

Staff Report of Public Comment Proceeding

gTLD Marketplace Health Index (Beta): Call for Comments

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Public Comment Proceeding

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Section I: General Overview and Next Steps

The gTLD Marketplace Health Index originated from the cross-organizational [ICANN Key Performance Indicator \(KPI\) Dashboard](#). The “gTLD Marketplace Health Index” will further ICANN's goal (number 2.3) of supporting the evolution of the gTLD marketplace to be robust, stable and trusted. The index analyzes the overall health and diversity of the global gTLD marketplace.

ICANN [requested community input](#) to expand and refine the “gTLD Marketplace Health Index (Beta)” in July 2016. ICANN is analyzing the comments received during the public comment period and will work with a community Advisory Panel to continue expanding and refining this Index, as noted in further detail in the “Analysis” section of this report, below.

ICANN plans to convene the first Advisory Panel meeting in early October 2016, and has scheduled two (2) sessions on this topic for ICANN57.

The first session on this topic at ICANN 57 will target a broad audience—this is planned to be a jointly-sponsored session with another ICANN metrics project, the [Identifier Technology Health Indicators Project](#). This session will likely explore the similarities and differences between these projects and analyze how the projects can benefit each other (and avoid any overlaps). This session will likely include a segment devoted to audience participation and feedback and a panel discussion of the metrics projects. The second session on this topic at ICANN 57 will be a working meeting of the Advisory Panel.

Staff will finalize a list of staff-recommended changes/enhancements to the gTLD Marketplace Health Index based on the public comments. Staff will discuss these recommendations with the Advisory Panel this calendar year, and provide ample opportunity for discussion and collaboration on refining the metrics based on the public comments and Advisory Panel feedback. ICANN aims to finalize the list of metrics to be included in the 1.0 version in early 2017, so that the relevant data can be obtained and published in the first half of 2017.

In the interim, staff will compile updated data for the metrics included in the gTLD Marketplace Health Index (Beta) and anticipates publishing this data every six months until the 1.0 version

is complete.

Section II: Contributors

At the time this report was prepared, a total of [number] (n) community submissions had been posted to the forum. The contributors, both individuals and organizations/groups, are listed below in chronological order by posting date with initials noted. To the extent that quotations are used in the foregoing narrative (Section III), such citations will reference the contributor's initials.

Organizations and Groups:

Name	Submitted by	Initials
Registries Stakeholder Group	Stephane Van Gelder	RySG
Rightside	Statton Hammock	RIGHT
INTA	Lori Schulman	INTA
Donuts Inc.	Mason Cole	DON
Business Constituency	Steve DelBianco	BC
Verisign Inc.	Andy Simpson	VS
Registrar Stakeholder Group	Graeme Bunton	RrSG
At-Large Advisory Committee	Policy Staff	ALAC

Individuals:

Name	Affiliation (if provided)	Initials
John Poole	DomainMondo.com	JP

Section III: Summary of Comments

General Disclaimer: This section intends to summarize broadly and comprehensively the comments submitted to this public comment proceeding but does not address every specific position stated by each contributor. The preparer recommends that readers interested in specific aspects of any of the summarized comments, or the full context of others, refer directly to the specific contributions at the link referenced above (View Comments Submitted).

I. Marketplace Health Index Development, Process, Rollout

A. General Feedback

1. "Your gTLD Marketplace Health Index (Beta) is severely flawed and should not be used. You have failed to define the "marketplace" properly[.]" (JP)
2. "INTA commends ICANN for its role in collecting and promoting the use of objective metrics to help the community study these issues. INTA fully supports the concept of the Index insofar as it can be used to objectively measure consumer trust in the gTLD marketplace and assist the community in identifying ways to improve that level of trust." (INTA)
3. "We appreciate ICANN's efforts toward the development of this Beta report, and recognize that the initiative to establish a gTLD Marketplace Health Index advances ICANN's core mission. The BC supports ICANN's priority attention to the implementation of this Index." (BC)

B. Process for Creating gTLD Marketplace Health Index (Beta)

1. "We note some modest improvements in the index as compared to the prior version in response to community comments, including separating out brand and legacy registrations for relevant indicators, removing the RSEP as an indicator for innovation, including additional registration statistics beyond renewal rates, and using registry/registrar families as the principal unit for some relevant indicators. However, ICANN has still failed to account for a number of key weaknesses raised by the RySG in our prior comments in the modified version, nor responded to why these indicators should remain in the staff summary." (RySG)
2. "While we recognize the diversity of comments received makes it difficult to factor in all recommendations, we believe that ICANN staff should be providing more thorough response and analysis, particularly where comments are not incorporated." (RySG)
3. "The changes made to the proposed indicators better capture non-technical stability than ICANN's previously proposed metrics, which were primarily technical in nature." (RySG)
4. "ICANN has decided to move forward with creating the Beta Marketplace Health Index but has not yet created a meaningful dialog that would permit a consensus to be reached among various stakeholders impacted by the index. Thus far, ICANN has requested public comment on their initial gTLD Marketplace Health Index Proposal. Following this initial round of comments, ICANN convened an advisory panel where they presented a revised draft to the panelists who each individually sent additional feedback to ICANN. ICANN did not disclose to the members of the advisory panel how the feedback that panelists provided would be addressed. Instead, ICANN's staff seems to have relied solely on recommendations from its funded research, which was edited and reviewed by ICANN staff alone. The resulting Beta report therefore lacks clarity around goals -- as noted in the community feedback -- and continues to arbitrarily define an industry marketplace that does not reflect end users' experience nor the actual marketplace in which TLDs compete." (VS)
5. "ICANN has not obtained consensus that this initiative is leading to a meaningful outcome. This is the second comment period on the topic and a volunteer-based advisory panel was also convened. Thus far, ICANN has selectively addressed comments from the first round and not directly responded to comments raised during the advisory panel. The economist that was retained worked exclusively with ICANN staff to develop his paper. In the paper, Professor Bhargava indicated that multiple reviews were conducted with revisions being provided: "After preliminary review and discussions, this draft was revised as well as annotated to provide a more elaborate description and justification of the metrics, including associating each metric to one or more decision elements." The paper was only presented to the advisory panel in final form as a notification that the study had been completed and was going to be published but ICANN did not provide the panel with any opportunity to provide input to the paper. For example, a proper economic evaluation should be open to peer review but we have no indication that this was done with Professor Bhargava's paper. While engaging an economist to support this effort may be beneficial, ICANN should allow a proper economic evaluation to be performed without presumptions at the outset as to what a "healthy" marketplace may be. Similarly, an economic analysis should not be limited to only those metrics which are conveniently available. Such limitations will likely yield an unreliable and potentially misleading Index. The process of developing this initiative thus far has not led to a community consensus and instead appears to present only ICANN staff's perspective on the marketplace." (VS)

C. Process for Expanding/Refining Health Index

1. "I would suggest taking note of all the comments submitted previously and this time, and outsourcing the entire project to CENTR <https://www.centri.org/> and/or the Internet Society <http://www.internetsociety.org/> or some other entity competent to do the job." (JP)
2. "We appreciate ICANN's indications that the Index will be an ongoing project and look forward to further discussion on the matter both through RySG participants on the Advisory Committee as well as wider community engagement." (RySG)
3. "The BC reiterates its desire that the most appropriate factors be used, despite the fact that they may not be the most easily available, and despite the fact that the data may not currently be collected by ICANN." (BC)
4. "Use weighting and filtering to prevent large entities from dominating results, to make KPIs more useful by pinpointing potential problem areas." (BC)
5. "Rather than continuing to request comments on specific metrics that have been compiled by staff based upon available data, ICANN should develop a process to lead the community through developing a mutually agreed upon set of goals for a marketplace health index. Once these goals are collectively agreed upon, then data to characterize progress towards those mutually agreed upon goals can be collected. If the advisory panel is going to be the mechanism for establishing these goals, a process for reaching consensus within the panel and eventually the broader community should be clearly outlined." (VS)

D. Publication Frequency

1. "INTA would also suggest that the Index be published more frequently than twice per year, given the importance of this information in monitoring marketplace trends and identifying possible areas of concern." (INTA)
2. "We note that the intended frequency of publishing is twice each year until v1.0. The BC is interested in knowing the intended frequency ongoing, and again suggests targeting 'quarterly' as the desired frequency of reporting." (BC)
3. "Publish reports quarterly. Incorporate period-over-period trend data." (BC)

E. Report Design/Features

1. "Introducing a set of defined terms within the Index would also enhance its utility and accessibility for those not closely engaged in the day-to-day work of ICANN." (INTA)
2. "We note that the report is a presentation of mainly graphics/charts/figures—and is somewhat light on clarifying statements, explanations, definitions. We look forward to seeing more explanatory text in future versions. Also, figures will benefit from more explanation of inputs, calculations, and results." (BC)
3. "Some calculations in the report are provided with pinpoint precision while others are not. We suggest maintaining consistency across classes of calculations. For example: "These data are presented at a 95 percent confidence interval with an estimated percentage plus or minus approximately two standard errors," is the label for only one of the graphs-- Accuracy of WHOIS Records. By contrast, "Second-Level Domain Name Additions in gTLDs: Year-Over_Year Growth Rates (2010-2015)" includes percentages rounded to both a tenth of a percent and a hundredth of a percent, and with no note about deviations or means, or why two different rounding schema are used in a single graph. Consistency where possible will add to the readability of the report and decrease opportunities for confusion." (BC)

4. "A more diverse color palette for the report's figures will allow distinction of categories and distinction of inputs across figures. For example, in Figures 12 and 13, the color used for new gTLD additions is the same color used in Figure 16 for domain name deletions. Consistency of color schemes across figures can be achieved with a broader color palette and will result in greater readability and comparison of data across figures." (BC)
5. "One test of the gTLD Marketplace Health report should be its utility. Inherent in its utility is that the report's audience understands how to use it, and does not misinterpret that data. To this end, we recommend including solid definitions of terminology. Defining the inputs will be helpful to knowledgeable readers, as well as make the document more understandable those among the audience who are less knowledgeable. It would be useful to have names of Figure(s) in addition to or in lieu of page numbers when referencing content elsewhere in the document." (BC)
6. [*Regarding the gTLD Marketplace Health Index (Beta) glossary*] "Suggest improving the definition of IDN. Current definition does not account for what makes IDNs distinct. • Suggest improving the definition of Geographic gTLD, or provide pointer to inline definition. • Suggest improving the definition of gTLD registrar. (An uneducated reader, the UC Davis author, used the existing definition to confuse "registrar" and "registrant.") • Suggest improving the definition of "registry," to present it as more than a database, as well as to distinguish between registry, registry operator, operator family." (BC)

F. Outside Experts

1. "INTA also welcomes continued exploration and input from academics and others who are able to provide more specific insight from various industry sectors such as information technology and economics that would further enhance the utility of the Index." (INTA)
2. "Regarding the attached "An Economic Evaluation of gTLD Performance Metrics" report from Dr. Bhargava of UC Davis, we are in agreement with the Caveats and Next Steps named in the report, for points on which ICANN should be mindful, and for recommendations of changes to be made. We especially make note of the statement of caution regarding interpreting results in Section 4 - Summary and General Observations, and the importance of measuring across time, and suggest that these be accounted for in future versions of the report, and communicated to the report's audience." (BC)
3. "We note ICANN's inclusion of an information technology management academic and see the opinions and input as useful, and suggest that the development of this report continue with input from disciplines such as economics and statistics as well, as application of related disciplines to these marketplace metrics will likely improve the baselines and usefulness of this report going forward." (BC)
4. "Other useful items in the UC Davis report which we recommend using are: - Principles for metric design - Suggestion to evaluate if the metrics capture relevant factors - Suggestion to push more sophistication re: measurement, normalization into subsequent phases" (BC)
5. "The economic evaluation that ICANN commissioned identifies market prices, internet users' uptake, gTLD recognition, ICANN policies, time, market demands, application windows and other marketplace factors as factors that may influence the selected metrics. The beta index fails to appropriately acknowledge these limiting factors. The economic evaluation needs to be performed on whether or not "growth in new gTLDs and across all gTLDs" is actually a legitimate way to measure marketplace health. The paper that Professor Bhargava provided ICANN with appears to have taken ICANN's direction for what makes a healthy marketplace and the professor was limited to evaluating whether a provided set of metrics achieved the ICANN-provided definition." (VS)

II. gTLD Marketplace Health Index (Beta) Category Definitions and Scope

A. General Structure of Metrics Framework

1. “The BC mainly agrees with the factors named for determining health in the areas of competition, stability and trust, with the expectation that ICANN will continually seek to improve measures and calculations and inputs with each publication of the Index.” (BC)
2. “As stated in comments by the advisory panel, it is clear that substantial work is necessary to establish and understand the goals of a Marketplace Health Index. Nearly every commenter in the original round of public comments expressed concern around the scope and process of the intended health index. The sheer diversity of the recommended metrics that commenters have suggested indicates at a minimum that the goals of the Index are simply too broad. To make achieving consensus around the Index possible, the scope of what this index intends to cover needs to be defined clearly and the process for reaching consensus must also be described in more detail.” (VS)

B. Robust Competition (Scope and Definition)

1. “Donuts has reservations about attempting to assign metrics to such subjective matters, particularly those that involve perceptions instead of quantifiable data or demonstrable fact. Upon what criteria, for example, can a perception of fairness be established? To be sure, ICANN participants, depending on their individual points of view or those of whom they represent, can find nearly any reason to perceive unfair treatment. This is a very slippery path for ICANN to attempt to traverse. Quantifiable measurements—and a rewording of this definition (e.g., “Marketplace competition is independently measured as fair”)—are much more preferable.” (DON)
2. *(Regarding the definition of “marketplace stability” in the gTLD Marketplace Health Index (Beta))* “The same caveat regarding lack of metrics applies to the starred item in the second bullet here. Donuts again is concerned about the vague nature of this definition; while service providers generally do consistently set and meet expectations for service levels, beyond tools such as service level agreements (which are very specific and technical in nature), it’s unclear how (if at all) ICANN could either point to or develop measurements that would be a reliable representation of “stability” in this context.” (DON)
3. “The stated goal in the beta report is to determine if “The commercial marketplace is thriving” and the assumed definition of what this looks like is “growth in new gTLDs and across all gTLDs.” This has not been established as an effective measure for measuring the health of the marketplace and is easily influenced by many factors not captured by the index today as noted by Professor Bhargava.” (VS)

C. Marketplace Stability (Scope and Definition)

1. “As to the [draft metric definition “More gTLD registrars and gTLD registry operators are entering the gTLD marketplace than are leaving”], Donuts does not believe this is necessarily an indicative metric. For example, within a six-month period (the frequency proposed for marketplace health updates), it’s conceivable that NO provider enters or exits the market, but that gTLD usage still grows steadily. Or that another helpful metric—perhaps penetration in traditionally underserved regions—shows growth. An increase in market participation by providers is a laudable goal, but in isolation, such a metric has the potential to be misleading.” (DON)

D. Trust (Scope and Definition)

1. *(Regarding the definition of “trust” in the gTLD Marketplace Health Index (Beta))* “Donuts repeats its reservation about perceptions. Donuts agrees that compliance with contractual obligations is a useful and necessary metric (though it’s doubtful that this is a metric indicative of trust outside the industry—consumers and end-users generally are not literate with ICANN contractual compliance matters).” (DON)
2. “The definitions for both trust and stability need to be defined relative to the audience that needs to trust the marketplace and perceive it to be stable. Evaluating metrics as they relate to trust and stability without a clear audience defined is not possible and will not yield meaningful or reliable data. The ambiguity of the current definition allows one to conclude that the metrics are measuring whether ICANN has created a stable set of vendors that it can trust. If the desired goal is to evaluate the perspective of any others in the marketplace, such as domain name users, then the metrics need to be changed to be far more comprehensive.” (VS)

III. Robust Competition—gTLD Marketplace Health Index (Beta) Metrics Related to Registry Operator/Registrar Geographic Location

A. Relevance of Physical Address to Marketplace Health

1. “You are measuring such metrics as “geographic diversity” which may be irrelevant or invalid for reasons I discussed in my earlier comment and which your “expert” Professor Hemant Bhargava also cited. We live in a global economy. GoDaddy and other registrars do business worldwide via the internet. Wake up ICANN, it’s the 21st Century! (Get out of your “hub” mentality and into a “global” mentality.)” (JP)
2. “We believe that shortcomings persist in the revised Index’s treatment of Geographic Diversity. For instance, the indicators used to measure registry and registrar service offerings remain overly simplistic, simply counting the number of jurisdictions with an ICANN accredited registrar and registrar.” (RySG)
3. “Similarly, while we believe that geographic distribution of registries and registrars by region is an important metric that should be taken into account, the current presentation overstates its relationship to competition as many registries and registrars compete transnationally.” (RySG)
4. “INTA supports the envisaged expansion of these metrics to account for additional contracted parties on a country-specific basis. As a result of the new gTLD program, geographic diversity of both registry operators and registrars has increased, as reflected in the Index, which has had an impact on the ability of brand owners to pursue legal action under the Anti-cybersquatting Consumer Protection Act (ACPA) and other U.S. laws designed to remedy direct and vicarious trademark infringement, as well as inducement, within the DNS.” (INTA)
5. “Donuts echoes it’s May 2016 input: It’s a worthy goal to have a geographically meaningful distribution of registry operators, but the absence of operators from a particular region does not necessarily indicate the overall health of the marketplace or of penetration of users in a particular geography. The mailing address of operators in various jurisdictions clearly is not an indicator of usage of those providers’ products and services in other jurisdictions.” (DON)
6. “The BC recognizes these results as a strong start for this category, agreeing that inputs are currently not reflective of reality within regions, but provide a good beginning view intra-regionally. In addition, it is noted that this measure is for physical presence in a marketplace that is primarily virtual. We look forward to subsequent reporting that strives to account for this factor.” (BC)

7. “[W]e find the the indicators for Geographic Diversity to be rudimentary. As acknowledged in the report, many Registrars serve and target markets outside of their own jurisdiction, as well, this measure should take into account the numerous countries served by the re-sellers of wholesale registrars. We would encourage ICANN to dig further into potential measures for diversity.” (RrSG)
8. “Both metrics presented for registrars and registries appear to be focussing specifically at the offering (how many suppliers there are), rather than the market take-up. Focussing on the offering does not allow for detection of undue market domination.” (ALAC)

B. Registrars

1. “As captured in our previous comments, a registrar may provide high-quality service and compete effectively across many jurisdictions beyond the one in which it is based provided that language, legal, payment and other issues particular to that jurisdiction are taken into account.” (RySG)
2. “The current graphs show a simple metric of geographic diversity of registrars across regions and their development against time. The metric itself shows neither a conclusive growth nor a reduction in offering. It does show an ongoing imbalance worldwide – and this is helpful. However, this metric appears to lack differentiation among the registrars. Indeed, the Generic Top Level Domain offering varies greatly across Registrars. It is a trivial way to compile these statistics by treating a registrar that exists as a service to its own clients of other services in the same manner as a general registrar that derives most of its income from registering domains. See under “Competition” for suggestions on more metrics.” (ALAC)

C. Registry Operators

1. “The jurisdiction is even less relevant when applied to registries, as the registry operator is not generally the primary party engaged in customer support, payments, or other interactions that are highly affected by jurisdiction.” (RySG)
2. “The selected method for representing registry geographic diversity is based on the ICANN contact address. The stated goal of selecting this metric is to measure whether “Diversity exists in the choice of a service provider.” The context for who’s choice should be diverse is not scoped in the goals. Measuring the registry operator’s address may be interpreted as a way to indicate where registry operators are able to be successful but it does not effectively measure where registrants and domain users do and do not have choice. One example of this is the new gTLD, .DESI. This is a registry that according to their own goals is a TLD which seeks to be “The worlds first domain that celebrates the global community of 1.7 billion desis.” The registry operator, Dot Desi, LLC, is based in Bethesda, Maryland. The registry operator, which is interested in serving desis, has chosen to be based in the United States and according to this metric would count as a United States based registrar. To determine whether or not this is the correct metric, the scope of the goal needs to be more clearly defined.” (VS)
3. “The same comment can be made for registries. Again all registries are treated in the same way, whether they are catering to a community, a brand, a service, a generic name, a geographic location, etc. There needs to be more detail for this metric to be useful.” (ALAC)

IV. Robust Competition—Comments on Other Metrics Included in (or Explicitly Excluded From) gTLD Marketplace Health Index (Beta)

A. Internationalized Domain Names (IDNs)

1. “We appreciate the steps taken in the current version of the Index to provide a wider range of statistics related to internationalized domain name (IDN) adoption than the previously proposed approach of counting how many registrars offered IDN registrations.” (RySG)

B. Total Second-Level Registrations in gTLDs

1. “We appreciate the additional metrics proposed to look at overall registration volumes and patterns in new and legacy gTLDs. Some further work may be required to contextualize these variables, particularly in the .brand context where registration volume does not map clearly to demand.” (RySG)
2. “[Re: gTLDs – Total] This is a helpful metric.” (DON)
3. “ICANN can refine its demonstration of year-over-year growth rates with the addition of the number of new TLDs released in each time period. This would more precisely demonstrate the consistent pattern of strong initial registration growth (due to pent-up demand), followed by a leveling off in rates of growth in subsequent years.” (DON)
4. “Definitions are here for H1, H2 which are abbreviations used earlier in the report. Suggest defining abbreviations on first reference. Figure 7 - Description is for “total number...in existence,” and graphic is for “number of registrations”—174 million. With approximately 326 million current registrations in existence today, this graph shows 174 million registrations after H2 of 2015, with no explanation for the disparity. Also, there appears to be no view in the report of renewals vs. initial registrations, or separation of .com vs other TLDs.” (BC)

C. Additions/Deletions

1. [Re: gTLDs – Additions and Deletions] This too is a useful set of metrics. However, Donuts again repeats its comment from May 2016: It would be a more meaningful and detailed metric if, along with this data, re-registrations of deleted names also were calculated, as sometimes this is a significant number.” (DON)
2. “Similarly, on page 7 of the presentation, we suggest the addition of text to the “Second-Level Domain Name Additions: IDNs, .brands, Geographic” graphs that would explain these TLDs were launched in late 2014 and early 2015 and thus would have experienced the same phenomenon. These representations otherwise mistakenly project these TLDs as otherwise unhealthy.” (DON)
3. “It appears that there is a typo in the following sentence, with the second instance of the word “deleted.” “Second-level domain name deletions in 2014-2015 are shown (on page 9) as a percentage of total second-level names deleted in each category.” Figure 14 - Suggest adding words to the title for agreement with the title of Figure 15 and easier comparison of the two. Figure 17 - Some figures present numbers that are (meant to be) relative to each other. Some are relative to a total number that is not named. (This confusion may be due to a typo in the last paragraph on page 6.) But it requires a closer look to get clarity. Suggest adding text that makes the visuals more reader friendly, as in the explanation for Figure 19, for example. Figure 18 - It appears that some figures are relative to each other, and that some are relative to a total number that appears to not be named. This confusion may be due to a typo in the last paragraph on page 6.” (BC)

4. “The graphics showing the second level domain name additions and deletions in gTLDs on pages 6 to 9 are helpful. The ALAC proposes that a single graph should show additions and deletions using the same axis (in other words, merging Figure 11 and Figure 16).” (ALAC)

D. Registry Operator/Registrar Families

1. “While the Index helpfully provides information regarding the “distinct entities in the gTLD marketplace,” it would be helpful to provide more granular detail regarding affiliations between various entities. INTA notes that certain entities have used affiliates to conduct abusive activity in the DNS while preserving the appearance of integrity from other affiliates or parent companies. This kind of activity, and shell games such as these, erodes trust in the gTLD marketplace, and in ICANN’s ability to conduct adequate due diligence regarding potential new registry operators and registrars applying to operate new gTLDs or register domain names therein.” (INTA)
2. “Donuts appreciates ICANN considering its and others’ input and consolidating registry and registrar families. We do have a concern here, however: Will ICANN presume that only growth in these numbers will indicate marketplace health? It may be, for example, that the industry enters a period of consolidation, where the absolute number of providers decreases, but products, services and marketplace penetration expand. Alternative points of reference in such instances could be useful, and we encourage the advisory panel to consider their development. Also, we reiterate our input from May, when we stated that “family,” in the context of a registry, is not defined—that is, does it include provider-client relationships (whereby a provider manages key registry functions for, say, a variety of single TLD providers)?” (DON)
3. “In calculating the metrics, each gTLD registrar or gTLD registry operator family is counted once, then added to the number of independent gTLD registrars or gTLD registry operators. It is desired that Competition reveal registrar and registry operators operating independently vs. part of larger families with a corporate parent, the latter of which ICANN’s infographics provide.” (BC)

E. Absence of ccTLD-Related Data in gTLD Marketplace Health Index (Beta)

1. “The graphic displaying the growth of the overall domain name market on page 5 is helpful in showing whether the market is healthy, as growth indicates health. It might be interesting to compare this growth with the total growth in registration of second level domain names, including those in Country Code Top Level Domains (ccTLDs). The growth in registrations under ccTLDs should be included on the same graph too.” (ALAC)
2. “This was stated during the feedback to the advisory panel but needs to be said again after ICANN has failed to provide a justification for excluding the ccTLD market other than data availability. While it is mutually understood that accurate and consistent data regarding the ccTLD market is not widely available, developing a marketplace health index that fails to measure the entire marketplace is incomplete. gTLDs and ccTLDs coexist in the eyes of end users. When most registrants are evaluating domains to buy, they are often not aware of this distinction that those inside the domain industry use. ccTLDs represent 45% of the overall domain marketplace³ and it is not possible to effectively measure the competitive landscape without considering them. Obviously, gTLDs and ccTLDs compete for the same customers. This is particularly true for Geographic focused gTLDs and the overlapping ccTLDs (.london and .uk, for example). Yet, in the beta report, ICANN presents trends in Geographic focused TLDs but does not include the overlapping ccTLD trends. Indeed, many ccTLDs (.co, .ly, .tv, .io as just a few examples) brand themselves as gTLDs, further necessitating their inclusion in the marketplace analysis.” (VS)

V. Trust Metrics Included in gTLD Marketplace Health Index (Beta)

A. Category as a Whole

1. "We maintain our previous position that the indicators being considered by ICANN (UDRP/URS decisions and WHOIS Accuracy) are so narrowly targeted that they would be unlikely to have a direct, measurable impact on overall trust in the gTLD marketplace or be perceptible to the average registrant. The measure of syntax accuracy, which suggests that the registrant is still fully contactable, seems particularly misplaced as a measure of overall trust. We advise that ICANN abandon these niche metrics in favor of user impact surveys until a direct linkage between these measures and overall trust can be established." (RySG)
2. "INTA is pleased to see that "trust" in gTLDs is broadly defined to include not only registry operators, but also registrars, service providers, and registrants, and that the subject involves both compliance with contractual obligations as well as consumer perceptions of trustworthiness." (INTA)

B. UDRP/URS Decision Metrics

1. "In addition, INTA agrees that the number of UDRP and URS complaints decided against second-level gTLD registrants (annual total plus percentage of cases filed) is also a helpful metric for evaluating trust.¹⁴ It would be more helpful to separate out UDRP versus URS cases in the reported data, given the different burden of proof standards required under each procedure (namely, preponderance of the evidence versus clear and convincing evidence, respectively), and the impact that difference may have had on the percentage of decisions decided against registrants (including potentially its relationship to the drop in the complainant success rate as of 2014)." (INTA)
2. *[Re: the Number of UDRP/URS Decisions against gTLD Registrants metric]* "It is important to understand and document the fact that URS does not (yet) apply to disputes in the .COM and .NET gTLDs, where the majority of infringement occurs. Accordingly, stakeholders could improperly perceive that disputes are disproportionately occurring in new gTLDs, an unfair perception and contrary to ICANN's ongoing duty to maintain a level playing field. Accordingly, it would be useful if ICANN were to account for this discrepancy without conflating the two and reporting UDRP and URS statistics in absolute numbers for each." (DON)
3. "For the sake of clarity, consider including an introduction explaining what the figures in this section of the report are intended to communicate. The "Number of UDRP and URS Decisions Against gTLD Registrants" figure and the introduction are descriptive and useful. Suggest keeping this figure as-is." (BC)
4. "A line/bar graph, rather than a pie chart, would be more helpful for the percentage of UDRP and URS Decisions against gTLD Registrants." (ALAC)

C. WHOIS ARS Metrics

1. "INTA appreciates the data provided regarding WHOIS accuracy, although additional detail regarding the number of WHOIS accuracy complaints would be helpful to contextualize the data presented. Regardless, INTA is concerned that over a third of WHOIS data is both syntactically and operationally inaccurate. INTA understands that the community is engaged in policy development to overhaul the current WHOIS system, including means of improving data accuracy, and will continue to participate in that work to try to develop solutions for improving registration data accuracy. In the meantime, INTA would encourage ICANN and the community to try to develop and enforce interim

solutions for improving the syntactic and operational accuracy of data in the WHOIS system, including mandatory field input requirements for registration data (i.e., all email addresses should have an @ symbol in them), incentives for registrants to provide accurate data (i.e., tying rebate programs to accurate registration data) and for registrars to verify such data, and penalties for failures to provide or verify accurate data.” (INTA)

2. *[Re: the WHOIS ARS metric]* “Donuts remains concerned that this statistic is not reliable. The Whois ARS is a new technology still being developed and refined—just recently, an error with the ZIP code accuracy process was discovered. The resulting changes yielded significantly different numbers. While we appreciate taking our previous comment into account (that if the Whois ARS data is to be used, the +/- standard deviation and error rate of measurements reported must also be published), we continue to believe the accuracy of the reporting system is insufficient for use in the index at present.” (DON)
3. “Figures 22 and 23 are presented with inclusion of standard deviations. The additional specificity may detract rather than add to the message provided by the graphs.” (BC)
4. “Otherwise, this section of the document is a model for other sections—it is highly informative, providing explanations for the graphs in language that is easy to understand. Exceptions are the inclusion of standard deviations - unsure if anyone intends to scrutinize this closely on the Beta - matches in color scheme but is otherwise unlike the other graphs w/presence of standard deviation measures - use of SME statistical terms accompanying superfluous information is inconsistent and a distraction.” (BC)
5. “Rather than as a pie chart, a line/bar graphic showing the ongoing accuracy on a quarter by quarter basis would be more helpful. Furthermore, it would be interesting to see WHOIS accuracy trends on a per top level domain basis.” (ALAC)

D. Compliance Termination-Related Metrics

1. “As noted above, INTA would appreciate additional detail regarding registrar de-accreditation, including primarily the reason(s) for either voluntary or involuntary de-accreditation. As the Index suggests, this is a matter of consumer trust as well as a matter of marketplace stability and competition.” (INTA)
2. “Furthermore, it would be interesting to note why registrars are, voluntarily or involuntarily, deaccredited. Was that due to high ICANN fees, noncompliance/legal issues, technical incompetence, lack of interest, etc?” (ALAC)

VI. Marketplace Stability Metrics Included in gTLD Marketplace Health Index (Beta)

A. Category Scope

1. “We note that marketplace stability is reported as a measure of the number of gTLD registrars accredited and de-accredited over multiple periods. There is no reporting of marketplace dependencies and vulnerabilities.” (BC)

B. Accreditations/Deaccreditations

1. *[Re: gTLD Registrars – Newly Accredited]* “This is an interesting statistic, but is not an indicator of “marketplace security.” (DON)
2. *[Re: gTLD Registrars – Involuntary Terminations]** “Donuts is pleased to see ICANN staff give credence to input that requested de-accreditations be broken out and documented as due to non-compliance. However, it also would be helpful, and more informative, to denote other reasons for de-accreditation that are not due to inappropriate reasons (for example: acquisition and consolidation).” (DON)
3. “It seems that voluntary vs. involuntary de-accreditations will be difficult to separate, as abandonment and failure to pay fees can constitute an intentional opt-out.” (BC)

4. "Figure 20 - The accompanying note states that a figure with measures for gTLD registry operator terminations is not included because the number is zero. As this Beta is as much about format as results, suggest making a place in the report for it anyway, so that when numbers are greater than one, the community knows that this will be reported. Also, the note states both that this "would normally be reported," and also that ICANN will "consider publishing" the registry metric if numbers are greater than zero. A firm commitment to publish these numbers is suggested. Note that, in the case of registrars, ICANN terminates accreditation agreements and in the case of registries, the registry operator terminates the agreement with ICANN. Both appear under the heading entitled "Involuntary Terminations." Suggest defining de-accreditation vs. termination. Suggest defining the term "registry operators," as some readers may confuse the term with backend registry operators." (BC)
5. "Secondly, as also pointed out by the Registries, the number of de-accredited Registrars tells us almost nothing without some sense of scale of the registrars involved. Again we would encourage ICANN to find more robust metrics for this area." (RrSG)

VII. Additional Proposed Metrics Published for Discussion in gTLD Marketplace Health Index (Beta) and/or Recommended by Community During Comment Forum (By Category)

A. Robust Competition

1. Registration Numbers

- (a) "[You should be publishing] corresponding registration numbers, for each and every TLD in the global DNS if you are indeed interested in "Marketplace Health"." (JP)

2. Market Share

- (a) "While the trends in registry and registrar market concentration are interesting to follow, we believe that the metrics being used are of limited value as they do not account for overall market share across registry and registrar families. We believe that a closer look at the share of registrations across the major registry and registrar families is necessary to get a sense of the concentration of the market." (RySG)
- (b) "True competition in a market is not solely a measure of the market offering but it also revolves around the share of market from the leading competitors. An example of such statistic, solely for new gTLDs is shown on <https://ntldstats.com/registrar>." (ALAC)
- (c) "Looking at the overall domain name market, a metric tracking share of market, such as the one shown on <http://www.domainstate.com/registrar-stats.html> is much more suitable to show whether competition among registrars is being stimulated. It appears that so far the vast majority of the market is dominated by one major player. When it comes to the domain registrations on a per country basis, the statistic shown on <http://www.domainstate.com/top-country-registrars.html> speaks for itself." (ALAC)
- (d) "When it comes to metrics about registries, whilst there is some worth in compiling the metrics presented, a better metric would be to track the market share of gTLDs, as on <http://www.domainstate.com/registrar-tldbreakup.html>." (ALAC)
- (e) "The metric presented are very useful. However, as seen in the "Competition" section, it is not just how many new players do we have (registries and registrars) but the market share of each one, for different TLDs or families of TLDs. And symmetrically, the count of the number of TLDs should include their market share too. In addition, statistics per country/region would be welcome in Figure 19." (ALAC)

3. gTLD Usage

- (a) "Rightside believes that usage of a TLD is an important data point to monitor and study and this key element does not seem to be included currently as part of the MHI. We believe that domain name usage is a better indicator of long-term viability of a TLD than renewal rates. Rightside defines "usage" as any domain name registered in a TLD, excluding domains that do not resolve or are "parked" for monetization of traffic using advertising." (RIGHT)

4. Registrant Information

- (a) "Rightside also believes other metrics have bearing on marketplace health and should be included in any TLD study including: Concentration of registrants per TLD (i.e. how many domains per registrant are registered in the TLD, or registry level); and Average number of years of registration length per TLD." (RIGHT)
- (b) "We urge a more that looks at the dispersion of registrations (by registrar and registry) within particular jurisdictions around the world, to see whether these providers are competing effectively and registrants are being offered widespread choice in registry and registrar regardless of where they reside." (RySG)
- (c) "A more meaningful approach would be to measure domain registration volumes across different countries and then to cross-segment this data by registrar and by registry and study the distribution. This would better capture overall global market penetration, whether providers were competing effectively in these marketplaces, and whether registrants were offered widespread choice in service provider, regardless of where they reside." (DON)
- (d) "All in all, consumers (registrants) are the factors that move the market – the ones who pay – so we should find ways to get more insight on their needs and behaviours. This should be taken into account for future developments." (ALAC)

5. IDN Registrations

- (a) "[W]e continue to believe that if ICANN wishes to link overall IDN adoption statistics to competition, it should look at marketplace dispersion specifically in the sale of IDNs and whether this evolves as overall demand for IDNs grows or shrinks." (RySG)

6. Pricing Data

- (a) "[Y]ou have ignored "pricing" as a key component of determining "Marketplace Health" you should be tracking, and publishing daily, wholesale and retail Pricing[...]" (JP)
- (b) "This list is very thorough and will offer the community much to consider. However, as we did in our previous comment, Donuts urges against use of pricing as a metric in any scenario. ICANN is not a pricing authority and should not report on pricing in any format." (DON)
- (c) "Stats about growth and deletions on pages 6, 7, 8 and 9 have to take into account pricing and market policies. Some registries offer domains for free or a very reduced fee. This significantly affects statistics and should be stated too." (ALAC)

7. Types of Registries

- (a) "For registries, it is worth noting that like-for-like gTLDs tend to compete against each other. For example, brand gTLDs do not broaden competition. A health related gTLD does not compete with a gambling related gTLD. So the true extent of competition is really amongst the more generic gTLDs, plus those that compete on a like-forlike basis in a specific trade." (ALAC)

8. Additional Proposed “Competition” Metrics

- (a) “First, it would be helpful to capture additional metrics for measuring gTLD competition and the robustness of the gTLD marketplace, such as domain name renewal rates, new registration velocity, average registration and renewal prices at retail, and the number of accredited registrars per gTLD. It would also be helpful to distinguish between renewals and new registrations; to the extent this distinction is not already captured in the Index.” (INTA)
- (b) “Second, in addition to the foregoing, it would be useful to measure how often non-renewed domain names are purchased by new buyers, and whether these result in trademark disputes.” (INTA)
- (c) “Third, it may be helpful to separate out legacy gTLDs, including .com, .net, and .org, from new gTLDs in the data as well as brand gTLDs from new gTLDs with respect to the above trust-related metrics, among other data where it might be helpful to compare legacy versus new gTLDs trends and brands vs. other new gTLD trends.” (INTA)
- (d) “Fourth, it would be helpful to present distinct data regarding domain name resellers versus registrars to provide a clearer picture of overall marketplace activity.” (INTA)
- (e) “Capture direct competitiveness, robustness, other metrics in addition to renewal rate--new registration velocity, average pricing, ratio of registrar agreements per gTLD.” (BC)
- (f) “Separate .com from other gTLDs in reports of numbers of registrations, deletions.” (BC)
- (g) “Review market share broken out across families” (BC)
- (h) “Distinguish between renewals and new registrations” (BC)
- (i) “Measure average pricing, pricing spread of actual sales transactions; average or relative number of sales per price point, as little price diversity can indicate a lack of competition” (BC)
- (j) “But just counting the number of registrations in gTLDs is not enough. For instance, other metrics like “Information Density of a TLD” or “Domains with DNS” may offer a more complete view. One really needs to dig a level deeper that tracks the actual use of a TLD. How do registrants use the domains? Are they in parking, for sale, without DNS? Are they used by individuals, associations, companies, or government agencies?” (ALAC)
- (k) “We welcome consideration of the following topics that were raised by the BC in January 2016: Concentration index for gTLD registry operators and gTLD registrars (assuming that this denotes concentration around particular geographies, as opposed to some other type of concentration--like age or pricing schema) Additionally, the BC suggests that counts from registrar resellers are distinguished from counts from ICANN-accredited registrars themselves. Geographic distribution of gTLD registrants Original BC suggestion: Measure volume of new registrations across a country, then cross-segment by registry/registrar country to determine level of competition/choice. [*metrics proposed in the trust category summarized in “Trust” section, below...*] Capture net effect of resellers in the marketplace Note that this is listed in the report as two separate additional topics for community discussion, namely, “Percentage of second-level domain name registrations in gTLDs completed by resellers,” and “Number/percentage of resellers broken down by ICANN region and/or legal jurisdiction.” (BC)
- (l) “Despite not commenting earlier about the topics below, we note their inclusion in the Beta report and support the development of metrics for these items as helpful additions to the Index: • Survey data on perceived marketplace fairness • Percentage of gTLD registrars offering registrations in IDN gTLDs [*metrics in other categories reported in trust and stability sections below*] Average number of gTLD registrars offering a gTLD (average across gTLDs and broken down by category)” (BC)

B. Marketplace Stability

1. Expansion of “Deaccredited” Metrics

- (a) “The stability measures that look at deaccreditation would be more meaningful if they additionally looked at the number of domains under management by registrars that were deaccredited voluntarily or involuntarily to help scale the impact on the marketplace and on registrants. It goes without saying that deaccreditation of a registrar with thousands, or millions, of domains under management has a much more destabilizing effect than one with no (or few) domains under management.” (RySG)

C. Trust

1. WHOIS Complaints/Reputation/Trust

- (a) “Accuracy of WHOIS records is reported, broken-out by Syntax Accuracy and Operational Accuracy. There is no reporting on WHOIS complaints or WHOIS reputation and/or trust.” (BC)
- (b) “RE: trust in the marketplace, separate .com from other gTLDs.” (BC)

2. Look Beyond ICANN Compliance

- (a) “Take into account all of the related actions that do not involve ICANN compliance.” (BC)

3. Support for Metrics Proposed in gTLD Marketplace Health Index (Beta)

- (a) “We welcome consideration of the following topics that were raised by the BC in January 2016: [*metrics suggested in other categories are reported elsewhere in this document*] Number of reported cases of phishing Incidence of cybercrime Incidence of abuse: – Number of abuse complaints against gTLD registrars involving malicious or abusive registrations – Number of unique second-level domain names in gTLDs that had abuse complaints filed against them – Number of times a response was made to a report of abuse.” (BC)
- (b) “Despite not commenting earlier about the topics below, we note their inclusion in the Beta report and support the development of metrics for these items as helpful additions to the Index: [*metrics supported in other categories are summarized under those category headings*] Number of gTLD registrar security breaches reported to ICANN • Number of complaints reported to ICANN regarding misleading information from gTLD registrars and resellers • Number of compliance issues with gTLD registry services detected by ICANN SLA monitoring system” (BC)
- (c) “While the three metrics discussed above are very useful, and INTA supports their inclusion in the Index along with the proposed additions or improvements, INTA also encourages ICANN to consider including in the Index a number of the additional trust-related metrics set out for community discussion, including in particular:
- (i) The geographic diversity of gTLD domain name registrants (identifying and segregating proxy registration services);
 - (ii) The incidence of reported phishing, cybercrime, and malicious activity; and
 - (iii) The incidence of abuse, including but not limited to:
 - The number of abuse complaints against gTLD registrars involving malicious or abusive registrations.
 - The number of unique second-level domain names in gTLDs that had abuse complaints filed against them.
 - The number of second-level domain names in gTLDs suspended for abuse.” (INTA)

Section IV: Analysis of Comments

General Disclaimer: This section intends to provide an analysis and evaluation of the comments submitted along with explanations regarding the basis for any recommendations provided within the analysis.

ICANN staff is analyzing the comments received during this public comment forum. To ensure complete transparency surrounding the process of staff's evaluation of these comments, ICANN will publish information about this process (using ICANN's [Public Comment Issue Tracking Checklist](#)) and will provide to the Advisory Panel a thorough evaluation of all comments and staff-proposed actions in light of each comment. This will also be published for the community to view on the [ICANN community wiki page for this project](https://community.icann.org/display/projgTldmarkthealth/gTLD+Marketplace+Health+Index+Home), <https://community.icann.org/display/projgTldmarkthealth/gTLD+Marketplace+Health+Index+Home>.

Substantive issues/recommendations raised by commenters during this comment forum included:

- Requests for increased transparency surrounding how public comments and Advisory Panel recommendations are incorporated into changes to the Health Index;
- Requests for increasing community participation in and agreement on the scope/substance of this project;
- Recommendations that the Health Index be published quarterly rather than biannually;
- Recommendations to work with external experts in constructing the Health Index;
- Recommendations for—and against—using survey data related to marketplace perceptions in subsequent versions of the Index;
- Recommendations to review and refine the definitions of each metrics category;
- Recommendations that ICANN revisit the relevance of the physical address of gTLD registry operators and registrars to marketplace competition (and how a registry operator/registrar's presence in a jurisdiction is determined, if used);
- Recommendations that ICANN provide more clear and granular information about registry operator and registrar families;
- Recommendations that ICANN include pricing and ccTLD-related data in subsequent versions of the Index;
- Recommendations that ICANN provide more substantive information related to the “deaccreditation” metrics in the “trust” and “marketplace stability” categories—related to the reasons why a registry operator or registrar is terminated or chooses to terminate its contract with ICANN; and
- Recommendations that ICANN add market share data to the Index, as well as information about gTLD registrants, renewals, re-registrations following a deletion, and many other categories of data.

The list above is the result of a preliminary assessment by ICANN staff, and is not intended to be an exhaustive list of issues raised by the community during this public comment forum. Staff is continuing to evaluate all public comments received and will provide a more thorough evaluation before the first meeting of the Advisory Panel in October (using the Public Comment Issue Tracking Checklist). An item's inclusion (or non-inclusion) on this list does not indicate that ICANN endorses (or does not endorse) changes to the Health Index based on the issue/recommendation's inclusion in this list.