At-Large Workspace: Competition, Consumer Trust, and Consumer Choice Review Team (CCT) Final Report & Recommendations

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
11 December 2018	Competition, Consumer Trust, and Consumer Choice Review Team (CCT) Final Report & Recommendations	**ADOPTED** 15Y, 0N, 0A	Holly Raiche Jonathan Zuck Bastiaan Goslings	26 November 2018	27 November 2018	11 December 2018	14 December 2018	11 December 2018	Negar Farzinnia negar.farzinnia@icann.org	AL-ALAC-ST-1218-02-01-EN

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Brief Overview

On 8 September 2018, the Competition, Consumer Trust, and Consumer Choice (CCT) Review Team submitted its Final Report and Recommendations to the ICANN Board of Directors.

The report is now issued for public comment to inform Board action on the CCT's final recommendations.

Per the Bylaws, within six months of receipt of the Final Report [PDF, 4.89 MB] and Recommendations [PDF, 562 KB], the ICANN Board shall consider the report and public comments to determine whether to approve the recommendations. The Board will then direct implementation of the recommendations that were approved and provide written rationale for the decision if any recommendations are not approved.

Section I: Description and Explanation

The Competition, Consumer Trust, and Consumer Choice (CCT) Review Team submitted its Final Report and Recommendations to the ICANN Board of Directors. Informed by multiple studies, research, and data gathering initiatives, as well as input from the ICANN community and ICANN Board, the review team produced a final report that examines the extent to which the introduction of new generic top-level domains (gTLDs) has promoted competition, consumer trust, and consumer choice in the domain name system. The review team report also assesses the effectiveness of the safeguards ICANN has implemented to mitigate issues related to the introduction of new gTLDs, and the New gTLD Program's application and evaluation process. The report contains 35 recommendations, covering requests for more and better data collection, policy issues to be addressed by the community, and suggested reforms relating to transparency and data collection within ICANN Contractual Compliance. The recommendations were adopted with full consensus from the Review Team.

The following topics are covered in the Final Report:

- New gTLD Program history
- Competition in the DNS Marketplace
- Consumer Choice
- Consumer Trust
- DNS Abuse
- Safeguards
- DNS Security Abuse
- Public Interest Commitments
- Rights Protection Mechanisms
- Application and Evaluation
- Trademarks

Per the ICANN Bylaws, *"each final report of a review team shall be published for public comment in advance of the Board's consideration. Within six months of receipt of a final report, the Board shall consider such final report and the public comments on the final report, and determine whether to approve the recommendations in the final report. If the Board does not approve any or all of the recommendations, the written rationale supporting the Board's decision shall include an explanation for the decision on each recommendation that was not approved. The Board shall promptly direct implementation of the recommendations that were approved."*

For ease of reference and to facilitate Board consideration, ICANN organization requests that commenters clearly indicate the relevant sections of the Final Report, or numbered recommendations, within their comments.

Section II: Background

Launched under the Affirmation of Commitments (AoC), the Competition, Consumer Trust and Consumer Choice (CCT) Review Team was formed in January 2016 to assess the New Generic Top-Level Domain (New gTLD) Program in three areas: competition, consumer trust, and consumer choice. The review also assesses the effectiveness of safeguards put in place to mitigate issues arising from the introduction of new gTLDs and the New gTLD Program's application and evaluation process. The review, now contemplated under ICANN Bylaws section 4.6, examines the degree to which the process of implementing the New gTLD Program was successful in producing desired results and achieving the stated objectives. The CCT analyzed both quantitative and qualitative data to produce recommendations for the ICANN Board to consider and adopt.

The ICANN Bylaws call for the CCT to indicate whether the recommendations, if accepted by the Board, must be implemented before opening subsequent rounds of new generic top-level domain application periods. The recommendations contained within the final report identify those that should be prerequisites to future application periods for new gTLDs.

Producing recommendations that are data and fact-driven was a fundamental priority of the review team. The Review Team assembled its final report to illustrate how their recommendations are derived from findings supported by data gathered throughout the review process and with consideration of input from the community, the Board and ICANN organization.

ICANN commissioned two major research initiatives from Nielsen in 2015 in anticipation of the Review Team's work: a global consumer end-user and registrant survey and an economic study of the New gTLD Program's competitive effects. These surveys were repeated in 2016 to measure updates as more new gTLDs came into operation, and took into consideration, where applicable, additional questions and requirements raised by the CCT Review Team. Moreover, ICANN commissioned the Statistical Analysis of DNS Abuse in gTLDs (SADAG) report by researchers from SIDN Labs and Delft University of Technology, to address the CCT Review Team's request for a comprehensive DNS abuse study and measure the effectiveness of a number of technical safeguards developed for the New gTLD Program in mitigating various forms of DNS abuse.

The review team, comprised of 15 community representatives and volunteer subject matter experts, divided the evaluation of the New gTLD Program into four subteams:

Competition and Consumer Choice: This subteam examined the effects of the entry of new gTLDs on price and non-price competition in the expanded domain name marketplace, as well as whether consumer choice in the marketplace was effectively enhanced with the introduction of new gTLDs.

Consumer Trust and Safeguards: This subteam focused on the extent to which the expansion of new gTLDs has promoted consumer trust and the impact of the safeguards that had been adopted to mitigate any problems that might have arose as a result of the New gTLD Program.

Application and Evaluation Process: This subteam explored issues related to the effectiveness of the application process, with a particular focus on the applicant experience, the paucity of applications from underserved regions, and the objection processes.

INTA Survey: To better understand the impact of the New gTLD Program on rights holders, the CCT worked with International Trademark Association (INTA), which commissioned a survey of its members. This subteam considered the results of this survey as it made recommendations on rights protection mechanisms that were incorporated into the New gTLD Program.

The review team previously submitted for public comment a draft report on 7 March 2017, and new sections on 27 November 2017 with new findings and recommendations, pertaining to DNSabuse, costs to trademark holders, parking and consumer choice related sections. The previous draft reports and translations can be found here and here for full reference.

Section III: Relevant Resources

- Competition, Consumer Trust and Consumer Choice (CCT) Review Team Final Report[PDF, 4.89 MB]
- Executive Summary [PDF, 773 KB]
    - AR [PDF, 348 KB]
    - ES [PDF, 194 KB]
    - FR [PDF, 233 KB]
    - RU [PDF, 318 KB]
    - ZH [PDF, 303 KB]
- Recommendations [PDF, 562 KB]

Section IV: Additional Information

- ICANN Bylaws - Specific Reviews: https://www.icann.org/resources/pages/governance/bylaws-en#article4.6
- Specific Reviews Process: https://www.icann.org/en/system/files/files/specific-reviews-process-flowchart-31aug17-en.pdf [PDF, 209 KB]
- First Public Comment on CCT Draft Report: https://www.icann.org/public-comments/cct-rt-draft-report-2017-03-07-en
- Second Public Comment on CCT Draft Report: https://www.icann.org/public-comments/cct-recs-2017-11-27-en

Section V: Reports

FINAL VERSION SUBMITTED (IF RATIFIED)

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

AL-ALAC-ST-1218-02-01-EN.pdf

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.

Introduction

The At-Large Advisory Committee (ALAC) appreciates the considerable amount of effort that has clearly gone into the Competition, Consumer Trust and Consumer Choice Review Team (CCT)'s analysis and Report. As the principal voice of end users, within the ICANN community, the ALAC are especially interested in the findings and recommendations from the CCT review, particularly in the areas of Choice and Trust.

As specified in our comments to the interim report, the ALAC is supportive of all of the recommendations in this report, including the new ones relating to the unfortunate findings regarding DNS abuse in the New gTLDs. It is also worth reiterating that the ALAC do not share a sense of urgency when it comes to subsequent procedures but instead believe the community should address all of the deficiencies in the 2012 program before accepting additional applications.

The first recommendation, surrounding the improved attention to data collection and use in policy development inside ICANN is perhaps the most critical recommendation in the report given the extent to which anecdotal evidence pervades most community discussions. The unavailability of data and a culture unused to its role continues to hamper policy development another discussions within ICANN.

While controversial, the recommendation to discuss a potential DADRP has merit given the high rates of abuse in some new gTLDs and the apparent lack of tools at the disposal of Contract Compliance to address it. The CCT recommendations include such tools but some sort of backstop in the form of a 3rd party adjudication mechanism that looks at a registry holistically might be necessary.

It is also clear that better consistency is needed in the application evaluation and review process, including such issues as string confusion and review by the advisory committees including SSAC, GAC and ALAC.

Finally, the ALAC continues to believe in the importance of the gTLD program's expansion into communities and underserved regions (the so-called "Global South").

The ALAC provides its continued support for the recommendations that we articulated in our previous comments, but wants to bring particular focus on the following recommendations:

- **Recommendation 1 concerning Chapter 5 Data-Driven Analysis**

Support. As ICANN is increasingly attempting to develop its path forward to comply with international privacy regimes via the EPDP and the Access Model, developing a workable system for data collection is preeminent but should not distract from the GAC's work in this regard.

- **Recommendations 8 - 10 concerning Chapter 7 - Consumer Choice**

Support, but the CCT should defer Recommendation 10 (about privacy protections) until the recommendations from the EPDP and Access Model are finalized.

- **Recommendations 11 - 13 concerning Chapter 8 - Consumer Trust**

Support. The expectation by users is an essential feature for consumer trust. The ICANN community must instill trust between the relationship between the name and the website content to ensure internet users are accessing the content they seek.

- **Recommendations 14 - 25 concerning Chapter 9 - Safeguards**

Support. A healthy DNS system relies on competition and diversity of companies, big and small, applying for domains. The ALAC believes these recommendations are necessary to accomplish that goal.

- **Recommendations 29-31, 32, 33, and 34-35 in Chapter 10 - Evaluation**

Support. Transparency is a prerequisite to maintaining the integrity of consumer trust in the DNS system and the ALAC believes the following provisions get us closer to that objective.

DRAFT SUBMITTED FOR DISCUSSION

The first draft submitted will be placed here before the call for comments begins. The Draft should be preceded by the name of the person submitting the draft and the date/time. If, during the discussion, the draft is revised, the older version(S) should be left in place and the new version along with a header line identifying the drafter and date/time should be placed above the older version(s), separated by a Horizontal Rule (available + Insert More Content control).

26 November 2018 - Jonathan Zuck, EE edits in red

Introduction

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Draft for Discussion posted 26 Nov 2018 (EE edits in red).

Holly Raiche posted comments (06 Nov 2018):

The ALAC chose to focus on the aspects of this report that particularly impact on end users. In particular, Consumer Choice (Chapter 7), Consumer Trust (chapter 8) and Consumer Safeguards (Chapter 9), plus recommendations from the Chapter on Evaluation that are about two issues that ALAC has addressed before: The few applications from the 'Global South' and what can be done about it, and two issues that the ALAC have also identified previously of concern to end users - the definition of 'community' based applications - both the definition and how it was applied; and inconsistent rulings on strings which can lead to consumer confusion.

Chapter 6 deals with the extent to which new gTLDs have enhanced competition. The ALAC suggests this is not an issue of critical concern for consumers and do not comment on these recommendations.

~~My recommendation is that~~ The ALAC supports the following recommendations ~~(I will not spell them out as many of them are lengthy)~~

Recommendations 8 - 10 concerning Chapter 7 -Consumer Choice:

Support, but with the proviso that Recommendation 10 (about privacy protections) be deferred until the EPDP and Access Model are finalized.

Recommendations 11 - 13 concerning Chapter 8 - Consumer Trust.

Support. This is particularly relevant because one of the issues identified is the expectation by users that there will be a relationship between the name and the website content.

Recommendations 14 - 25 concerning Chapter 9 safeguards.

Support. (NB: Recommendations 26-28 in this chapter are about IP and trademark issues - not as relevant to end users).

Recommendations 29-31 and 34-35 in Chapter on Evaluation.

Support. Recommendations 29-31 are about assistance for the 'Global South' in applying for new gTLDs. Recommendation 34 is on community based applications - definition and handling, and Recommendation 35 deals with the problem of inconsistent rulings on strings - leading to consumer confusions.