tucows/domains

5 November 2024

Tucows appreciates the opportunity to comment on the Proposed Renewal of the Registry Agreement for .com. As the largest wholesale registrar and a leading provider of domain services, this is of the utmost importance to our business. This comment includes all four registrar-accreditations in the Tucows Family of Registrars: Enom (48), Tucows (69), EPAG (85), and Ascio (106). Each is accredited to sell .com domains.

.com is the most well-known and high volume top-level domain (TLD). As such, any changes to operational practices or commercial terms have a significant and outsized impact on registrar businesses and on the overall landscape of the Internet.

Tucows is supportive of most of the proposed updates to the Registry Agreement (RA) and Registry–Registrar Agreement (RRA).

Compliance with the new RDAP requirements found in the 2023 Global Amendment to the Base gTLD Registry Agreement will bring .com into line with 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 Registry Agreement 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 a 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.

The Tucows Family of Registrars remains concerned about the incremental price increases built into this Agreement. As discussed, .com is the most well-known and most high volume TLD in the world. Price increases affect hundreds of millions of small businesses, individual domain owners, charities, local children's sports teams, and more. The odd million-dollar company will also have to handle cost increases but our concern is for the masses. 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

TLD margins are already extremely thin for registrars. Most registrars, in fact, do not make money on domain sales but rather on hosting and other website-related services. Increased costs will absolutely be passed on to registrants. While .com solidified its place in the market with lower-costs, because it is such a behemoth, because .com is such a popular and well-known domain the world over, and because of the sunk cost that prohibits domain-switching, registrants will be forced to continue to pay these increases.

There are limitations on "regular" price increases such that they can only occur in four out of every six years but "special" price increases may happen at Verisign's discretion and with only 180 days' notice. Who decides what price increase is "regular" and what price increase is "special"? Verisign itself, of course, with minor guardrails but with significant lack of transparency and oversight. This erodes trust in the DNS by creating a lack of predictability and—crucially—stability in the .com namespace, causing uncertainty in the market.

As we wrote in our 2019 response to the proposed renewals of the .org, .info, and .biz Registry Agreements, "**as consumers are locked in, there either needs to be competition at the registry level or some form of price constraint**."

Tucows supports the Registrar Stakeholder Group's suggestion that ICANN conduct an economic study and consider ways to improve competition in the TLD marketplace.

We are grateful for the opportunity to provide input on this proposed amendment to the .com Registry Agreement and Registry–Registrar Agreement. We recommend that it be rejected for the reasons outlined above.

Thank you,

David Woroch
CEO, Tucows Domains