

# At-Large Workspace: Release for Registration one .COM Domain Name with a Single-Character Label: O.COM

Public Comment Close	Statement Name	Status	Assignee (s)	Call for Comments Open	Call for Comments Close	Vote Open	Vote Close	Date of Submission	Staff Contact and Email	Statement Number
20 June 2018	<a href="#">Release for Registration one .COM Domain Name with a Single-Character Label: O.COM</a>	<p>20 June 2018 Supplemental Statement:</p> <p><b>ADOPTED</b></p> <p>14Y, 0N, 0A: Ratified during ICANN62 with all ALAC Members present (14 out of 15).</p> <p>05 June 2018 Statement:</p> <p><b>ADOPTED</b></p> <p>15Y, 0N, 0A</p>	Jonathan Zuck	11 May 2018	25 May 2018	21 June 2018	26 June 2018	05 June 2018	Karla Hakansson <a href="mailto:karla.hakansson@icann.org">karla.hakansson@icann.org</a>	<p><b>05 July 2018 Statement:</b></p> <p><b>AL-ALAC-ST-0618-02-03-EN</b></p>

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## Brief Overview

**Purpose:** This public comment proceeding is to gather community input on the proposed amendment to implement the approved Registry Service request from the registry operator, VeriSign, Inc., ("Verisign"), to release for registration one domain name with a single-character label, O.COM, in the .COM generic top-level domain (gTLD).

**Current Status:** The ICANN organization has reviewed Verisign's proposal pursuant to the .COM Registry Agreement and determined it does not raise significant Security or Stability issues. However, the ICANN organization determined the proposed Registry Service might raise significant competition issues. On 7 December 2017, the ICANN organization referred the matter to the appropriate governmental competition authority, the United States Department of Justice. On 14 December 2017, the Antitrust Division of the United States Department of Justice communicated to the ICANN organization that it did not intend to open an investigation on the matter. Upon approving the proposed Registry Service, ICANN org determined the proposed Registry Service required an amendment to the .COM Registry Agreement to enable the implementation of this service. The ICANN org is seeking public comments on the proposed amendment.

**Next Steps:** The ICANN org will prepare a Public Comment Summary and Analysis Report at the conclusion of the comment period. The amendment may be referred to the Board for consideration.

## Section I: Description and Explanation

On 30 November 2017, [Verisign submitted a Registry Service request](#) [PDF, 32 KB] to release for registration one domain name with a single-character label, O.COM, pursuant to the .COM Registry Agreement between ICANN and Verisign. The ICANN org has reviewed Verisign's proposal pursuant to the .COM Registry Agreement and [determined](#) [PDF, 197 KB] it does not raise significant Security or Stability issues. However, the ICANN org determined the proposed service might raise significant competition issues. On 7 December 2017, the [ICANN org referred the matter](#) [PDF, 4.25 MB] to the appropriate governmental competition authority, the United States Department of Justice, and on 14 December 2017, [the Antitrust Division of the United States Department of Justice communicated to the ICANN org](#) [PDF, 46 KB] it did not intend to open an investigation on the matter. Upon approving the proposed Registry Service, ICANN org determined the Registry Service requires an amendment to the .COM Registry Agreement.

Under the proposed amendment, the single character domain name, O.COM, will be allocated through an auction process. In accordance with the RSEP, any potential registrant may participate in the auction process and select any ICANN-accredited registrar for the management of the registration for O.COM if awarded to their registrant. No restrictions will be placed on how the registrant may select the .COM ICANN-accredited registrar. The auction will be managed by a third party auction service provider selected by Verisign.

As described in the proposed amendment, Verisign chose not to, directly or indirectly, receive any proceeds from the sale, allocation, transfer or renewal of O.COM and will only receive the standard registry fee for the registration of O.COM, in accordance with the Maximum Price set forth in Section 7.3(d) of the .COM Registry Agreement. Proceeds derived from the auction of O.COM will be provided to one or more nonprofit organizations, or its successors. None of the auction proceeds will directly or indirectly be used to benefit Verisign, its affiliates, or its directors, officers, or employees, other than to the de minimis extent those proceeds are used by the nonprofit(s) to benefit the Internet community in general.

## Section II: Background

By default, all gTLDs that were contracted with ICANN before 2011 were required to reserve from initial registration single-character domain names at the second level as the result of a reserved names policy imposed in 1993. In January 2007, as part of the Generic Names Supporting Organization's (GNSO) discussions on the Introduction of New gTLDs, the GNSO chartered the creation of the Working Group on Reserved Names to examine the role and treatment of reserved domain names at the first and second level for legacy and new gTLDs, including single-character label reservations at the second level. Prior to the GNSO's discussions, ICANN had received expressions of interest from the community to authorize the release of these names. In May 2007, the GNSO Working Group on Reserved Names published its [final report](#). The Working Group recommended that single letters and digits be released at the second level, but more work needed to be done regarding allocation methods. The GNSO Council incorporated the Working Group's recommendations into its [Final Report on the Introduction of New gTLDs](#) in August 2007.

Following the GNSO's recommendation, ICANN initiated a [public comment period regarding allocation methods for single-character domain names](#) in October 2007, and the [summary and analysis report](#) [PDF, 60 KB] was published 23 December 2007. The majority of the comments supported the allocation of single-letter names, and suggested different allocation methods, from auctions to random lottery to registry allocation through the existing RSEP.

In February 2008, ICANN published a further analysis of the comments regarding the allocation of single-character domains in its [Synthesis on Single-Character Domain Names at the Second Level](#) [PDF, 38 KB]. A majority of commenters that favored the allocation of single-letter names during the 2007 public comment period recommended auctions as the preferred method of objectively allocating scarce resources such as single-character domain names at the second-level. However, in May 2008, two registry operators submitted RSEP requests for the release of single-character domain names and proposed a Request for Proposal process managed by the registry operators to determine allocation of the domain names. ICANN subsequently published the [Single-Character Second-Level Domain Name \(SC SLD\) Allocation Framework](#), proposing an auction allocation of single-character second-level domain names and disbursement of funds towards areas of public good for the Internet community. The [comments received](#), most of which were from registry operators, supported allocation methods varying by registry and did not support a one-size-fits-all approach.

In November 2008, the Board [approved](#) the release of single-character domains for gTLDs .COOP and .MOBI, allowing the respective registry operators to determine their own allocation method for single-character domains. Subsequently, single-character domain names were requested and approved for release in more gTLDs: [.ASIA](#) [PDF, 271 KB], [.CAT](#), [.INFO](#), [.ORG](#) [PDF, 271 KB], [.PRO](#), [.TEL](#) [PDF, 52 KB] and [.TRAVEL](#). Single-character names are not required to be reserved for gTLDs introduced as part of the New gTLD Program.

In November 2017, Verisign submitted a Registry Service request to conduct a trial to release for registration one .COM domain name with a single-character label, O.COM, through an auction and to disburse the auction proceeds toward areas of public good for the Internet community, consistent with ICANN's Single-Character Second-Level Domain Name (SC SLD) Allocation Framework. Upon approving the proposed Registry Service, ICANN.org determined the Registry Service requires an amendment to the .COM Registry Agreement. The ICANN.org is seeking public comments on the proposed amendment.

## Section III: Relevant Resources

- [Proposed Amendment to .COM Registry Agreement](#) [PDF, 250 KB]
- [Verisign's Registry Service Request](#) (30 November 2017) [PDF, 32 KB]

## Section IV: Additional Information

- [Letter to VeriSign, Inc.](#) (7 December 2017) [PDF, 197 KB]
- [Letter to U.S. Department of Justice](#) (7 December 2017) [PDF, 4.25 MB]
- [Letter from U.S. Department of Justice](#) (14 December 2017) [PDF, 46 KB]

## Section V: Reports

## FINAL VERSION TO BE SUBMITTED IF RATIFIED

*The final version to be submitted, if the draft is ratified, will be placed here by upon completion of the vote.*

05 July 2018 ratified statement:



AL-ALAC-ST-0618-02-03-EN.pdf

05 June 2018 statement:



AL-ALAC-ST-0605-01-00-EN.pdf

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## **FINAL DRAFT VERSION TO BE VOTED UPON BY THE ALAC**

*The final draft version to be voted upon by the ALAC will be placed here before the vote is to begin.*

**Supplementary Comment submitted by Jonathan Zuck, 20 June 2018**

The At-Large Advisory Committee (ALAC) provides its input on Verisign, Inc.'s (Verisign's) proposed amendment within its Registry Request Service (RSEP) for ICANN to release for registration the "O.com" single character domain name (SCDN).[1] We support this proposition provided it offers the proceeds to [nonprofit organizations](#) that serve the public interest. As ICANN is aware, SCDNs have extraordinary value and prospects because of their simplicity and scarcity. We applaud ICANN for opening up a forum to discuss this important issue.

With that said, the ALAC proffers the following suggestions:

**ICANN Should Permit the Release of O.com and Allow Verisign to Conduct a Third-Party Auction**

As stated above, the ALAC supports ICANN releasing O.com. ICANN's Generic Names Supporting Organization's Reserved Names Working Group's report demonstrates rather convincingly that there exists no real issues with SCDNs' ability to function online. Additionally, the potential for the release of SCDN seemingly have no anticompetitive concerns.[2] Therefore, the ALAC suggests that Verisign conduct a third-party auction to ensure that transparency and fairness in the process are in place, because, as we explain in more detail below, it could yield benefits should Verisign invest into ventures that serve the public interest.

**Third-Party Auction Service Providers Should Screen Candidates for Auction**

Verisign should require the third-party auction service provider to pre-qualify potential registrants for participation in the auction. Additionally, the prospective registrants should submit documents that demonstrate and describe how they plan to use O.com, their ability to pay, and any and all relevant information that could assist the third-party auctioneer to ensure ICANN's mission to serve the public interest (e.g., increasing digital literacy) is fulfilled. The ALAC strongly support the notion that O.com be registered by an entity determined to use the domain rather than profit from its resale.

**Verisign Should Forfeit the Auction's Proceeds and Renewals to Non-Profit Entity**

Irrespective of the auction's format, the ALAC recommends that all proceeds from the O.com auction and renewals that follow go to a nonprofit organization(s) that will use the funds toward areas of public good of the Internet community. ALAC members have long supported this position.

The ALAC believes that Verisign's plan as articulated in its RSEP furthers this goal. However, given that many of the listed nonprofit organizations are redacted, the ALAC wishes Verisign to provide the ALAC with a comprehensive list of all potential nonprofit organization to ensure full transparency in this process.

We appreciate the opportunity to share our views on this matter. Thank you in advance for your time and consideration on this important issue.

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[1] Verisign's Registry Request (Ticket ID: B6H5U-2X7N1) at <https://www.icann.org/en/system/files/files/rsep-2017038-com-request-30nov17-en.pdf>.

[2] 14-Dec-2017 DoJ Letter, at <https://www.icann.org/en/system/files/correspondence/hoag-to-jeffrey-14dec17-en.pdf>

[3] See. <https://forum.icann.org/lists/allocationmethods/msg00007.html>.

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**FIRST DRAFT SUBMITTED**

*The first draft submitted will be placed here before the call for comments begins.*

**Supplementary Comment submitted by Jonathan Zuck, 20 June 2018**

The At-Large Advisory Committee (ALAC) provides its input on Verisign, Inc.'s (Verisign's) proposed amendment within its Registry Request Service (RSEP) for ICANN to release for registration the "O.com" single character domain name (SCDN).[1] We support this proposition provided it offers the proceeds to charities that serve the public interest. As ICANN is aware, SCDNs have extraordinary value and prospects because of their simplicity and scarcity. We applaud ICANN for opening up a forum to discuss this important issue.

With that said, the ALAC proffers the following suggestions:

**ICANN Should Permit the Release of O.com and Allow Verisign to Conduct a Third-Party Auction**

As stated above, the ALAC supports ICANN releasing O.com. ICANN's Generic Names Supporting Organization's Reserved Names Working Group's report demonstrates rather convincingly that there exists no real issues with SCDNs' ability to function online. Additionally, the potential for the release of SCDN seemingly have no anticompetitive concerns.[2] Therefore, the ALAC suggests that Verisign conduct a third-party auction to ensure that transparency and fairness in the process are in place, because, as we explain in more detail below, it could yield benefits should Verisign invest into ventures that serve the public interest.

**Third-Party Auction Service Providers Should Screen Candidates for Auction**

Verisign should require the third-party auction service provider to pre-qualify potential registrants for participation in the auction. Additionally, the prospective registrants should submit documents that demonstrate and describe how they plan to use O.com, their ability to pay, and any and all relevant information that could assist the third-party auctioneer to ensure ICANN's mission to serve the public interest (e.g., increasing digital literacy) is fulfilled. The ALAC strongly support the notion that O.com be registered by an entity determined to use the domain rather than profit from its resale.

**Verisign Should Forfeit the Auction's Proceeds and Renewals to Charity**

Irrespective of the auction's format, the ALAC recommends that all proceeds from the O.com auction and renewals that follow go to charity to further the public interest. ALAC members have long supported this position. For example:

- Avri Doria submitted the idea of an SCDN auction with the "proceeds going to the public good" given their rarity.[3] She recommended that single-letter domain names at second level auctions "should be contingent on [] establishing a separate fund for a benevolent foundation that would receive all of the income above costs from these auctions."
- Olivier MJ Crepin-Leblond suggested that "[i]f single letter domains are so expensive because of their scarcity, why not make them as expensive as 3G licenses and pay the premium fee towards network development & training in developing countries? Any other use of any premium funds paid is just another gift to registries." [4]

The ALAC believes that Verisign's plan as articulated in its RSEP furthers this goal. However, given that many of the listed charities are redacted, the ALAC wishes Verisign to provide the ALAC with a comprehensive list of all potential charities to ensure full transparency in this process.

We appreciate the opportunity to share our views on this matter. Thank you in advance for your time and consideration on this important issue.

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[2] 14-Dec-2017 DoJ Letter, at <https://www.icann.org/en/system/files/correspondence/hoag-to-jeffrey-14dec17-en.pdf>

[3] See. <https://forum.icann.org/lists/allocationmethods/msg00007.html>.

[4] See. <https://forum.icann.org/lists/allocationmethods/msg00023.html>.

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First Statement ratified, 05 June 2018:

Given the lack of both stability and competition concerns, the ALAC believes the introduction of O.com represents no downside to end users. The ALAC further suggests that the proceeds of the auction be used to make concrete progress on universal acceptance, one of the primary frustrations of end users with regards to the introduction of new top level domains.