

Network Solutions strongly supports making single-character domain names available for use. Clearly there is market demand for these unique domains, and tapping into the economic value of the names could benefit the Internet community as a whole. Moreover, we are unaware of any security or stability concerns that should prevent ICANN from releasing them.

Upon review of a number of the allocation methods that have been suggested, we support using an auction to release the names. Auctioning the names would be a much more equitable mechanism than a lottery or a first come first serve method – both of which would result in a windfall for one specific individual or entity. Moreover, a first come first serve method would be vulnerable to entities that could “game” the system through the use of multiple registrar threads to capture the names. Lottery proposals, in addition to only benefiting one lucky individual or entity per name, also might raise legal concerns surrounding the use of lotteries. Finally, an auction would maximize revenue that could be used in ways to benefit the broader Internet community.

The auction process must be fair and transparent. Consistent with ICANN core values of transparency and accountability, there should be a Request for Proposal for the auctioneer which will manage such auctions. As for the allocation process itself, we believe that ICANN should carefully consider some of the auction proposals already posted to the public comments list. Many of these ideas are quite interesting. We suggest that ICANN hire an expert to advise it on how best to maximize in-year revenue, as well as a recurring revenue stream.

Furthermore, bidders should not be required to have some previous interest or prior rights in a particular name. We believe that anyone should be allowed to bid on any single character name that they desire. In this way the auction process will promote competition. It should not unnecessarily favor certain incumbents and impair innovation. Also, some members of the community have suggested that winning the auction should result in immunity from a future Uniform Domain Name Dispute Resolution Policy (UDRP) challenges. Such immunity would be of questionable legal value, and it should be the responsibility of the bidder to understand and accept any potential legal risks associated with a desired name. ICANN should not try to offer exemptions that could embroil the organization in future legal challenges.

Finally, the auction process should provide the greatest benefit to the largest portion of the Internet community as possible. Lowering the costs of domain names would be the most tangible broad-based benefit. Revenues raised by the release of single character domain names would help ICANN reduce the transaction fee charged on every gTLD name registered. Registrants are now facing increased domain name costs due to ICANN’s approval of registry agreements that permit monopoly price hikes without cost justification. Raising funds through the release of single character names – and thereby reducing the ICANN transaction fee – is an opportunity for ICANN to help offset such unjustified registry fee increases.