AT-LARGE ADVISORY COMMITTEE
ALAC Statement on Competition, Consumer Trust, and Consumer Choice Review Team – New Sections to Draft Report of Recommendations

Introduction

Holly Raiche, ALAC Member of the Asian, Australasian and Pacific Islands Regional At-Large Organization (APRALO), Sarah Kiden, Secretariat of the African Regional At-Large Organization (AFRALO) and Abdulkarim Ayopo Oloyede, member of the AFRALO, developed an initial draft of the Statement on behalf of the ALAC.

On 11 December 2017, the first draft of the Statement was posted on its At-Large Workspace.

On that same date, ICANN Policy Staff in support of the At-Large Community sent a Call for Comments on the Statement to the At-Large Community via the ALAC Work mailing list.

On 08 January 2018, a version incorporating the comments received was posted on the aforementioned workspace and the ALAC Chair requested that Staff open an ALAC ratification vote.

On 12 January 2018, Staff confirmed that the online vote resulted in the ALAC endorsing the Statement with 11 votes in favor, 0 vote against, and 0 abstention. Please note that 73.33% (11) of the 15 ALAC Members participated in the poll. The ALAC Members who participated in the poll are (alphabetical order of the first name): Alberto Soto, Andrei Kolesnikov, Holly Raiche, Javier Rua-Jovet, John Laprise, Kaili Kan, Maureen Hilyard, Sebastien Bachollet, Ricardo Holmquist, Seun Ojedeji, Tijani Ben Jemaa. 4 ALAC Members, Alan Greenberg, Bastiaan Goslings, Bartlett Morgan and Hadia Elminiawi, didn't vote. You may view the result independently under: https://www.bigpulse.com/pollresults?code=422402Yk7Hmpv37YiIzr5ZNAKw.

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Introduction: This submission should be read together with the previous ALAC submission (dated 13 December 2016) to the Draft Report on Competition, Consumer Trust and Consumer Choice (**CCTR**). In this submission, we will only comment on the new sections that impact on Internet end users. We note our earlier response to the Report:

In conclusion, the outcomes of Assessment are, at best, equivocal. While there has been some expansion in registry numbers and new market entrants, only 15% of the new domains have the characteristics of primary registration. From an end user perspective, most of the resultant new registrations are speculative, defensive, unused or parked – adding little of value to end users. And from an industry, there is no clear evidence of lower prices or more choice. Based on this Assessment, there is little evidence of benefit to end users with the introduction of new gTLDs.

The new sections of the Report add useful information and analysis from the three additional reports (a discussion on parking, a study on costs to brand owners, and a study on DNS abuse). Our comments are on parking and DNS abuse. While there is an interesting discussion and recommendations on Rights Protection Mechanisms, the issues raised and recommendations do not impact significantly on end users.

Parking: Findings from the parking discussions show that 68% of new gTLD registrations are parked. As the report notes, there are several ways in which a name would be considered as 'parked', only one of which is that the name displays advertisements, offers the domain for sale, or is used as a vector to distribute malware. (CCRT p. 8) The report also notes the significant geographic differences in parking practice; the parking rates for China are 'very high', whereas in the Latin American/Caribbean area, 78% of the new gTLDs are active. (CCTR p. 10-11). In any case, this report could not 'identify any direct relationship between parking and DNS abuse', but suggested there may be 'some correlation between parking and malware'. (CCTR p. 12) In its recommendation, the report suggests the high rate of parked domains could have an impact on competition in the domain name landscape, and recommends that further information is collected on parking data.

ALAC Supports Recommendation 3 on the collection of parking data.

DNS Abuse: The DNS study provides very useful information not only about the incidence of abuse, but about the situations when it occurs, with real implications on steps that could be taken to address the issue. The Report noted that there has been a 'significant increase' in phishing attacks in 2016. As the report then notes, some registration operators do not act until there are complaints – contrasting with others who do check registrant credentials, block domain name strings similar to known phishing targets and scrutinize domain name resellers. (CCTR p. 21-2)

The findings suggest, however, is that abuse is 'not rampant' – that five new gTLDs accounted for over 58% of blacklisted gTLD domains. (CCTR p. 24).

Early in the discussion on DNS Abuse, the Report includes the nine steps that can be taken to mitigate DNS abuse. (CCTR p. 18). However, the report then notes that factors such as registration restrictions, price and registrar specific practices are more likely to affect abuse rates, 'making low priced domain names with easy registrations attractive attack vectors'. (CCTR p. 23) As the Report then acknowledged, low cost names may also be appealing for registrants 'with legitimate interests and the overarching goal of a free and open Internet'. Therefore, the 'monetary incentives' targeted at registry operators may be appropriate to prevent 'systematic abuse' by supporting proactive screening and the detection of malfeasance'. (CCTR p. 25)

The Report suggests four recommendations to address DNS Abuse. These include recommendations for;

- Recommendation A: negotiations on amendments to the registry agreements to provide incentives for the adoption of proactive abuse measures

- Recommendation B: negotiations on amendments to registry agreements to including provisions on preventing the systemic use of specific registrars for technical DNS abuse

- Recommendation C: Conduct a study – that is made publicly available – on the relationship between specific registry operators, registrars and DNS abuse

- Recommendation D: (which was not unanimously supported by the CCT WG) to establish a DNS Abuse Resolution Policy (DADRP) to deal with registry operators and registrars that are identified as having excessive levels of abuse.

The Report also includes Recommendation 5, calling for ICANN to: 'collect data about and publicize the chain of parties responsible for gTLD domain registration.

This recommendation is included as an 'individual statement' not included in the body of the report because there was 'insufficient time' for it to be fully discussed by the Review Team. The explanation for this recommendation is that, at present, 'there is no consistent mechanism for determining all of the ICANN contracted and non-contracted operators associated with a gTLD domain name registration. Whois records often do not distinguish between registrars and resellers.

The ALAC supports Recommendations A, B,C,D, and 'Recommendation 5' relating to DNS Abuse