ICANN 58
COMMUNITY FORUM

COPENHAGEN
11–16 March 2017

Competition, Consumer Trust and Consumer Choice (CCTRT) Review -
Draft Recommendations

CCTRT EFFORT

Evaluate how
New gTLD Program has
promoted Competition,
Consumer Trust and
Consumer Choice

Evaluate Effectiveness
of Application and
Evaluation Processes

Evaluate
Effectiveness of
Safeguards

Review Effort informed by multiple survey/studies

Available - Consumer survey results (Nielsen)
Available - Registrant survey results (Nielsen)
Available - Economic study results (Analysis Group)
Available - Applicant Survey (Nielsen)
Available - New gTLDs and the Global South
        (AM Global)
Available - Parking rates in legacy gTLDs
         (NTLD Stats)

In progress - INTA Survey
In progress - DNS Abuse Study

DRAFT REPORT

- **CCT Goals**
  - Inform policy related to the entry of new gTLDs
  - Aid the ICANN Board on the continuation of the New gTLD Program

- **First Conclusions**
  - Positive assessment
  - Improvement in Competition, Consumer Choice and Adoption of Safeguards
  - Data collection needed to identify any significant negative consequence

- **Help us shape our final report through the Public Comment Period**
  - Close date: 27 April 2016
  - Link: https://www.icann.org/public-comments/cct-rt-draft-report-2017-03-07-en
  - Email Address: comments-cct-rt-draft-report-07mar17@icann.org

- **Save the date**
  - Xxxx webinar for clarifying questions & input

KEY FINDINGS

On balance, the expansion of the DNS marketplace:
- has demonstrated increased competition & consumer choice
- Is somewhat successful in mitigating its impact on consumer trust and rights (particularly trademark) protection

Caveats:
- New gTLD Program should be regarded only as a "good start"
- A number of policy issues should be addressed before any further expansion of gTLDs
- New gTLDs are still quite new
- Incomplete Data hindered the Review Team's analysis

DRAFT RECOMMENDATIONS & TIMELINES

Category	Timeline
Prerequisite	Must be implemented prior to launch of subsequent procedures
High priority	Within 18 months of final report
Medium priority	Within 26 months of final report
Low priority	Prior to start of next CCT

DRAFT RECOMMENDATIONS SNAPSHOT

TOPIC	#	TIMELINE				TO ICANN ORG	TO GNSO PDP WGs			TO NEXT CCT	TO GAC
		P	H	M	L		PDP WG	SubP	RPM		
Data Analysis	1 (0-1)	0	1	0	0	1	0	0	0	0	0
Competition	7 (2-8)	2	1	1	3	7	0	0	0	0	0
Consumer Choice	4 (9-12)	2	0	1	1	3	0	1	1	1	0
Consumer Trust	4 (13-16)	3	0	0	1	3	0	1	0	1	0
Safeguards	26 (17-42)	4	14	6	2	22	4	2	2	7	0
Application and Evaluation Process	8 (42-50)	7	0	0	1	3	0	6	0	0	1
TOTAL	50	18	16	8	8	39	4	10	3	9	1

Data Collection

KEY FINDINGS

Commitment to data-driven effort and recommendations

Challenges
*Paucity of data
*Data on markets was insufficient
*Anecdotal data

Additional data needed on
*Parking concept
* Princing, wholesale, retail and secondary, global/regional
*Competition analysis, substitution behavior and consumer trust (practical survey of end users)
*Tracking of programs intended to facilitate applications

DATA COLLECTION DRAFT RECS.

Rec #	
1	Formalize & promote ongoing data collection- • Initiative to facilitate quantitative analysis of market & policy implementation •Dedicated Data Scientist

Competition & Consumer Choice

Jordyn Buchanan

RESEARCH & KEY FINDINGS

As of March 2016, new gTLDs account for
9% of all gTLD registrations
5% of all TLD registrations
7% of all gTLD and open ccTLD registrations

From Oct. 2013-Mar 2016, new gTLDs account for:

50% of *increase* in all gTLD registrations

32% of *increase* in all TLD, gTLD and ccTLD registrations

38% of *increase* in all gTLD and open ccTLD registrations

Competition
*Improvements observed
*Collect wholesale and retail price data from all gTLD registries and registrars
*Engage in a systematic collection of data on secondary market prices and country-level data on market competition

Consumer Choice
* Improvements observed
* Consider whether the costs related to defensive registration can be reduced
* Rights Protection Mechanisms for some trademarks may be appropriate.
* Need data on services provided by registrars to registrants (geographic distribution, languages, locations)

COMPETITION DRAFT RECS.

| Rec #	
2	Regularly collect wholesale pricing for legal gTLD (legacy and new gTLD) registries (confidentially)
3	Regularly transactional pricing for gTLD marketplace from registries (confidentially)
4	Collect retail pricing for marketplace & develop capability to analyse data
5	Collect parking data, track parking rates at a TLD & identify trends
6	Collect parking data - Engage with secondary market community market
7	Collect TLD sales at a country level
8	Create/support/partner with entities that collect TLD sales data at a country level Enhance cooperation (standardization of research, methodology), to obtain comparable data

CONSUMER CHOICE DRAFT RECS.

| Rec #	
9	Conduct periodic survey of registrants - collect registrant trends
10	Consider if defensive registrations can be reduced for brands registering a large number of domains
11	Consumer/end-user/ registrant surveys to explore benefits of expanded number, availability & specificity of new gTLDs, such as: • Contributions to choice from geo TLDs, specific sector TLDs and IDN TLDs • Confusion • Geographic distribution of registrants/availability of registrar services
12	More strictly regulate collection of personal data by registries

Safeguards & Trust

Laureen Kapin

RESEARCH & KEY FINDINGS
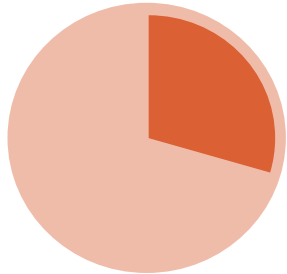
35%

Of surveyed global registrants have at least 1 name registered in a new gTLD
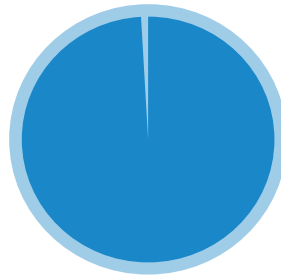
92%

Consumers chose a new gTLD even if STRING+NEWGTLD.COM available

Do registration restrictions increase consumer trust?

70% Yes (2016)
56% Yes (2015)

Consumer Trust
* Minimal impact observed
* Positive links between factors such as familiarity, reputation and adoption of security measures
* More information needed on why consumers trust new gTLDs

Safeguards
* Improvements observed
* Information related to impact on both the public and entities enforcing them needed
* Collect data related to DNS abuse and provide more transparency in reporting the subject matter and ultimate outcome of complaints

CONSUMER TRUST DRAFT RECS.

Rec #	
13	Conduct study on: • Which new gTLDs have been visited most • Reasons users visit to certain new gTLDs • What factors matter • How users behaviors explain howthey trust new gTLDs
14	Incentivize registries to meet user expectations regarding: • Relationship of content of a gTLD to its name • Registration restrictions based upon implied trust • Safety and security of users' information
15	Repeat portions of global surveys to look familiarity with at new gTLDs, visitation & perceived trustworthiness

CONSUMER TRUST DRAFT RECS.

Rec #	
16	Commission Study on impact of restrictions on who can buy new gTLD domains: • Compare trust levels with varying degrees of registration restrictions • Correlations between DNS abuse and presence/absence of reg. restrictions • Costs and benefits of registration restrictions • How to enforce reg. restrictions

SAFEGUARDS DRAFT RECS.

Rec #	
17	Assess whether: • Significant % of WHOIS complaints relate to accuracy of identity of registrant • Difference in behavior between new/legacy gTLDs
18	Accuracy data should be considered by upcoming WHOIS RT
19	Repeat data collection comparing abuse rates in domains under new vs. legacy Registry/Registrar Agreements
20	Next CCTRT to review proposed Registry Operator Framework and assess if clear/effective to mitigate
21	Assess whether abuse reporting mechanisms led to more focused efforts to combat abuse
22	Assess if more efforts are needed to publicize contact points where abuse/illegal behavior complaints should go

SAFEGUARDS DRAFT RECS.

Rec #	
23	Provide detailed information on the subject matter of Compliance complaints: • type of law violation • relates to protection of sensitive information?
24	Initiate stakeholder consultations on what constitutes reasonable and appropriate security measures commensurate with offering of services
25-30	Study aspects of highly regulated new gTLDs: • Steps registry operators take to establish relationships with relevant gov/industry • # of complaints received by registrants from regulatory bodies and standard practices to respond • Sample websites to see if contact information to file complaints is easy to find • Enforcement of restrictions on necessary credentials by auditing regsitrars & resellers • # of complaints by seeking info from ICANN Contractual Compliance and registrars/resellers of highly regulated domains • Compare rates of abuse among those highly regulated gTLDs that voluntarily agreed to verify/validate credentials vs, those that don't

SAFEGUARDS DRAFT RECS.

Rec #	
31	Examine ICANN Compliance complaints for a registry operator's failure to comply w/ safeguards on: • inherent governmental functions • cyberbullying
32	Survey on enforcement by registries of cyberbullying safeguards
33	Collect data on subjective/objective trustworthiness of new gTLDs with reg. restrictions on registration vs. those w/ few or none
34	Repeat/refine DNS Abuse Study to determine if the presence of additional reg. restrictions correlate to decreases in abuse in new gTLDs vs. new gTLDs w/o reg. restrictions, and as compared to legacies
35	Collect data on cost/benefits of implementing reg. restrictions, including impact on compliance costs, costs for registries, registrars & registrants
36	Seek public comment on impact of new gTLD reg. restrictions on competition, including whether restrictions create undue preferences

SAFEGUARDS DRAFT RECS.

Rec #	
37	Improve accessibility of voluntary PICs by maintaining a publicly accessible database
38	Future gTLD applicants to state goals of each voluntary PIC
39	Require all voluntary PICs to be submitted during application process so that GAC has sufficient opportunity to meet deadlines for community/ limited public interest objections
40	A full impact study on impact the impact of new gTLDs on the cost/effort required to protect trademarks and repeat regularly to see the evolution
41	Full review URS and consider how to interoperate with the UDRP
42	Fully review TMCH and its scope to provide data to make recommendations & allow an effective policy review

Application & Evaluation Process

Jonathan Zuck

RESEARCH & KEY FINDINGS

303/1930 new gTLD applications from the "Global South," or underserved regions

Application & Evaluation Process
* Future outreach to the Global South should include a more comprehensive program of conference participation, thought leader engagement, and traditional media outreach in this region
* Outreach should begin significantly earlier in order to facilitate internal decision-making by potential applicants

APPLICATION & EVALUATION PROCESS DRAFT RECS.

Rec #	
43	Set objectives for applications from the global South, establish clear measurable goals, and define "Global South"
44	Expand and improve outreach into Global South
45	ICANN to coordinate the pro bono assistance program
46	Revisit Applicant Financial Support Program, and try to further reduce overall cost of application, including additional subsidies & dedicated support for underserved communities
47	GAC consensus advice to Board regarding gTLDs to be clearly enunciated, actionable & accompanied by a rationale. ICANN to provide template & Applicant Guidebook to clarify process & timelines
48	Review procedures & objectives for community-based applications. Reflect amendments revised AGB

APPLICATION & EVALUATION PROCESS DRAFT RECS.

Rec #	
49	Consider new policies to avoid potential for inconsistent results in string confusion objections. Consider: • Determine through initial string similarity review process that singular/plural versions of the same gTLD string should not be delegated • Avoid disparities in similar disputes by ensuring that all similar cases of plural/ singular strings are examined by same expert panelist • Introduce a post dispute resolution panel review mechanism
50	Review results of dispute resolutions on all objections prior to the next CCT review

NEXT STEPS

Mar
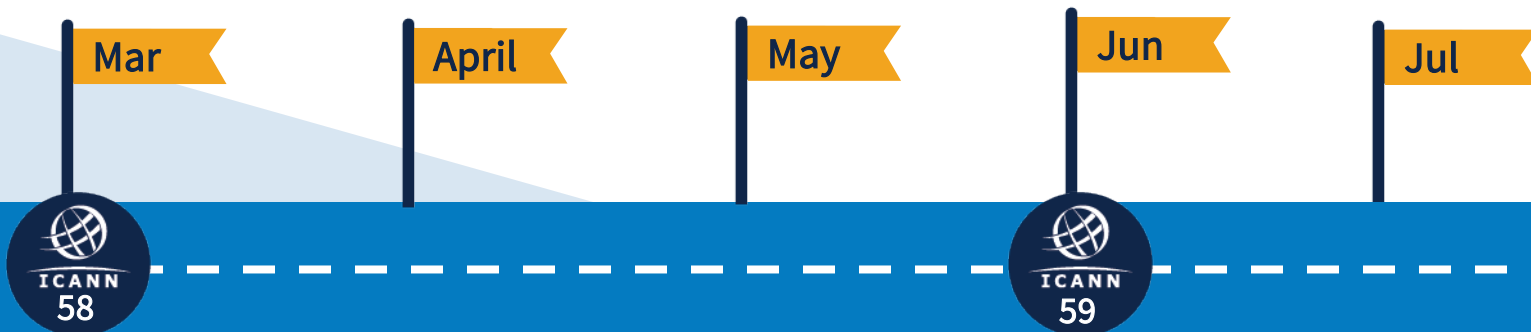
- Draft Report Published for Public Comment
- DNS Abuse Preliminary Report
- INTA Survey
- Parking Data

April

- Public comment period close date: 27 April 2016
- Public comment period - DNS Abuse Draft Report

May

- Face-to-Face Meeting

Jun

- DNS abuse study Final Report
- Face-to-Face Meeting

Jul

- Final Report to Board

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2017

Questions?

Thank you

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