

ALAC Statement on the Proposed Renewal of the .ORG, .BIZ, .INFO and .ASIA Registry Agreements

Background

The proposed renewals of the .ORG, .BIZ, .INFO and .ASIA Registry Agreement are the latest in a series of Registry Agreement renewals over the last several years. In most cases, the proposed renewal Agreement followed (with some variations) the form of the current “base Registry Agreement,” first developed for use with “new gTLD” registries. These renewals have included Registry Agreements for .COOP, .MUSEUM, .NET, .MOBI, .TEL, .CAT, .PRO, .JOBS, and .TRAVEL.

ALAC has generally refrained from commenting on prior proposed Registry Agreement renewals, with the exception of the proposed renewal of the .NET Registry Agreement. Unlike most other renewals, the proposed .NET renewal Agreement did not adopt the form of the then-current base Registry Agreement. Instead, the proposed renewal agreement was based on the current .NET Registry Agreement, with modifications agreed between ICANN and Verisign, along with certain provisions from the base Registry Agreement and certain provisions incorporated into legacy gTLD Registry Agreements (e.g., the 2013 .ORG Registry Agreement). In June 2017, the ALAC submitted the following statement (quoted here in its entirety):

The ALAC does not have any comment to make on the changes to the content of the contract overall as we believe that much of it has been predetermined by agreement. However, the increasing cost of .NET domains is a concern as it would make them unaffordable and thus an accessibility issue for end-users, especially for those in already underserved regions. The proposed 10% annual increase which all goes to the registry is significantly high and should be re-considered. A query was raised as to whether or how .NET funds are returned to serve the Internet community in line with the redistribution of .org funds into the community by the Internet Society, to support Internet development.

To be accurate, the provision in the .NET Agreement¹ called for a 10% maximum price increase (i.e., a “cap”), rather than a 10% price increase. In the case of .NET, this distinction is largely a formality, since Verisign (the .NET Registry Operator) had instituted the full 10% price increase each year since at least 2005.

The 10% cap is a feature of the current .ORG, .BIZ, .INFO Registry Agreements. However, the current .ASIA Registry Agreement does not include a price cap.

None of the proposed Registry Agreements include a price cap, which is consistent with the base Registry Agreements (and with the current .ASIA Registry Agreement). The Public Comment page offers the following explanation:

¹ Although the 2017 Statement called it a “proposed 10% annual increase” for .NET domains, this provision was a feature of the earlier .NET Registry Agreements, rather than a new proposal.

Pricing for Domain Name Registrations and Registry Services (Section 2.10 of the .info renewal agreement): In alignment with the base registry agreement, the price cap provisions in the current [.TLD] agreement, which limited the price of registrations and allowable price increases for registrations, are removed from the [.TLD] renewal agreement. Protections for existing registrants will remain in place in line with the base registry agreement. This change will not only allow the [.TLD] renewal agreement to better conform with the base registry agreement, but also takes into consideration the maturation of the domain name market and the goal of treating the Registry Operator equitably with operators of new gTLDs and other legacy gTLDs utilizing the base registry agreement.

ALAC in general, favors standardizing Registry Agreements. This allows for transparency and predictability and makes it easier for the community, which only has to focus on one contract (for the most part) instead of many disparate contracts. Consistent with this, ALAC has not objected to the base Registry Agreement, or to its use in prior renewals.

Removing price caps from .ORG, .BIZ and .INFO should not be viewed merely as a standardization measure. It is a significant change for these TLDs. As noted, ALAC did express concern about the 10% price cap in the latest .NET renewal in 2017.

However, uncapped pricing does not automatically translate to significant price increases. Notably, Public Interest Registry has not increased rates at all over the last three years, even though it had the right to increase it by more than 30% during that time period. This is consistent with the mission of Public Interest Registry, which provides considerable comfort in this regard. As noted in ALAC's .NET comment, a significant portion of .ORG registration fees "are returned to serve the Internet community [through] redistribution of .org funds into the community by the Internet Society, to support Internet development."

It's not entirely clear how often .and how much BIZ and .INFO have raised prices in the past, and unknown how often or how much they will do so in the future. While uncapped prices make significant price increases possible, business strategies and market forces may well make major price increases inappropriate. It is also conceivable that market forces could allow these registries to raise prices significantly and keep them there. There is really no way to tell at this point. What we do know is that the domain name marketplace has changed completely since these price caps were established.

While ALAC does not object to the removal of price caps, it remains concerned about the future effect this could have. Therefore, ICANN should consider monitoring .ORG, .BIZ and .INFO for future price increases and for any market responses to those price increases (e.g., effect on renewals and registrations, effect on pricing in other TLDs).