

Staff Report of Public Comment Proceeding Template (v4.0)

Overview:

*This template is being provided to assist staff in the preparation of a report that summarizes and, where appropriate, analyzes public comments. Please save the document in either *.doc/*.docx and submit to: public-comment@icann.org.*

Instructions:

- **Title:** Please enter the exact title that was used in the original Announcement.
- **Comment Period:** Enter the original Open, Close, and Staff Report Due Dates. (*Format: Day Month Year, e.g., 15 June 2016*). Please note if any extensions were approved.
- **Prepared By:** This field will accommodate a situation where an individual or group other than the principal staff contact, e.g., a Working Group, develops a report.
- **Important Information Links:** Do not enter any information in this section; the Public Comment Team will provide the appropriate links.
- **Section I: General Overview and Next Steps:** Please use this area to provide any general summary or highlights of the comments and indicate the next steps following publication of the report.
- **Section II: Contributors:** Please use the tables provided to identify those organizations/groups and individuals who provided comments. It is not necessary to identify “spammers” or other commenters who posted off-topic or irrelevant submissions. In addition, if there is a large number of submissions, it is acceptable to characterize the respondent communities rather than attempt to list them individually in tables.
- **Section III: Summary of Comments:** This section should provide an accurate, representative, and thorough review of the comments provided. As the disclaimer explains, this is a summary only of those contributions that the author determines to be appropriate to the topic’s purpose. Authors are cautioned to be conscious of bias and avoid characterizing or assessing the submitted public comments. If an analysis of the comments is intended, please use Section IV below.
- **Section IV: Analysis of Comments:** Please use this section for any assessments, evaluations, and judgments of the comments submitted and provide sufficient rationale for any positions that are advocated. If an analysis will not be undertaken or, if one will be published subsequently, please add a note to that effect in this section.

Note: You may also utilize, for this section, the Public Comment Issue Tracking Checklist template, which is available at: <https://community.icann.org/x/d67hAq>.

Staff Report of Public Comment Proceeding

Latin American and Caribbean DNS Marketplace Study

Publication Date: 2 February 2017

Prepared By: Daniel Fink

Public Comment Proceeding

Open Date: 22 September 2016

Close Date: 1 November 2016

Staff Report
Due Date: 28 November 2016

Important Information Links

[Announcement](#)

[Public Comment Proceeding](#)

[View Comments Submitted](#)

Staff Contact: Daniel Fink

Email: daniel.fink@icann.org

Section I: General Overview and Next Steps

On September 22, 2016, ICANN opened a formal Public Comments process for six weeks. That Public Comment process was extended an additional six weeks, given a request from the community for more time to ensure that as many stakeholders as possible could review the initial draft of the report and post questions and comments.

The Internet Corporation for Assigned Names and Numbers (ICANN) sought feedback on the initial draft of the Latin American and Caribbean DNS Marketplace Study. The goal of this study is to identify and define the strengths and weaknesses in the industry ecosystem within the region, and develop recommendations on how to advance the industry and bring it closer to the opportunities available.

ICANN's Latin America and the Caribbean Strategic Plan defined four key areas of interest as strategic focus for the region. Two of those, namely Capacity Building and Outreach; and Economic Issues contemplate aspects to further develop the domain name industry. After consultation with members of LAC Strategic Plan Steering Committee, a request for proposal to conduct the study was released in September 2015 to commission a study to investigate the current state of the Internet and the domain name industry in the region, define best practices that have made an impact in domain name market growth, look at the broader ecosystem of the Internet infrastructure and online services and describe the impact of such elements on the overall evolution of the domain name industry, describe the business potential in the domain name industry in this region, and provide suggestions on how to develop the industry and what business models can be adopted in the entire industry chain. The consortium led by Oxford Information Labs was then contracted in early 2016 and now presents the initial draft report for public comments.

The next step is for the consortium to prepare its final report and make that report available to ICANN for publication.

Section II: Contributors

At the time this report was prepared, a total of 8 community submissions had been posted to the forum. The contributors, both individuals and organizations/groups, are listed below in chronological order by posting date with initials noted. To the extent that quotations are used in the foregoing narrative (Section III), such citations will reference the contributor's initials.

Organizations and Groups:

Name	Submitted by	Initials
Intellectual Property Constituency, GNSO	Greg Shatan	IPC
Business Constituency, GNSO	Steve DelBianco	BC
Solintel, Brazil	Vitor Horita	ST

Individuals:

Name	Affiliation (if provided)	Initials
Carlos Noeira		CN
Anderson Fabrício		AF
Vrikson Iván Acosta Velásquez		VIAV
Malisa Richards		MR
Carlos A. Leal Saballos	Universidad Centroamericana (UCA), Nicaragua	CALS

Section III: Summary of Comments

***General Disclaimer:** This section intends to summarize broadly and comprehensively the comments submitted to this public comment proceeding but does not address every specific position stated by each contributor. The preparer recommends that readers interested in specific aspects of any of the summarized comments, or the full context of others, refer directly to the specific contributions at the link referenced above (View Comments Submitted).*

Scope of Study

The Business Constituency suggests adding a section to the report showing recommendations for ICANN on how to influence the identified weaknesses and explain where policy changes could help ICANN achieve its strategic goals in the LAC region. The BC made the suggestion of disaggregating broader socioeconomic trends from DNS policy. The Business Constituency also advocated for a larger examination of the future outlook of the LAC DNS ecosystem.

The Intellectual Property Constituency recommends that the LAC study contain an analysis, on a country-by-country basis, of how domain name conflicts are currently resolved (including relevant law and precedent in each jurisdiction) and the level of certainty stakeholders have. The IPC also urges that the study recommend the adoption of UDRP and URS methods.

Comments Specific to Parts of the Report

Executive Summary

- The Business Constituency notes the line, “the lack of local content creates a barrier to greater adoption,” and suggests that local content should be defined.

An Introduction to the Region

- The Business Constituency notes “The report chose to use six countries in South America as ‘focus countries’ after consultations with ICANN. The focus countries notably exclude Uruguay,

a technology leader in the region. The report's explanation that the countries were chosen to reflect the 'geographic, linguistic, socioeconomic, and technological diversity of the region' could be expanded on in order to understand why some countries were chosen while others were not."

- CALS remarks that companies acting in the region have not necessarily used the local domain name (ex: companies in Nicaragua do not use the .com.ni extension). The question then asked is how can we be sure that they (the companies) registered all the local domain names and how did we include cases like this in the study.

The Internet Environment in the LAC Region

- The BC notes that Figure 2 would be clearer with the X-axis labeled according to country in addition to the ccTLD (e.g. .AI - Anguilla). Additionally, Figure 2 does not include all of the 13 focus countries. It excludes Chile, Peru, Paraguay, Guatemala, Dominica, Dominican Republic, and Trinidad and Tobago. The BC recommends including an explanation of why these focus countries were excluded while other countries were included.
- The BC recommends making it clearer that the study found that there is not enough evidence to support a relationship between the DNS landscape and a country's economic conditions.
- The BC notes that the study quotes a figure on the percentage of total websites that use Spanish. The BC recommends including figures on the percentage of Latin American ccTLD websites with Spanish.
- The BC suggests considering including increasing the prevalence of Internet Exchange Points as one of the study's recommendations for helping to drive Internet development and domain name registration across the region as one of the study's main findings for developing the DNS. There is high correlation between Internet penetration, ICT Development Index Score, and DNS adoption (e.g. Argentina, Brazil, Chile).

The Domain Name Industry in the LAC Region

- The BC suggests that Figure 34 ccTLD registration fees could be compared to the broader ccTLD context to enhance understanding of the LAC DNS relative to the global context. Uruguay should be included if the information is available.

Best Practices and Recommendations

- CN believes that "the biggest inhibitor to growing the [sales] channel is reluctance of the ccTLDs to open up their operation to the sales channel, even for their domestic market. As you mention in your report, most of them sell direct to customers. Other than the investment to be able to offer an EPP connection, opening up to the sales channel will mean giving up direct sales, and also "sacrificing" margin to give room to the Registrar to operate, something they are not used to or willing to do."
- CN says that, "[the] RAA is a probable cause of the weakening of the channel, I believe it is only one of several factors that has contributed to this."
- MR asks, "How does ICANN intend to deal with the vast number of non accredited registrars in the LAC region? What provision does ICANN have for Registrars that may not be able to afford the high cost of RAA?"
- ST makes nine suggestions for recommendations to be added to the report.
- AF makes a series of suggestions for recommendations to be added to the report (in particular, a recommendation for ICANN to connect with youth throughout the region).
- VIAV makes a series of seven recommendations to be added to the report.

Section IV: Analysis of Comments

General Disclaimer: This section intends to provide an analysis and evaluation of the comments submitted along with explanations regarding the basis for any recommendations provided within the analysis.

Taking these identified issues and proposed solutions into consideration, the authors of the report will revise the report in the following ways:

The Business Constituency suggests enlarging the scope of the report so that it includes policy changes that would help ICANN meet its goals in the LAC region. The authors of the report agree that this would be a useful addition to the work, but that it was not within the scope of the current project. We also note that part of the purpose of the current report was to inform and update the ICANN LAC Region Strategic Plan [<http://icannlac.org/plan-estrategico.php>]. The BC also advocated for disaggregating broader socioeconomic trends from DNS policy and a larger examination of the future outlook of the LAC DNS ecosystems. The authors believe this would most appropriately be done through follow-up to the report and an update to the ICANN LAC Region Strategic Plan. Such an update could be conducted with stakeholders from within and beyond the region, better informing a look at what is to come in the LAC DNS ecosystem.

The Intellectual Property Constituency recommended that there be a country-by-country examination of how intellectual property conflicts are handled. The authors believe that such an inventory may be very useful, but that it was not within the scope of the current survey. The authors found that country-by-country analysis of issues related to the DNS ecosystem is difficult in a region of such variety and diversity. However, subsequent work items at ICANN may include such an inventory.

The BC made a specific recommendation to request how the focus countries were selected. New text has been added to the Final Report to explain this. The BC also asked that “local content” be defined. New text has been added to the Final Report to provide this. The BC also recommends that the report include figures on the percentage of Latin American ccTLD websites with Spanish. During the process of compiling this report, we were unable to have bulk access to the records and data that would make such an inclusion possible. Finally, the BC suggests increasing the prevalence of IXPs to help drive Internet development and domain name registration across the region. The authors agree that the existence of neutral IXPs does have an effect on local content and that, in the future, ICANN should consider what, if any, policies it should adopt to help expand the number of neutral IXPs in the region. However, IXPs were not a part of the original scope of the report.

CN made a suggestion about limiting the recommendation for opening the channel for ccTLDs. The authors believe that this was covered in section 4.1.3 of the Final Report. CN suggests that there are many factors related to the weakening of the channel. The authors agree and suggest that this was covered in the Summary section of the Final Report. MR also suggests that the RAA should not be the only blame for weakening of the channel. Once again, the authors agree and suggest that this was covered in the Summary section of the Final Report. VIAV makes a series of seven suggestions to be added to the Final Report. The authors believe that all seven suggestions are already covered in section 7 of the Final Report. ST makes a series of nine suggestions for recommendations for the final report. While the authors believe that these were largely covered in Section 7 of the Final Report, we have added and amended text to attempt to clarify the recommendations and how they meet ST’s

suggestions. AF made a suggestion that a section on youth be added to the report. The authors have done this and added it to section 7. AF made six other suggestions to be added to the recommendations of the final report. The authors believe that all six suggestions are already covered in section 7 of the Final Report. In addition, the authors thank the community for their feedback on this report.