RrSG Public Comment: <u>Proposed Renewal of the</u> <u>Registry Agreement for .COM</u>

5 November 2024

The Registrar Stakeholder Group (RrSG) welcomes the opportunity to provide a comment on the proposed renewal of the Registry Agreement for .COM.

This agreement is of great importance to registrars, as the requirements for the most widely-used TLD will set a baseline which other TLDs are likely to follow. Further, this amended Registry Agreement also includes updates to the .com Registry-Registrar Agreement.

The RrSG supports the updates to the .com Registry Agreement which work to align .com with current ICANN requirements and anticipated changes for 2025 and beyond.

With regards to providing Bulk Registration Data Access to ICANN, the RrSG notes that this does not include personal data in registration data and supports the periodic publication of a summary of the ways the Thin Registration Data is used in research and organizations with which the data was shared. This data may prove useful to the Community and we support transparency regarding how TLD data is used.

The RrSG notes with concern the continued significant ongoing price increases for the .com TLD. The RrSG has <u>previously discussed</u> the adverse effects of removing price caps on annual registration fees in our 2019 response to the proposed renewal of .info, .org & .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 wishes to elevate the same concerns <u>expressed</u> back in 2020 under the <u>Proposed</u> <u>Amendment 3 to the .COM Registry Agreement</u>: The RrSG has a number of serious concerns concerning price increase, vertical integration issue, an additional \$20 million payment from Verisign to ICANN, and the overall amendment process.

With a market share of 73% of all gTLD registrations and 40% of all domain name registrations (including ccTLDs), .COM continues to be by far the most dominant TLD in the domain name space and of great interest to the RrSG. The handling of any amendment to the .COM Registry Agreement justifiably requires particular attention and prudence. [...]

The RrSG is concerned that the proposed price increases are without sufficient justification or an analysis of its potentially substantial impact on the DNS. ICANN has not explained how increased domain name prices are in the public interest or how this furthers the security and stability of the DNS. The price increases appear only to benefit one company, which has the right to operate .com in perpetuity (and without a competitive bidding process). This is inconsistent with ICANN's bottom-up multi-stakeholder model.

The RrSG is concerned that ICANN has made no effort to provide any justification for higher fees. While the RrGS is uncomfortable recommending any specific price, the best way to achieve market-based pricing is to put the .com Registry Agreement out to 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.

As part of this registry agreement renewal, the Proposed Second Amendment to the Letter of Intent between ICANN and Verisign provides for another \$20 million payment between the years 2026-2030.

We are witnessing some slowing in the registration and renewal of domain names, a trend which appears to correlate with recent registry fee increases in .com. We continue to believe, as we stated in 2019, that the TLD marketplace is unique and has unique needs. 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.

As ICANN approaches another round of new gTLDs, this study will also inform decisions regarding the next round.

Regarding the .com agreement specifically, the RrSG notes that the Cooperative Agreement between Verisign and the National Telecommunications and Information Administration of the United States (NTIA) is also due for renewal. We look forward to the opportunity to comment on changes (if any) to this draft Registry Agreement and Registry-Registrar Agreement resulting from the Cooperative Agreement and any potential Amendment(s).

Thank you

Ashley Heineman Chair, RrSG