

25 May 2023

## RrSG Response to Proposed Renewal of the Registry Agreement for .NET

The Registrar Stakeholder Group (RrSG) welcomes the opportunity to provide a comment on the [Proposed Renewal of the Registry Agreement for .NET](#).

The .NET top-level domain (TLD) is the second largest generic top-level domain (gTLD), comprising 13.2 million domain names<sup>1</sup>. Because of the volume of the .NET TLD, the renewal of the .NET Registry Agreement (RA), as with other legacy gTLDs, is of interest to the RrSG. As indicated in the RrSG's response to Proposed Amendment 3 to the .COM Registry Agreement<sup>2</sup>, the handling of any amendment to legacy gTLDs RAs (specifically the .COM, .ORG, .INFO, and .BIZ) justifiably requires particular attention and prudence. Regarding the renewal of legacy gTLDs, the RrSG has previously stated:

*In theory, a healthy domain name marketplace dictates appropriate pricing based on competition and end-user demand. However, the TLD marketplace is unique in its structure with things like presumptive-renewal and price caps. Fundamentally, our belief is that ICANN is required to be both careful and rigorous in its management of this market and competition within it.*

[...]

*Before agreeing to remove any pricing restrictions for ... gTLDs like .COM, the RrSG requests that ICANN conduct an economic study of whether competition can effectively constrain prices. Performing such a study is consistent with ICANN's obligations under its Bylaws and is consistent with the September 2018 recommendations of the Competition, Consumer Choice, and Consumer Trust Review Team (CCT-RT). As the burden for such an increase falls on the registrant, we believe it is incumbent on ICANN to ensure that any decisions made are based on relevant data and that any price increases have been duly considered with the entire community's best interests in mind.<sup>3</sup>*

Although ICANN org has declined to act upon repeated RrSG requests with regards to the .ORG, .INFO, .BIZ, and .COM renewals, the RrSG again reiterates this request. The RrSG hopes that making such a request now will result in action by ICANN, in light of the optimistic statements regarding the new leadership and direction at ICANN Org and the ICANN Board. This is an opportune moment to conduct this study, as there is now a decade of data for the 2013 round

---

<sup>1</sup> <https://www.verisign.com/assets/domain-name-report-Q42022.pdf>

<sup>2</sup> <https://mm.icann.org/pipermail/comments-com-amendment-3-03jan20/2020q1/008954.html>

<sup>3</sup> <https://mm.icann.org/pipermail/comments-info-renewal-18mar19/2019q2/000241.html>

of new gTLDs, several years of data regarding the price changes for legacy gTLDs, and the approaching next round of new gTLDs.

As indicated in previous RrSG comments regarding the renewal of RAs for legacy gTLDs, the RrSG maintains its concerns that the proposed price increases are without sufficient justification or an analysis of its potentially substantial impact on the DNS. ICANN previously declined without comment to provide an explanation 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 .NET (along with .COM) in perpetuity (and without a competitive bidding process). This is inconsistent with ICANN's bottom-up multi-stakeholder model.

Finally, the RrSG reiterates its concerns from previous comments that ICANN again did not consult with the community prior to the negotiation of this amendment. Although some changes to the .NET RA reflect changes to other RAs that were subject to the participation or feedback of other community members (e.g. the RDAP amendment<sup>4</sup>), the other changes could be considered significant that may have long-term and far-reaching impact on the Internet. It is not clear whether ICANN negotiated the Proposed Renewal with the interests of the community ahead of those of Verisign or ICANN org, and whether public comments will be incorporated into the final RA.

Sincerely,

Ashley Heineman  
Chair, Registrar Stakeholder Group

---

<sup>4</sup> <https://www.icann.org/en/blogs/details/icann-board-approves-rdap-amendments-04-05-2023-en>