CORE Internet Council of Registrars

Response to GNSO new gTLD PDP Call for Comments and Call for Papers

January 31, 2006

Table of Contents

Response to Question 1 (Need for new gTLDs)

CORE shares the view that there needs to be an ongoing process through which new TLDs are introduced. As a general rule, the initiative should come from the communities that require the respective TLD.

The following reasons can be stated as to why new TLDs are needed:

Because .com should not become a virtual root

A TLD, however technical the concept may appear, is largely a linguistic phenomenon. Users associate the TLD with some meaning, even if this meaning is limited to the perceptions like "if it end in .com then it is something on the Internet". Inevitably, the public learns about the existence of a given TLD through its actual use in the form of domain names.

As long as alternative TLDs are scarce, there is little opportunity for the public to learn other usages than .com. As a result, users perceive .com a a default if they know at all about the existence of other TLDs. The .com TLD virtually becomes the "root" for many users. To these users, other TLDs are at best something they leave to the technically astute.

This is by now means a good development. It implies the concentration of vast power in the hands of the .com registry operator. It implies an unhealthy concentration for ICANN's funding sources. It implies the imposition of a model not due to its merits, but due to its thrust. And of course, it negates the values of competition and diversity. And this is by no means an inevitable development. As new TLDs are introduced, the public becomes aware that TLDs do exist and do have a point. At the same time, the creativity of the new TLD applicants will bring back competition, diversity and choice.

Because the DNS will rust unless it evolves

Some of the new TLDs launched in 2000 contain more than three letters. It turned out that a large number of applications applied filters where either an old enumeration of TLDs was used, or oversimplified rules were applied, such as "if there are more than three letters after the last dot, it is not a valid domain". As a result, registrants in .aero, .info, .coop or . museum would suddenly find their address rejected on the grounds that their domain as "not valid". The experience shows that the whole objective of the DNS gets lost unless the DNS evolves. The entire purpose of the single root is that it be authoritative. As soon as applications make their own determination as to what is supposed to be a valid TLD, then the root is no longer being listened to. This problem is bound to increase if there is little evolution in the available scope of TLDs.

Because certain new paradigms require new name spaces

The perception of success sometimes leads to the mistaken conclusion that model of the perceived success story is the "correct" one. This has certainly been said of the dot-com paradigm. While there is nothing intrinsically wrong with that paradigm, it is certainly wrong to think that all TLDs should mostly be used to identify companies and organizations, with registrations taking place individually on a strict first-come, first served basis. It is not up to the ICANN community to specify other paradigms, of course. As soon as there is a process for new TLDs, the new paradigms will spring up, on the basis of the needs perceived by the respective TLD communities and on the basis of the new solutions designed by the TLD applicants.

Because the limited success of the November 2000 TLDs had other reasons

Any statistician knows that that it is not always possible to conduct a conclusive test or survey. Sometimes the sample is too small, sometimes the sample is biased, sometimes it is impossible to obtain an unbiased sample. The above certainly applies to the November 2000 TLDs. The ICANN community and the TLD applicants did their best, but the conditions were hardly favorable for any sound project. Applicants had only a couple of weeks to get organized prepare their proposals. Many applicants were influenced by the IT bubble of the time. Applicants were pushed into pointless contention between each other, even when their submissions did not compete. Applicants had to try to send an application in even if they had not had time to do their homework, simply because nobody knew when ICANN would start another "TLD round". Finally and most importantly, all the new TLDs operators or sponsors were treading new territory, making mistakes that future applicants will no longer make. After all, those were the first new gTLDs after a long freeze – precisely the situation that should be avoided now. As a result, almost all the applications had serious flaws that the same applicants would have been able to avoid in better circumstances. This must be kept in mind when evaluating the results of the November 2000 gTLDs.

Because a stalled DNS promotes rogue alternatives

Rogue DNS roots, proprietary lookup protocols and monopoly name spaces will always be part of Internet name resolution.

As long as their scope and power is limited, they can actually regarded as a useful source of diversity, choice and creativity.

However, if some of them reach dominant proportions, their effect will no longer be additional choice and diversity, but quite the opposite.

The longer the DNS remains without serious evolution, and the more lopsided the DNS becomes with a disproportionate .com segment, the more likely it becomes for rogue DNS root and for proprietary lookup protocols to reach a dominant position.

Responses on Questions 2 to 4 (Selection Criteria, Allocation Methods and Contractual Conditions)

Methodology

In order to respond to the questions 2 through 4 of the ICANN new gTLD PDP Terms of Reference, we would like to several hypothetical new TLD applications for illustration. The line of reasoning is as follows: "(i) Let us take the hypothesis the TLDs briefly described here are a good idea. (ii) What would the ICANN new gTLD process have to look like for the respective applicants to able to get organized, prepare their applications and successfully run the respective TLDs."

In other words, we are not trying to demonstrate that the hypothetical new gTLDs described are a good idea, but we do wish to demonstrate that they would require certain properties of the ICANN new gTLD process.

Some hypothetical gTLD applications for illustrative purposes only

Here is a short description of some hypothetical new gTLDs. This list does not imply that any of these TLD applications is currently being prepared, nor that this would reflect a cross section of likely applications. The list does purport to illustrate that domain names do not have to correspond to company name and that a useful TLD domain space may also be composed of very few domains, or may also carry little information per domain:

Hypothetical gTLD application .bank

A high-security gTLD with very few registrants which must be banks in compliance with the banking regulations in their country and with international recommendations. The first-come-first served principle is only partly followed because banks can only register their own name or acronym, there are waiting periods to detect contention or potential confusion between domains. Registrations are expensive, e.g. in the order of USD 5,000 per initial registration. Al domains must use DNSSEC and follow registry-imposed security guidelines. The TLD community is composed of bank and their customers.

Hypothetical gTLD application .giro

A high-security gTLD with many registrants. It never maps to IP numbers, but only to IBANs (International Bank Account Number). A given .giro SLD may map to one or

several IBANs. This allows payment application to look up the "closest" bank account of the respective .giro domain holder. It may be worth pointing out that many countries use extremely successful giro systems, but they are generally constrained to one country. The purpose of the .giro gTLD would be to serve the interest of payment system users and involve organizations concerned with on-line push-paradigm payments. The .giro registration paradigm is optimized to avoid the potential of confusion between domains. To achieve this, only few, strongly vetted registrants are allowed to use organization names in their .giro domains (such as redcross.giro), whereas other registrants are required to use non-semantic names (such as A3F2X5.giro). The TLD community is composed of account holders, users of payment systems and payment service providers such as banks or postal giro system operators.

Hypothetical gTLD application .barcode

A highly granular gTLD strictly tied to product barcodes. The registrant must be the registered holder of the respective consumer product barcode as printed on the product and used for retail inventory management. If the barcode holder has not decided to register and manage the corresponding the domain, the issuing barcode registration authority may map it to its database. Consumers can type the sequence of digits underneath any barcode, followed by ".barcode", to find product information. For instance, this might be "3135410003543.barcode The TLD community is composed of consumers using the codes and barcode holders.

Hypothetical gTLD application .stock

A high-security, high-standardization TLD created for the purpose of managing an international name space for stocks. Any .stock SLD is mapped not to an IP number, but to one or several ISIN (International Securities Identification Number). The first-come, first served principle is almost absent from this TLD as listed companies can only register the names under which their respective ISIN numbers have been registered. The TLD community is composed of issuers of publicly listed stocks, financial services companies, investment banks, financial infrastructure organizations, institutional investors and private investors as well as financial regulatory and self-regulatory agencies.

Conclusions for Criteria and Process

The above hypothetical gTLD applications (again, we work under the *hypothesis* that they are good ideas and do not attempt to prove that they are good ideas) would require certain properties of the ICANN new gTLD process. In other words, they would fail even as are good ideas if the ICANN new gTLD process has conflicting properties.

Selection Criteria

It can safely be concluded from the hypothetical gTLD applications described above that the gTLD sponsor (or charter organization, or TLD operator, whichever term will eventually be retained) needs to be representative of the gTLD community. One could not imagine a .bank TLD tuned to maximize the number of registrations, nor a purely venture-capital based .giro.

It can also be concluded that the number of potential SLD registrations is not a criterion. There may be very few (as in .bank) or very many, as in .giro.

We can further conclude that the absolute price per registration is not a criterion. The important thing for .bank is security. Compared to the cost of banks defense against phishing scams, it is highly worthwhile for them to share a portion of their joint defense through a .bank TLD costing, for instance, USD 10,000 a year to each bank. They would rather have a small .bank zone file and high security than the opposite.

We can conclude that the presence of a sizable TLD community does stand as a criterion. However, under no circumstances can the concept of TLD community be reduced to the group of entities allowed to register. The .bank TLD community involves first and foremost the *customers* of the banks. They are very numerous even if the number of banks is limited.

We can conclude that the "productive use" of the DNS top level is a criterion. In other word, the TLDs use the top level because this brings an undeniable advantage to the respective TLD community, advantages that could not materialize on a lower level of the DNS. For instance, .giro domains would hardly be memorable if they ended in "thegirosystem.net" instead of ending in ".giro". And no community would spend resources on "thegirosystem.net" only to see a rogue group come up with "theothergirosystem.com"). The same applies for the other hypothetical TLDs described above.

We can further safely conclude that technical and administrative registry requirements depend on the TLD. Some new TLDs may require registration processes for which the currently known registry systems would be utterly useless, and vice versa. For instance, security mechanisms used in a .giro and .bank registry would go much further than any currently know TLD. Conversely, would be inappropriate to require that .bank offer a registry process that scales to millions of domains, or to suggest it should offer instant domain registrations.

Allocation Criteria and Process

Recurring Application Review Periods

It is evident from the above descriptions that many new gTLD will require extensive "homework" before their application can be submitted. Their respective communities must be in a position to get organized, work out specifications, build consensus, integrate ideas and concerns from their constituents. It might also be necessary to merge originally separate initiatives.

For instance, a reasonable estimate for .bank is one full year spent on preparation commencing after the ICANN process is defined, until the application is submitted to ICANN. The preparations necessarily require the participation representatives from banks of various countries and various sizes, as well as regulatory, technical and legal experts.

Community consensus building can have target dates, but it is a bad idea to force a proposal through just because ICANN happened to set a once-in-five-years deadline. The ICANN new TLD process must be open-ended. Applicants should be able to spend more time on preparation if need be.

It is therefore necessary that the ICANN TLD allocation process include recurring application deadlines , e.g. at least twice a year. Ideally, there would be a new TLD submission deadline a month ahead of each ICANN meeting. The ICANN meetings would always contain a new gTLD presentation session where applicants are given 30 minutes each to present their proposal.

Mechanisms to handle contention for the same TLD string

Key infrastructure TLDs such as .bank, .giro, .barcode or .stock are much less likely to be subject of contention than would, for instance, .web or .shop. This is of courses only true if ICANN requires that applicant adequately represents the TLD community.

We trust that nobody would seriously suggest an auction as a way to deal with contention for .bank, .giro, .barcode, .stock or similar TLDs. In these cases, an auction would be destructive in all respects. We also doubt that auctions would do any good for TLDs with high likelihood contention, such as .web.

In all cases, it may be a good idea to ask any applicant how they propose to deal with contention, as a part of their TLD application.

Preliminary Applications

Applicants for TLDs requiring extensive and costly preparation – as would arguably be the case of the hypothetical examples above – should be allowed to lodge preliminary applications. Those applications would be published, but not reviewed for the time being. The preliminary applications can encourage potential contenders to join forces with the applicants and work on a single application in the public interest.

Negotiation between Contenders and ICANN decision of last resort

As long as there is an appropriate criterion on which ICANN may chose if it has to, the contenders have a natural interest to negotiate an agreement and submit a joint proposal. The criterion would logically be to select the proposal that best serves the interest of the respective TLD community. ICANN would hardly have to do so in difficult cases. Any serious TLD applicant runs the risk of having to deal with rogue contenders whose only objective would to take a slice. This would generally be visible and obvious, so ICANN's decision is easy. Whenever ICANN's decision would be difficult, i.e. when the contenders are equally serious, then their interest and common sense will lead them to cooperate and ICANN will not have to elect between them.

Standing gTLD Applications Task Force

The handling of new gTLDs should be entrusted to a standing task force whose members serve for a period of one or several years and receive compensation for the time they spend on the applications. The task force is to be funded from a portion of the application fees. The objective is to relieve the ICANN board and ICANN staff as much as possible so as to avoid bottlenecks.

Contractual Conditions

The current contractual frameworks for sponsored TLDs contain appear to be an appropriate model. In the interest of the both the quality of TLDs policy oversight and the effectiveness of ICANN, policy-making authority should be delegated whenever possible to the respective TLD sponsor or charter organization.

The contracts should allow for differentiated treatment of TLDs with respect to ICANN consensus policies. If a TLD is subject to a multilateral policy-making body of its own, there is no point in ICANN imposing consensus policies unless required by overwhelming public policy considerations. More often than not, consensus policies developed for high-volume non-specialized gTLDs would be pointless in the context of a specialized gTLD. For instance, the ICANN inter-registrar transfer policy would be ill-suited for .bank,

which, quite evidently, would require much higher security.

For effective delegation of policy-making authority, ICANN should ensure that the TLD has a policy-making body with appropriate TLD community representation. In general, a multilateral policy oversight board for a given TLD, with representatives from domain users, registrants, service providers and academia will stand as a sufficiently stable system of checks and balances.