

Registries Stakeholder Group Statement

Issue: gTLD Marketplace Health Index (Beta)

Date statement submitted: September 7, 2016

Reference URL: <https://www.icann.org/public-comments/gtld-marketplace-health-beta-2016-07-19-en>

The Registries Stakeholder Group (RySG) appreciates the opportunity to comment ICANN's New gTLD Marketplace Health Index (Beta) ("Index").

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. 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. In this particular instance, the staff report provided a dense, thirteen-page summary of comments received on the matter, but offered less than half a page of analysis in response. This is insufficient and discourages participation in the Public Comment process and the multi-stakeholder model as a whole.

Our statements are meant to follow up on and complement our [January 22 comments](#) on an earlier version of the Index. As in our previous comments, we will divide our comments according to the Index's three primary performance areas: robust competition, marketplace stability, and trust. We hope that these recommendations will be accounted for through changes to the proposed index or, at least, will encourage meaningful analysis and engagement with staff on its intentions for the proposed framework.

Robust Competition

Geographic Diversity

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. 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. 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. 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.

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.

Competition

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.

IDN

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. However, we 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.

gTLDs Total

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.

Marketplace Stability

The changes made to the proposed indicators better capture non-technical stability than ICANN's previously proposed metrics, which were primarily technical in nature.

gTLD Registrars – Deaccredited (Voluntary and Involuntary)

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.

Trust

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.

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.