

Comments on the Report: Supporting the Domain Name Industry in Underserved Regions

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Introduction and Background

On behalf of the Registrar Stakeholder Group (RrSG), members of which may submit individual comments, we respectfully submit the attached comments on the Report: Supporting the Domain Name Industry in Underserved Regions

We thank the ICANN staff for preparing this report.

The Registrar Stakeholder Group is currently reviewing this issue and discussing the ways in which it may impact the global registrar community. We do, however, have comments and further questions on specific points that have arisen as a result of the Call for Public Input.

General Comments

The Registrar Stakeholder Group agrees that ICANN should be building awareness of the Domain Name Industry in these regions. However, The RrSG would like ICANN to clearly articulate the goals of identifying “underserved” regions. If the objectives are to increase access to registration services, ensure service availability in languages and currencies, and increase consumer choice and competition in smaller markets, then are there alternative ways of achieving the same goals?

We would ask ICANN to establish clear, objective metrics or indicators to determine whether or not a region or markets is “underserved”. And, once identified, establish benchmarks to determine whether or not increased efforts are successful, and the target market is no longer “underserved”.

The RrSG is generally concerned that ICANN must not add cost-increasing requirements (such as those in the 2013 RAA) for established registrars and their resellers, while simultaneously proposing to reduce barriers for others. In other words, can we continue to ‘raise the bar’ for service providers in our industry, while also relaxing requirements for new registrars “underserved” regions? Also, We must recognize that our industry is global, and registrants in one region may, for a variety of reasons, select a service provider from another region.

Comments on Specific Issues Addressed in the Report

The RrSG would like to understand the specific issues involved with the RAAs (and some RRAs) being governed by California/US law, as well as whether current agreements could be amended to address these concerns. Would ICANN considering offering the RAA in multiple jurisdictions and, if so, how can registrars be prevented from “shopping” new venues to take advantage of any differences? It is also important to develop safeguards to ensure registrars are never “forced” to leave an existing jurisdiction during the term of an agreement, and move to a new agreement in an unfriendly jurisdiction. Similarly, we need to understand the resistance from Registries regarding AROS, if any, and how these concerns can be addressed. We believe there is value in “standardized” RRAs, where possible, which registries may then tailor to their specific needs with amendments, annexes, etc.

Regarding General Liability Insurance, the RrSG asks ICANN to outline the specific risks that we are required to insure against. Is this requirement still necessary, given institutional improvements in other areas (e.g. Compliance and Data Escrow)? We also seek justification for the reduction of coverage based on registrar size, as well as what the logical break points for coverage requirements might be. One could argue that larger and/or more established registrars in fact present less risk exposure, particularly when compared to small or start-up registrars.

With respect to Registry Account Funding, we agree that it is prudent to collect feedback from registries when considering this issue. However, we recommend that other payment approaches could be explored and adopted without ICANN’s involvement, such as real-time invoicing or credit card processing. We strongly believe that ICANN should never act as, or sponsor the creation of, an intermediary payment processor, as this is clearly a market function.

Regarding Accreditation Fees and Costs, we do not agree that small registrars having to competing with local resellers is necessarily a problem. In fact, by serving niche markets, regions or languages, this is precisely the role that resellers are intended to fill. On the contrary, if a regional registrar’s cost structure is unsustainable in its current business model, it should consider converting its ICANN-accreditation to a reseller of a larger registrar. This is not a problem, but rather part of the nature of a competitive industry, and a preferred outcome over granting regulatory relief to specific providers.

Furthermore, the RrSG asks ICANN to justify for the requirement to have \$70,000 in working capital, and would like to ask ICANN whether this fixed level still makes sense for all registrars, or if it should it be determined by revenue, number of customers, or some other measurement. And importantly, we cannot support any use of JAS funds to subsidize or otherwise offset registrar fees to

ICANN.

Finally, the RrSG agrees that ICANN could sponsor education and outreach efforts, and recommends that it be included as part of the overall “Registrar Certification” course required in the RAA. We also propose that successful completion of the course would be recognized as an industry-wide certification credential, via the training program operated and maintained by ICANN. And while the “working language” of ICANN is English, the Global Domains Division should follow the example of the larger ICANN community, and expand its efforts to provide document translation and support resources in other languages

We respectfully request that the above issues be taken into consideration before this issue is moved farther forward.

Thank you,

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Chair Registrar Stakeholder Group