Comment by John Poole, Editor of <a href="DomainMondo.com">DomainMondo.com</a>:

Re: "Phase 1 Assessment of the Competitive Effects Associated with the New gTLD Program – ICANN: "Next Steps: Public comments received on this report will be summarized and analyzed, and will help inform the design for the Phase 2 Assessment. The input received on the report will also be provided to the Competition, Consumer Trust and Consumer Choice Review Team along with the report."

## **Dear ICANN:**

## Do you really want honest feedback and comments?

If your answer is "yes," then read the following:

New TLD competition report is worthless | Domain Name Wire by Andrew Allemann, September 29, 2015:

"I found the report mostly worthless. This is partly because the new TLD program's focus on increasing choice and competition is based on the wrong premise. That premise is that there is [or ever was] a lack of good available second level domain names to register. The reality is there are [and always have been] plenty of good available second level domain names across top level domains...." [bracketed words added by author of this comment]

In other words, a **false premise** doomed an otherwise <u>inept</u> report by <u>Analysis Group</u>.

**DomainMondo.com's suggestion**: (1) terminate the contract with the Analysis Group; and (2) start over by first admitting the **false premise** aforesaid.

## For more background and information in support of the above, read:

- 1. "... The choice consumers have isn't to register a new .Com or a new gTLD. For one, there are around 75,000-100,000 .Com domain names that drop everyday of the year These domain were registered by someone else and some are as old as 20 years. Everyday there are around 10,000 .com domain names that have been registered for 10 years that drop. There are millions of .com domain names for sale on the Aftermarket which continue to sell from the hundreds of dollars into the seven figures and those are just the public sales. When you're talking about spending hundreds, thousands and even five figures a year in registration fees on a new gTLD, then the option of buying a registered .com on the aftermarket becomes much more attractive to the consumer...." --Mike Berkens TheDomains.com: ...Thoughts On The New gTLD Program & Some Predictions for 2015
- 2. <u>Internet Hall of Famer Paul Vixie</u> who unloaded on <u>ICANN</u> and its <u>new gTLDs</u> (new generic top-level domains), calling the **new gTLDs** "all commercial failures"

and ICANN a *corrupt, industry-captured corporation* that does <u>not</u> serve the public interest--as reported by <u>ZDNet</u> (emphasis added)--

- "I think it [ICANN's new gTLDs] is a money grab. My own view is that ICANN functions as a regulator, and that as a regulator it has been captured by the industry that they are regulating. I think that there was **no end-user demand** whatsoever for more so-called DNS extensions, [or] global generic top-level domains (gTLDs)."
- The demand for the new domains came from "the people who have the budget to send a lot of people to every ICANN meeting, and participate in every debate", that is, the domain name registrars who simply want more names to sell, so they can make more money. But these new domains don't seem to be working. "They're gradually rolling out, and they are all commercial failures."
- "I'm sure that there will be another 2,000 of them sold, because \$185,000 to pay the application fee for each one [is] chump change to the companies who want to make money doing this."
- Creating the new domains goes against ICANN's purpose--"ICANN is a 501(c)(3) non-profit public charity [under the California Nonprofit Public Benefit Corporation Law], and their [ICANN's] job is to serve the public, not to serve the companies... I think that until they can come up with an actual public benefit reason they should be creating more of these, they've got no cause to act;" "there should be no price at which you can buy microsoft, but there is, and that's a mistake. That indicates corruption, as far as I'm concerned."
- 3. <u>ICANN Board of Directors, Conflicts of Interest</u>: "Business groups and some others have long complained that ICANN's decision-making was dominated by the interests of the industry that sells domain names and whose fees provide the vast majority of ICANN's revenue." <u>Washington Post</u>
- 4. <u>How Donuts Is Playing a Big Role in the New gTLD Era</u>: "We think of the new TLDs almost like vanity license plates." -- Jon Nevett, Donuts co-founder and executive vice president of corporate affairs
- 5. "The public at large, consumers and businesses, would be better served by no expansion or less expansion' of domains" said Jon Leibowitz, former chairman of the US Federal Trade Commission in the <a href="New York Times">New York Times</a>.
- 6. ""I really can't see a legitimate upside where new benefits [of the new gTLDS] outweigh costs, and everyone I mention this to feels the same way. People just shake

their heads. It's all about the money. They [ICANN] are creating these extensions because they can." University of Pennsylvania Wharton School marketing professor Peter Fader, co-director of the Wharton Customer Analytics Initiative (Knowledge@Wharton).

- 7. "... we are not running out of domains. This is a "way for registries and registrars to make money,"--Esther Dyson [founding Board Chairman of ICANN]-- "there are huge trademark issues. I just think it is offensive... It will create a lot of litigation." [see: Esther Dyson Told ICANN new gTLDs were a mistake in 2011(video)] (emphasis added).
- 8. "The introduction of new TLDs is likely to increase the value of the gold-standard 'dot com.' Adding more side streets only increases the value of a main-street address." –Karl Ulrich, Vice Dean of Innovation and Professor of Operations and Information Management, Wharton School of Business, University of Pennsylvania (Knowledge@Wharton)
- 9. From <u>Domain Mondo</u>: <u>Caveat Emptor</u>: <u>New gTLDs</u> have "Universal Acceptance" <u>Problems</u> New gTLD domain names reportedly "break stuff" and <u>fail to work across the internet</u>; in addition, <u>most new gTLD</u> domains also lack future <u>pricing predictability</u> for domain name registration renewal fees--Why build your website on a <u>domain name</u> whose <u>registration</u> renewal fee next year could be \$30,000 or more? Also note: <u>Security Firm</u> Recommends Blocking ICANN's "Shadiest" New gTLDs.

## 10. See also from DomainMondo.com:

- New gTLD Domain Names, Defects, ICANN Liability, FTC Complaints
- New gTLD Domains, the Walking Dead and Dying, ICANN FY15 Results
- ICANN is NOT a new gTLDs Marketing Agency: ICANN 53 Review, Part 3
- What Does That July 29th Deadline Mean For .brand TLD Applicants?
- The dot SUCKS Conundrum: ICANN, FTC, OCA, New gTLD Domains
- Will the IETF, RIRs, ccTLDs + Verisign Just Walk Away From ICANN?
- ICANN Hates Fairness and Predictability? So What's New?
- The World's Most Valuable Startups All Use dot COM Domain Names
- Need a Dot Com Doman Name? Quintillions are available for reg fee! see also
  "Despite the size of the .com zone, it is still growing on average at a higher rate
  than its peers."--CENTR's <u>DomainWire Global TLD Stat Report 2015/3rd</u>
  Quarter (pdf) (emphasis added)
- <u>VeriSign .COM Registry Agreement, What Happens After November 2018?</u>
- ICANN Process for New gTLDs Dysfunctional -- from the beginning
- ICANN Insiders On New gTLDs: Mistakes, Fiascos, Horrible Implementation

- ICANN, Domain Registry Operators, Monopoly, Antitrust, FTC Statement
- Are Domain Names Dinosaurs?: ".... Claim: ICANN New gTLDs: "One of ICANN's key commitments is to promote competition in the domain name market while ensuring Internet security and stability." Fact: ICANN has damaged the competitive domain name marketplace, and degraded Internet security and stability, by its incompetent and irresponsible flooding of the domain name ecosystem with more than 1000 new gTLDs [see ICANN: "the internet will explode"]."

Respectfully submitted,

John Poole, Editor of DomainMondo.com