



AT-LARGE ADVISORY COMMITTEE

EN

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STATUS: FINAL

ALAC Statement

On the proposed VeriSign Domain Name Exchange Service

Introduction

By the Staff of ICANN

Alan Greenberg, Vice-Chair of the At-Large Advisory Committee (ALAC), drafted the attached ALAC Statement on the proposed VeriSign Domain Name Exchange Service. Details on this proposal can be found in VeriSign's request form at <http://www.icann.org/en/registries/rsep/verisign-dnex-05apr10-en.pdf>.

On April 14th 2010, Alan submitted the document to the [public comment forum on registry services](#) along with a note saying that an ALAC vote to officially endorse the Statement was scheduled to start shortly.

On April 19th, the Chair of the ALAC asked the Staff to start a five-day online vote on the ALAC Statement on the proposed VeriSign Domain Name Exchange Service. Alan Greenberg sent a [second note](#) to the public comment forum on April 20th announcing that the vote had reached quorum and that the ALAC had endorsed the Statement.

The online vote resulted in the ALAC endorsing the Statement with a 14-0 vote. You may review the result independently under: <https://www.bigpulse.com/pollresults?code=A5KYRpm8FdwEz4hQaZZm>

On May 11th 2010, the Statement was transmitted to the ICANN Board of Directors.

[End of Introduction]

The original version of this document is the English text available at www.atlarge.icann.org/correspondence. Where a difference of interpretation exists or is perceived to exist between a non-English edition of this document and the original text, the original shall prevail

ALAC Statement on the proposed VeriSign Domain Name Exchange Service

The ALAC cautions against approval of this request. Although there may be some benefit to registrars and even to selected registrants for such a service, the potential for negative impact is simply too great. We note the following:

- In the absence of knowing what the exchange fee will be, or any ability for ICANN to control it, this service could be new form of Domain Tasting.
- This is exacerbated because the RSTEP provision "The registrar's account balance will be debited the exchange fee at the time of the initial exchange occurring within a one year term based upon initial registration date" could be read to imply that if more than one exchange is done in a year, only a single fee for the initial exchange will be charged.
- The service effectively introduces the concept of monthly gTLD domain registrations, a practice which does not seem to be forbidden by the various ICANN contracts, but regardless has not been the subject of any policy discussion in recent years.
- In the absence of explicit details on how and when reporting will be performed, there is the potential for abuse.
- The transient nature of domain names (with a potential life as short as one month) will render UDRP and for new gTLDs, URS proceeding virtually ineffective. At the very least, the UDRP and URS would need to be adjusted to address the concept of a Domain Name Exchange Service.
- Although the background of the service cites "Today when a registrant terminates a package of services from a registrar after, for example, an introductory 1 or 3 month period, the registrar is forced to recoup the investment in the associated domain via monetization or the secondary market.", there is no restriction that the service, if approved, be used to address that situation. In fact, further statements in the request imply that Registrars may in fact market it in ways unrelated to the initial scenario.
- The use of the term "forced" in the preceding point implies that monetization and the secondary market are only reluctantly used by registrars or those in the domain name industry. In reality, current wisdom seems to imply that monetization and the secondary market generate more revenue than traditional domain registrations and there is no apparent reluctance involved.
- Although we have no doubt that the introduction of such a service would result in innovative products and marketing, there is little evidence that the service will be in the public interest, and there is some evidence that it could do harm.