to the LOI represent meaningful progress on each of the agreed upon key objectives for the negotiations of a renewal of the .COM RA.

Whereas, the proposed .COM Renewal RA includes new or modified provisions to enhance obligations related to the Domain Name System (DNS) Abuse consistent with the 2024 Global Amendment to the Base gTLD Registry Agreement (Base RA) and new or modified provisions to provide Registration Data Directory Services (RDDS) via the Registration Data Access Protocol (RDAP) consistent with the 2023 Global Amendment to the Base RA.

Whereas, the proposed .COM Renewal RA includes new and modified provisions consistent with gTLDs on the Base RA including the addition of new provisions that enable ICANN to include .COM in any potential fee increases applied to other gTLDs operating under the Base RA.

Whereas, the proposed .COM Renewal RA includes new provisions designed to further enhance and/or preserve the security, stability or resilience of .COM. These new provisions include: for

ICANN and Verisign to work together on a plan to preserve and enhance the security, stability, and resiliency of .COM operations should the need arise; and a new obligation for Verisign to report certain security incidents to ICANN, based on advice from the Security and Stability Advisory Committee (SSAC) in SAC074[5] that was accepted[6] by the Board in February 2018.

Whereas, ICANN and Verisign agreed on a second amendment to the LOI to work with the ICANN community and within ICANN processes to develop Internationalized Domain Name (IDN) solutions to improve the accessibility of the DNS in local languages and/or scripts, while continuing to maintain the security, stability and resiliency of the DNS.

Resolution Text Superseded

Whereas, ICANN held a public comment period from 26 September 2024 through 05 November 2024 on the proposed .COM Renewal RA and the second amendment to the LOI. ICANN received comments from twenty-eight (28) organizations or individuals. A summary and analysis report of the public comments, which was provided to the Board and will be published shortly, make clear all of the received public comments were considered even if they did not lead to changes to the proposed .COM Renewal RA.

Resolution Text Superseded

Resolved (2024.11.25.xx), the Board approves the proposed .COM Renewal RA as the "November 2024 .COM Registry Agreement," approves the second amendment to the LOI between ICANN and Verisign, and authorizes the Interim President and CEO, or her designee(s), is authorized to take all actions as appropriate to finalize and execute the November 2024 .COM Registry Agreement and second amendment to the LOI between ICANN and Verisign.

---

[5] https://itp.cdn.icann.org/en/files/security-and-stability-advisory-committee-ssac-reports/sac-074-en.pdf
[6] https://www.icann.org/en/board-activities-and-meetings/materials/approved-board-resolutions-regular-meeting-of-the-icann-board-04-02-2018-en#1.f

PROPOSED RATIONALE:

Why is the Board addressing the issue now?

The current .COM RA between ICANN and Verisign is scheduled to expire 30 November 2024. ICANN and Verisign initiated renewal discussions in March 2024 and reached agreement on a proposed .COM Renewal RA in September.

What is the proposal being considered?

The proposed .COM Renewal RA is based on the current .COM RA with modifications agreed upon by ICANN and Verisign. In January 2024, ICANN org and the ICANN Board aligned on the following key objectives for ICANN in the .COM RA renewal discussions with Verisign:

1. Incorporate key concepts and provisions from the 2023 Global Amendment to the Base RA related to RDDS over the RDAP.
2. Incorporate key concepts and provisions from the 2024 Global Amendment to the Base RA related to mitigating DNS Abuse.
3. Align certain obligations for the .COM gTLD with those in the Base RA, including those related to fees paid to ICANN.
4. Add commitments to further enhance the security, stability, resilience and accessibility of the .COM gTLD.

Following the preliminary completion of negotiations, the ICANN org team updated the Board in late August 2024 prior to opening the public comment proceeding. At that time, ICANN org and the ICANN Board agreed that meaningful progress had been made on each of these objectives.

1. **Incorporate key concepts and provisions from the 2023 Global Amendment to the Base RA related to providing RDDS over RDAP.**

As part of ICANN's commitment to improving RDDS, ICANN worked with the contracted parties to make RDAP the primary protocol for delivery of RDDS, as RDAP is a significantly more technically capable protocol than the WHOIS protocol. The 2023 Global Amendment to the Base RA established the critical performance requirements for registry operators to provide

RDDS over RDAP, obligations to provide RDAP in accordance with a standard output profile for the benefit of Internet users, and requirements to report the number of queries to the registry RDAP service to ICANN. ICANN and Verisign agreed to provisions for all of these concepts for the proposed .COM Renewal RA.

The Base RA includes the option for the registry operator to discontinue (or sunset) the WHOIS service in January 2025. Verisign requested to have no such option to discontinue the WHOIS service for the .COM gTLD. Instead. Verisign, committed to continue to operate the WHOIS service in parallel with the RDAP for RDDS, which is reflected in the proposed .COM Renewal RA.

2. **Incorporate key concepts and provisions from the 2024 Global Amendment to the Base RA related to mitigating DNS Abuse.**

Verisign agreed to include the same DNS Abuse obligations as set forth in the approved 2024 Global Amendment to the Base RA. These include: the definition of DNS Abuse as domain names used to perpetrate phishing, malware, botnets, pharming, and spam (when spam is used to deliver other forms of DNS Abuse); the requirement to publish an abuse contact for the receipt of abuse reports; and the obligation to take the appropriate mitigation actions to stop, or otherwise disrupt, a registered domain name in .COM from being used for DNS Abuse. Bringing these obligations to the world's largest gTLD is a significant achievement in ICANN’s efforts to combat DNS Abuse and are in line with Interim President and CEO goals for FY2024 and 2025 set by the ICANN Board.

3. **Align certain obligations for the .COM gTLD with those in the Base RA.**

The proposed .COM Renewal RA includes new provisions related to fees paid to ICANN that align more closely with the Base RA. While .COM’s per-transaction fee of US$0.25 is already consistent with the Base RA, the proposed .COM Renewal RA adds the quarterly fixed fee of US$6,250 from the Base RA.

The proposed .COM Renewal RA also includes the same right for ICANN as under the Base RA to impose an adjustment to the fees based on a percentage change in the U.S. Consumer Price

Index (CPI). This ability to invoke an adjustment reflects a key ICANN initiative relative to funding, as it paves the way for ICANN to utilize this adjustment provision with .COM, as well as all gTLDs operating under the Base RA as well as .COM.

On 24 October 2024, ICANN communicated[7] its plan to adjust the registry fees in line with inflation effective 01 January 2025 to gTLD registry operators[8]. This adjustment will be the first time ICANN has exercised its right to raise the fees. If the proposed .COM Renewal RA is executed as proposed for public comment, these increases will also apply to the .COM gTLD and will also be effective 01 January 2025.

4. **Add commitments to further enhance the security, stability, resilience and accessibility of the .COM gTLD.**

In 2023, as part of the .NET RA renewal, ICANN and Verisign agreed to Amendment 1 to the LOI for ICANN and Verisign to work together for the development and adoption of appropriate reporting of security incidents based on recommendations by the Security and Stability Advisory Committee (SSAC) in SAC074[9] that were adopted[10] by the ICANN Board of Directors. In the proposed .COM Renewal RA, ICANN and Verisign agreed to security incident reporting obligations to address this advice. The new obligations require Verisign to provide notice to ICANN within seventy-two (72) hours following the discovery of any cyber or physical security incident that significantly jeopardizes, or is reasonably likely to significantly jeopardize, the registry system. The notice must provide details regarding the incident including statistics about the number of registrars, domains, and registrants impacted, and the actions taken by Verisign in response to the incident. This provision can be used by ICANN as a model for the current Base RA and the Next Round Base Registry Agreement.

---

[7] https://www.icann.org/en/system/files/files/attn-planned-registry-level-fee-adjustment-24oct24-en.pdf

[8] Following a communication to the gTLD registries about anticipated fee increases ICANN published this blog and thought paper for general awareness. https://www.icann.org/en/blogs/details/investing-in-our-mission-by-enhancing-financial-stability-at-icann-30-10-2024-en

[9] https://itp.cdn.icann.org/en/files/security-and-stability-advisory-committee-ssac-reports/sac-074-en.pdf

[10] https://www.icann.org/en/board-activities-and-meetings/materials/approved-board-resolutions-regular-meeting-of-the-icann-board-04-02-2018-en#1.f

The SSAC also advised ICANN to produce public reporting that aggregates and anonymizes the data it receives from registries about security incidents. Given that the .COM gTLD would be the first and only gTLD registry at this time to have the obligation to disclose incidents to ICANN, there would be no way to produce anonymized reporting yet. As such, ICANN and Verisign agreed as part of the proposed second amendment to LOI to work together to develop appropriate processes for ICANN to report data publicly in line with the Board-adopted SSAC advice.

Additionally, ICANN and Verisign agreed to an obligation to work together on a plan to preserve and enhance the security, stability, and resiliency of .COM operations should the need arise. This includes details of how the parties may address the business continuity of .COM under various scenarios, including criteria for triggering any business continuity mechanisms, and how to mitigate risks to .COM and the Internet. The parties agree to have subject matter experts from Verisign and ICANN representing critical registry functions, operations, and security meet and develop this plan. Following the completion of this plan, the parties will use commercially reasonable efforts to determine the implementation of the business continuity practices that are appropriate for .COM. Execution on this provision will help enhance ICANN's security, stability and resiliency posture, and work to mitigate risks for ICANN and the Internet user community.

Additionally, Verisign has agreed as part of a second amendment to the LOI to work within the ICANN community and ICANN processes to develop IDN solutions to improve the accessibility of the DNS in local languages and/or scripts, while continuing to maintain the security, stability, and resiliency of the DNS. This work may include (i) new or improved data in the form of Label Generation Rules or harmonized IDN tables, (ii) the development of open-source code for processing IDN tables, and (iii) the creation of standards within technical communities such as the Internet Engineering Task Force. These are important aspects to continuing the efforts at the infrastructure level to support a multilingual Internet. Multilingual Internet is of strategic importance to ICANN as reflected in the Board-approved FY24 Interim President and CEO's goals.[11]

[11] https://www.icann.org/en/blogs/details/icann-interim-president-and-ceo-shares-goals-for-fiscal-year-2024-27-09-2023-en

Which stakeholders or others were consulted?

The proposed .COM Renewal RA and the proposed second amendment to the LOI were posted for public comment from 26 September 2024 to 05 November 2024, ICANN and received 27 timely comments and one additional comment three days late that was also accepted, for a total of 28 comments. The Board has been briefed on the public comments received, received the Public Comment Summary and access to all the public comments, and considered ICANN org's recommendation and rationale for not pursuing any changes to the proposed agreement. The Public Comment Summary provides more detail on each of the issues and is expected to be published for the community the week of 25 November 2024.

What concerns or issues were raised by the community?

A common theme from commenters focused on Verisign's right to increase the maximum wholesale price of .COM domain names. Under the proposed .COM Renewal RA, Verisign will continue to have the right to increase wholesale prices for .COM by up to seven percent every four out of six years of the agreement. As of 01 September 2024,[12] Verisign exercised the fourth and final price increase to the .COM wholesale domain name registration price available as per the current .COM RA. The current .COM wholesale price is $10.26 per registration.

The commenters suggest that ICANN has a responsibility to set or restrain the wholesale pricing for .COM. Some commenters even point to passages in the ICANN's Bylaws related to promoting competition and acting in the public interest as to why ICANN should be compelled to impose lower wholesale domain name registration prices for .COM. However, the mission of ICANN, as enshrined in ICANN's Bylaws that 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. Nevertheless, unlike nearly all of the gTLDs managed pursuant to a registry agreement with ICANN that have no price control provisions, the .COM RA does contain a

[12] https://itp.cdn.icann.org/en/files/registry-agreements/com/com-fees-01-09-2024-en.pdf

restriction on the maximum allowable annual wholesale price increase of domain name registrations. That price control provision in the .COM RA and in the proposed .COM Renewal RA, however, tracks the rules established by the DOC, as documented in Amendment 35[13] to the Cooperative Agreement[14] between Verisign and the NTIA, not rules established by ICANN. This provision restricts increases to the wholesale price to a maximum of seven percent per year, and a frequency of increases occurring no more than four out of every six years. This is the same provision that has been in place since Amendment 3 which was approved in March 2020.

Another topic that garnered a significant number of comments is the suggestion that ICANN should open the management of the .COM gTLD to a public bidding process to foster more competitive pricing. The .COM RA, as do all gTLD RAs, provides that the 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 gTLD operations. ICANN determined that there has been no serious breach per the .COM RA and, therefore, Verisign is entitled to renewal. 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 the .COM gTLD is a top priority for ICANN and for the Internet community. Verisign has a track record of operational excellence, having maintained 100 percent DNS availability for .COM for more than 27 years without interruption.

Some commenters also proposed that ICANN org conduct an economic study prior to renewing the .COM RA. However, as previously mentioned, ICANN is not a competition authority nor a price regulator, and ICANN has neither the remit nor expertise to serve as one. In the case of .COM,the relevant regulatory, 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

[13] https://www.ntia.doc.gov/files/ntia/publications/amendment_35.pdf
[14] https://www.ntia.gov/program/verisign-cooperative-agreement

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 in the registration of domain names for the Internet community.

Some commenters criticized ICANN and Verisign for not including a provision comparable to the Base RA requirement for cooperation with ICANN if ICANN were to conduct or commission an economic study on the impact or functioning of new gTLDs on the Internet, the DNS or related matters. However, unlike most other gTLDs, the .COM RA already requires that the wholesale price for .COM be disclosed to ICANN and all the registrars six months prior to any changes taking effect. Additionally, the number of DUMs of all gTLDs are available publicly on icann.org. Given that the .COM registry price and number of DUMs are already available to ICANN and the community, it is unclear what data ICANN would not have access to for .COM if it were to conduct or commission an economic study.

Some commenters expressed their appreciation for the incorporation of the DNS Abuse obligations from the 2024 Global Amendment to the Base RA, the contractual provisions for RDAP from the 2023 Global Amendment to align with the Base RA, and the new provisions that enable ICANN to include .COM in any potential fee increases applied to other gTLDs operating under the Base RA.

Two commenters asserted that Verisign should do more to curb child sex abuse material (CSAM) on .COM as reported by the Internet Watch Foundation (IWF). As noted in the public comment summary, ICANN expects all gTLD registry operators to comply with laws and to combat CSAM within their registries.

Similar to the public comments received for Amendment 3 to the .COM RA in 2020 and the .NET RA renewal in 2023, commenters expressed concerns about the transparency of the .COM RA negotiations and whether they align with the multistakeholder model. In the case of the .COM RA renewal, ICANN org followed the established process to negotiate the renewal registry agreement with the registry operator. Initial contractual negotiations were between the two contracted parties, and once the parties reached an agreement on the proposed terms, ICANN invited the community to comment on the proposed .COM Renewal RA through the public comment process to collect valuable community input before proceeding. ICANN based its negotiations on its mission, strategic priorities, and incorporation of provisions from the Base RA which included significant community consultation.

What significant materials did the Board review?

The Board considered various significant materials and documents, including, but not limited to, the following:

- **Proposed .COM Renewal Registry Agreement (pdf, 1019.39 KB)**
- **Redline of the Proposed and 2012 .COM Registry Agreement as Amended (pdf, 1.15 MB)**
- **Proposed Second Amendment to the Letter of Intent between ICANN and Verisign (pdf, 117.38 KB)**
- **The Public Comment Summary and Analysis Report for the proposed .COM Renewal Registry Agreement**

What factors did the Board find to be significant?

The Board considered the terms agreed upon by Verisign as part of the bilateral negotiations with ICANN org and the meaningful progress the proposed .COM Renewal RA represents on each of the key objectives for the negotiation. The Board considered ICANN org's summary and analysis of the public comments received for the proposed .COM Renewal RA and the second amendment to the LOI. While the Board acknowledges the concerns expressed by some community members regarding Verisign's ability to increase the wholesale price seven percent four out of the six years over the term of the agreement, the Board recognizes that the registry operator is allowed to determine the wholesale price for .COM domain name registrations subject to the limitations set by the Cooperative Agreement and inserted at Verisign's request into the .COM RA and proposed .COM Renewal RA. Further, the Board understands that the pricing provision was not changed from Amendment 3 to the .COM RA, that the wholesale pricing for .COM domains is governed by the Amendment 35 to the Cooperative Agreement between Verisign and the DOC, and that ICANN is not a party to the Cooperative Agreement. The Board further acknowledges that ICANN is neither a competition authority nor a price regulator, and it is not within ICANN's remit or expertise to serve as one.

The Board also acknowledges the comments requesting ICANN to open the management of the .COM gTLD to a public bidding process to foster more competitive pricing. However, the Board agrees with ICANN org that the .COM RA, as with all gTLD RAs, is clear that the 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 gTLD operations. ICANN must honor and abide by the contractual terms, in which Verisign has qualified for renewal of the .COM RA.

The Board recognizes the comments from community members requesting that ICANN org conduct an economic study prior to the renewal of the .COM RA. However, as previously noted, the Board agrees ICANN is not a competition authority or a price regulator, and ICANN has neither the remit nor the expertise to serve as one. As such, prices for any gTLD will remain with the respective registry operator and, in the case of .COM, the relevant regulatory authority, the DOC.

The Board also recognizes commenters' request that ICANN seek community input prior to negotiating the renewal agreement. All registry operators have the ability to negotiate the terms of their RA with ICANN, which inherently means discussions between the two contracted parties, in this case ICANN and Verisign. The process is straightforward and involves discussions between the two parties until agreement is reached. The Board is aligned with ICANN org and agrees that ICANN followed the established process to negotiate the renewal of a registry agreement with the registry operator and, once both parties reached an agreement on the proposed terms, ICANN invited the community to comment on the proposed agreement through the public comment process. The Board reminds 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[15]" which is enumerated in Annex G-2 of ICANN's Bylaws[16] 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".

The Board would also like to acknowledge the significant progress made to further align the .COM RA to the Base RA by including the obligations from the 2023 Global Amendment to the Base RA to include the contractual provisions for RDAP, from the 2024 Global Amendment to the Base RA to incorporate the DNS Abuse obligations, and to incorporate similar fee provisions to the Base RA, particularly the ability for ICANN to apply adjustments to the registry fees to account for inflation.

The Board also appreciates the steps made to include the recommendations from the SSAC in SAC074 to report security incidents in the .COM RA and the commitment from Verisign to work with ICANN on how to produce public reporting that will aggregate and anonymize the data ICANN receives from registries about security incidents. The Board also notes the commitments from Verisign to work with ICANN on a plan to preserve and enhance the security, stability, and resiliency of .COM operations should the need arise. This is a critical step to ensuring the security and stability of the Internet as a whole. The Board also appreciates Verisign's commitment to work within the ICANN community and ICANN processes to help advance the multilingual Internet and foster digital inclusivity as reflected in ICANN's Interim CEO goals.

Are there positive or negative community impacts?

The proposed .COM Renewal RA provides for positive impacts to the Internet community. Provisions aligned with the recent global amendments to the Base RA related to mitigating DNS Abuse and providing RDDS via RDAP have been considered by the ICANN Board and determined to be positive benefits to the Internet community.

---

[15] https://gnso.icann.org/sites/default/files/file/field-file-attach/picket-fence-overview-23jan19-en.pdf
[16] Annex G-2 of ICANN's Bylaws, https://www.icann.org/resources/pages/governance/bylaws-en/#annexG2

Additionally, provisions focused on increasing security, stability and resilience are expected to have positive impacts on the Internet community. These include the disclosure of security incidents to ICANN as advised by the SSAC in SSAC 074 and accepted by the ICANN Board and working together on a plan to preserve and enhance the security, stability, and resiliency of .COM operations should the need arise.

Are there fiscal impacts or ramifications on ICANN (strategic plan, operating plan, budget); the community; and/or the public?

The proposed .COM Renewal RA is positive for ICANN's funding, which in turn provides ICANN with more resources to support the community and overall Internet community. The proposed .COM Renewal RA aligns the fees for the .COM gTLD with the fees in the Base RA, adding the $25,000 annual fee to the .COM RA. The alignment with the Base RA also provides ICANN the right to adjust the annual fee and per transaction fee for .COM in accordance with inflation.

Are there any security, stability or resiliency issues relating to the DNS?

The proposed .COM Renewal RA strengthens the security, stability and resilience of the .COM namespace. This is evident in certain provisions based on Base RA related to: (1) providing RDDS over RDAP; and (2) mitigating DNS Abuse. Additionally, the proposed .COM Renewal RA adds requirements to disclose security incidents to ICANN as advised by the SSAC in SAC074 and commits ICANN and Verisign to work together on a plan to preserve and enhance the security, stability, and resiliency of .COM operations should the need arise. These provisions along with Verisign's track record of performance in DNS services contribute to a more secure, stable and resilient DNS with this decision.

Is this decision in the public interest and within ICANN's mission?

The decision to enter into the proposed .COM Renewal RA with Verisign for the operation of the .COM gTLD is determined to be within ICANN's mission and supports the public interest.

Is this either a defined policy process within ICANN's Supporting Organizations or ICANN's Organizational Administrative Function decision requiring public comment or not requiring public comment?

The decision to renew is within ICANN's organizational administrative function of negotiating and entering into registry agreements for gTLDs. ICANN conducted a public comment proceeding from 26 September 2024 to 05 November 2024 and received 27 comments. One additional comment was submitted by the ALAC on 08 November and was accepted by ICANN org for a total of 28 comments. The Board was briefed on and considered the public comments and ICANN's analysis of comments.

ICANN Public Comment

ICANN Public Comment Summary Report Template

This section will be completed by the Public Comment team, and the pre-populated summary report template will be provided to you.

Title of Open Proceeding:
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:
The category you had selected for your open proceeding.

- Other

Requester:
The requestor you had selected for your open proceeding.

- ICANN organization

ICANN organization contact(s):
globalsupport@icann.org

Open Proceeding Link:
The link to your open proceeding: 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 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 2023 Global Amendment to the Base gTLD Registry Agreement 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 SAC097 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 2024 Global Amendment to the Base gTLD Registry 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).
    - 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, and
    - 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,
    - 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 Amendment 1 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 (SAC074) which were accepted 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 Letter of Intent (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.
2. 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.

Section 2: Submissions

Organizations and Groups:

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

Section 3: Summary 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 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% 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 Amendment 35 to the Cooperative Agreement 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 the 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 Letter of Intent (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 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.

--- **TEMPLATE END** --

Publishing Your Summary Report

Submit to the Public Comment Team for Proofing and Publishing

- Send an email to public-comment@icann.org and include:
    - Name of Legal reviewer
    - Name of Communications reviewer
    - Name of Executive approver

- Add the following attachments:
    - Your completed summary report

- The Public Comment team will:
    - Review and proof your summary report.
    - Return the proofed summary report to you with tracked changes.
    - If there are significant changes, your summary report may require another review by your Executive and Legal, and another proof from the Public Comment team.
    - Once the summary report is finalized, no further action from you is required. The Public Comment team will publish the summary report.