ICANN Registry Request Service

Ticket ID: A2J5E-7D9P7
Registry Name: Public Interest Registry
gTLD: .org
Status: ICANN Review
Status Date: 2006-09-22 14:32:25
Print Date: 2006-09-26 11:12:20

Proposed Service

Name of Proposed Service:

Excess Deletions Fee

Technical Description of Proposed Service:

This is a request by Public Interest Registry ("PIR") for an amendment to the .ORG Registry Agreement (the "Agreement"). Appendix G to the Agreement provides, in part:

"PIR shall not be entitled to charge for any registry service not specified in this Appendix G."

PIR requests approval of the institution of a "restocking" service fee in an amount not to exceed US$.05 (five cents) per domain name registration, to be applied, on a per registrar basis, to registrations deleted within the five day add grace period (as specified in Appendix C, Section C11.1 of the Agreement) when the number of such deleted registrations is in excess of ninety percent (90%) of the total number of initial registrations made by the registrar over a relevant time period as determined by the registry..

Technical description of any implications the re-stocking fee may lead to.
a. PIR uses an EPP client, and we do not anticipate a need to modify or provide extensions for the EPP client.

b. PIR does not anticipate making any change to the WHOIS server with respect to contact or domain host objects.

c. PIR does not anticipate any change in the OT&E environment.

d. PIR anticipates that some registrars may modify their own software to take account of the new fee.

e. It is possible that some registrars may seek accreditation for new registrars.

f. PIR anticipates no changes in current rate limiting and add storm limiting policies and practices.

g. PIR will change its billing software and invoices to registrars to take account of the new fee; PIR's reports to registrars will be augmented accordingly

h. PIR believes that the proposal will lead to greater stability in the system for bona fide registrars.

Appendix A (EdwardViltzLetter 062.05.30.pdf)

Consultation

Please describe with specificity your consultations with the community, experts and or others. What were the quantity, nature and content of the consultations?

1

PIR has previously sent you a copy of the PIR letter to the SSAC, and a copy of the SSAC reply is attached to the description of proposed service.

     a. If the registry is a sponsored TLD, what were the nature and content of these consultations with the sponsored TLD community?

n/a

     b. Were consultations with gTLD registrars or the registrar constituency appropriate? Which registrars were consulted? What were the nature and content of the consultation?

Ed Viltz and Michael Ward of PIR have had oral discussions of the PIR proposal with Steve Crocker of SSAC and representatives of GoDaddy, Tucows, NameIntelligence, and Intercosmos, all of whom were generally supportive of the concept of the PIR proposal. The proposal was also discussed at the teleconference of the PIR Advisory Council on 31 May 2006.

     c. Were consultations with other constituency groups appropriate? Which groups were consulted? What were the nature and content of these consultations?

Discussed within the Registry Constituency

     d. Were consultations with end users appropriate? Which groups were consulted? What were the nature and content of these consultations?

n/a

     e. Who would endorse the introduction of this service? What were the nature and content of these consultations?

n/a

     f. Who would object the introduction of this service? What were(or would be) the nature and content of these consultations?

Possible objection from registrars engaged in service subject to fee.

Timeline

Please describe the timeline for implementation of the proposed new registry service:

PIR plans to give immediate notification to registrars upon receipt of ICANN approval and plans to implement the program not less than 90 days thereafter.

Business Description

Describe how the Proposed Service will be offered:

a "restocking" service fee in an amount not to exceed US$.05 (five cents) per domain name registration, to be applied, on a per registrar basis, to registrations deleted within the five day add grace period (as specified in Appendix C, Section C11.1 of the Agreement) when the number of such deleted registrations is in excess of ninety percent (90%) of the total number of initial registrations made by the registrar over a relevant time period as determined by the registry.

Describe quality assurance plan or testing of Proposed Service:

TEST PLAN : Restocking Fee implementation for the .ORG registry

Version: 1.0
Date: June 6 ,2006
Author: Paul Wojcik

1   Scope and Objectives

The test plan covers functionality introduced into .ORG registry to support the restocking fee for deleted domains. The business requirements act as the basis for this high-level document and should be referred to for detailed explanation of expected functionality.

The restocking fee is an extension of the OXRS billing system. Its purpose is to calculate and store chargeable domain delete transactions per registrar based on a threshold percentage or absolute value. If applicable, the system will apply a debit against registrars' billing account for excess domains deletes within the Create Grace Period (CGP). This charge will appear on the Registrar and Registry Operator invoices. A new reporting requirement is to produce a per-registrar report of domain delete transactions for which the restocking fee was applied.

The Registrar Control Group feature will not be tested as it does not apply to the .ORG registry. Testing will be limited to the OXRS system, OXRS reports and Web Invoicing Tool.

2   Test Cases

The test cases below are highly abstracted. The detailed methods of verification of most test cases are subject to functional specifications and implementation details.

2.1   Verify calculation of net create transactions per registrar in a given billing period. Logically, these should be domain objects that still exist 5 days after a billing period has expired.
2.2   Verify successful restocking fee definition.
2.3   Verify successful threshold level definition. The setting can be either an absolute value or a percentage of net creates. This can be defined for the registry as a whole or on a per-registrar basis.
2.4   Verify ability to define the threshold level through the web admin interface.
2.5   Relative threshold level verification:
2.5.1   Set threshold percentage to a level where if multiplied by the net create value, it will exceed the number of deletes within CGP. The difference between the two values multiplied by the restocking fee value is the monthly restocking fee. Verify that the debit transactions is posted with correct reason code and reason string.
2.5.2   Set threshold percentage to a level where if multiplied by the net create value, it will not exceed the number of deletes within CGP. In this scenario, the difference between the two values returns <= 0. Verify that no transaction gets posted.
2.6   Absolute threshold level verification:
2.6.1   Set threshold to a value where the difference between the threshold and deletes within CGP will return a positive number. The returning value multiplied by the restocking fee value is the monthly restocking fee. Verify that the debit transactions is posted with correct reason code and reason string.
2.6.2   Set threshold to a value where the difference between the threshold and deletes within CGP will return a zero or a negative number. Verify that no debit transaction is posted.
2.7   Verify proper transaction posting and billing account updates. When a debit transaction is posted, the amount posted should be debited from the billing account. Verify that no other registrar is affected when the amount is debited.
2.8   Verify the association of the transaction fee record to the individual transactions (domain deletes within CGP).
2.9   Verify billing period timing. Details for this test case are highly dependent on implementation.
2.10   Reporting requirement:
2.10.1   Verify successful creation of monthly report for registrars which had restocking fee applied in a given billing period. Verify accuracy of report contents.
2.10.2   Verify that registrars which did not have the restocking fee applied in a given billing period will not see a corresponding report.

2.11   Verify proper invoicing. Generate an invoice for a registrar with a restocking fee applied in a given billing period. A restocking fee entry should exist as a debit. Verify that a registrar that had not been charged a restocking fee will not see a restocking fee entry or an entry of 0.

3   Test Approach

Functionality testing will mainly use demonstration as the testing method. When necessary, Execution, Analysis or Inspection will be used as indicated in the following test matrix.

Following the testing of new functionality will be standard regression and load testing.

4   Resources

2.1   Hardware

The following equipment will be required for the testing:
- 2 Sun Ultra-4 application servers
- 1 AIX database server
- 1 x86 Linux client

2.1   Software

System Software:
- The applications servers will run Solaris 8 OS.
- OXRS software will run on this server using the following build:
        TBD
- The database server will support the OXRS database running postgresql 7.4.8.

Support Software:
- The client machine will run Fedora Core 3.
- EPPTT will be used, along with additional EPP client scripts written in perl.
- Verification of database will use either SQL queries submitted   manually via psql terminal, or via perl DBI module.

2.1   Personnel

The Afilias QA department will perform all the testing. One person from the QA department will be assigned full time for the duration of the testing.

5   General Schedule

A total of 12 business days will be required to complete testing, broken down as follows:

New Functionality		7
Report & Invoicing		1
Balanced Load	2	
Regression		2

2.1   Assumptions

Effort estimates are based on the following assumptions:
A. Implementation follows the requirements laid out in the business requirements and no additional functionality is added or significant changes made.
B. No significant setup difficulties are encountered.
C. QA staff has unfettered access to the hardware resources mentioned above.

6. Risks and Contingencies

The restocking fee is a potentially large and highly-visible billable transaction and should be subject of close scrutiny. In the event of incorrect billing, a modified void/repost procedure can be applied as a fix.

7. Acceptance Criteria

Test Case Completion: 100% overall.
Test Success Rate: 100% overall.
Known problems:　　　P1 – 0
　　　　　　　　　　P2 – 0
　　　　　　　　　　P3 – 0
　　　　　　　　　　P4 – 0
　　　　　　　　　　P5 – 0

Please list any relevant RFCs or White Papers on the proposed service and explain how those papers are relevant.

Contractual Provisions

List the relevant contractual provisions impacted by the Proposed Service

PIR proposes a new Section 7A in Appendix G to the .ORG Registry agreement as follows:

"7A. EXCESS DELETION FEE

PIR may charge registrars the following maximum price for each Registered Name that is deleted within the five day add grace period (as specified in Appendix C, Section C11.1 of the Agreement) when the number of such deleted registrations is in excess of ninety percent (90%) of the total number of initial registrations made by the registrar over a relevant time period as determined by PIR:

The fee for each such Registered Name shall not exceed US$.05 (five cents) per name registration."

In addition, a reference in Section C11.1 would be added as follows:
"An Excess Deletion Fee will be charged pursuant to Section 7A of the Registry Agreement when the number of deleted registrations within the five day add grace period is in excess of ninety percent (90%) of the total number of initial registrations made by the registrar over a relevant time period as determined by PIR."

What effect, if any, will the Proposed Service have on the reporting of data to ICANN?

PIR anticipates no change.

What effect, if any, will the Proposed Service have on the Whois?

PIR anticipates no change.

What effect, if any, will the proposed service have on the price of a domain name registration?

PIR anticipates no change, except as specified for excessive deletes.

Contract Amendments

Please describe or provide the necessary contractual amendments for the proposed service:

PIR proposes a new Section 7A in Appendix G to the .ORG Registry agreement as follows:

"7A. EXCESS DELETION FEE

PIR may charge registrars the following maximum price for each Registered Name that is deleted within the five day add grace period (as specified in Appendix C, Section C11.1 of the Agreement) when the number of such deleted registrations is in excess of ninety percent (90%) of the total number of initial registrations made by the registrar over a relevant time period as determined by PIR:

The fee for each such Registered Name shall not exceed US$.05 (five cents) per name registration."

(An appropriate reference to this new Section would also be added to Appendix C of the .ORG Registry Agreement)

Benefits of Service

Describe the benefits of the Proposed Service

PIR believes that the proposed change will contribute significantly to the stability of the DNS. As explained in the letter to ICANN of May 15, PIR is making this proposal for the purpose of benefiting the noncommercial community served by the .ORG domain.

Competition

Do you believe your proposed new Registry Service would have any positive or negative effects on competition? If so, please explain.

PIR believes that the proposed fee would have positive effects on competition by providing a more "level playing field" for registrars.

How would you define the markets in which your proposed Registry Service would compete?

The market for registrations in the top level domain .ORG.

What companies/entities provide services or products that are similar in substance or effect to your proposed Registry Service?

N/A

In view of your status as a registry operator, would the introduction of your proposed Registry Service potentially impair the ability of other companies/entities that provide similar products or services to compete?

PIR does not believe that the proposed fee would impair the ability of other TLD registries to compete.

Do you propose to work with a vendor or contractor to provide the proposed Registry Service? If so, what is the name of the vendor/contractor, and describe the nature of the services the vendor/contractor would provide.

PIR's back end service provider is Afilias.

Have you communicated with any of the entities whose products or services might be affected by the introduction of your proposed Registry Service? If so, please describe the communications.

The proposal was discussed in a general way at the Marrakech ICANN meeting at the DNS Workshop.

Do you have any documents that address the possible effects on competition of your proposed Registry Service? If so, please submit them with your application. (ICANN will keep the documents confidential).

n/a

Security and Stability

Does the proposed service alter the storage and input of Registry Data?

PIR anticipates no change in the reporting of data to ICANN.

Please explain how the proposed service will affect the throughput, response time, consistency or coherence of responses to Internet servers or end systems?

Please see the the PIR letter to the SSAC (on file with ICANN), and the SSAC reply attached to the Business Description.

Have technical concerns been raised about the proposed service, and if so, how do you intend to address those concerns?

PIR is not aware of any.

Other Issues

Are there any Intellectual Property considerations raised by the Proposed Service?

PIR is not aware of any.

Does the proposed service contain intellectual property exclusive to your gTLD registry?

No.

List Disclaimers provided to potential customers regarding the Proposed Service

n/a

Any other relevant information to include with this request?

PIR does not know of any relevant White Papers or RFCs on the subject. There are a number of public statements on the general subject of domain tasting, including an article in Business Week magazine about Bob Parsons (see: http://www.businessweek.com/technology/content/jun2006/tc20060605_633379.htm?campaign_id=search); an article by Ram Mohan in CircleID (see:

http://www.circleid.com/posts/domain_tasting_target_of_us_federal_cybersquatting_lawsuit) and an article by Frank Michlick in CircleID (see:

http://www.circleid.com/posts/how_domain_name_tasting_works/)

There is no other information specifically related to the PIR proposal. PIR asks that the proposal be judged on its merits as a relatively small change in procedures to address a particular problem for the .ORG registry. PIR requests that the proposal not be linked to the questions that arise out of the much larger issue of domain tasting.

Appendix B (PIR Excess Deletion Fee Request.pdf)

ICANN Registry Request Service

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Registry Name: Public Interest Registry
gTLD: .org
Status: ICANN Review
Status Date: 2006-09-22 14:32:25
Print Date: 2006-09-26 11:13:44

Appendix A (EdwardViltzLetter 062.05.30.pdf)
(Seen on Next Page)

SSAC

ICANN Security and Stability
Advisory Committee

May 30, 2006

Edward G. Viltz
President & CEO
Public Interest Registry

Dear Mr. Viltz,

SSAC has received your 6 March 2006 correspondence, *Impact of Automated Domain Registrations ("Domain Tasting") on .ORG Registrants* and thanks you for bringing this to our attention. In your letter, you raise several interrelated issues, foremost among these being the practice of domain name registration "tasting", and the unexpected consequences to registrants of relinquished or expired domain names. While these issues are indeed related, SSAC believes it is appropriate to treat these matters separately.

We believe the unexpected consequences to registrants deserves immediate attention. SSAC is preparing an Advisory to assist registrants in understanding the domain name registration and renewal processes, the factors that create secondary markets for domain names, and the ways that secondary markets can adversely affect registrants if they relinquish a domain name or fail to renew a name prior to the expiration of the 30 day Redemption Grace Period. When completed, the Advisory will encourage registrants to regard and protect registered domain names as they would other assets and provide information to assist a registrant in assessing the value of domain names.

This initial Advisory is focused on how the systems in place work today rather than on reforming these systems. SSAC believes this will serve registrants while further analyses of the systems are conducted.

SSAC believes that additional members of the community, including registries and registrars, should participate in the broader analyses and implications of secondary markets for domain names. In that light, SSAC would be happy to join with other parts of the ICANN community, and, indeed, with the overall Internet community, in formulating appropriate suggestions for changes in policies and operations.

Again, thank you for bringing this to our attention. We look forward to continued work with you on this matter.

Stephen D. Crocker
Chairman, SSAC

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Questions raised by Patrick Jones on 31 August 2006 and PIR responses:

 - Under Technical description (h), how is a "bona fide" registrar defined?
How will this service lead to greater stability for them?

> A "bona fide registrar", for the purposes of the Technical description, is one whose principal business is accepting registration applications from Internet users, as opposed to those engaging in automated tasting processes that would be affected by this proposal. Registrar stability will be served by creation of a more level playing field, in which the relatively small number of registrars who abuse the add-grace period will pay a fee for the burden on the system.

- Consultation (c), you mention that the proposal was raised with the
Registry Constituency but do not elaborate on what happened. Were they
supportive?

> PIR's recollection is that the response was neutral.

- Consultation (d), we are not sure why you thought consultation with end
users or ALAC was not appropriate. For example, ALAC is interested in
introducing a PDP on domain monetization and deleted names in the add-grace
period. We know the proposal was discussed briefly in Marrakech, maybe you
could add what types of feedback you have received, if any, from end users
or ALAC to the proposal.

> Recently PIR raised the proposal with members of ALAC, but there has been no feedback from ALAC. With respect to end users, PIR also raised the issue with members of NCUC. The feedback from NCUC primarily concerned the add-grace period and the question of the financial aspects of the proposed fee. PIR responded as follows

> "Elimination of the 5 day grace period is always a potential
> option and may be considered by the council; however there are
> still legitimate uses of the grace period to correct registrar
> error (especially by smaller or newer inexperienced
> registrars).In the meantime, the excess delete fee seemed to us
> to be a good way to deal with the existing problem of abuse of
> the grace period and resulting harm, especially to noncommercial
> users.

> In addition, David Maher did in fact reference our proposal in
> the Domain discussion in Marrakech and you may recall I mentioned
> it to the NCUC during my presentation. As to the economics, we
> believe that our proposal is likely to reduce the number of .ORG
> registrations, and we certainly don't believe that the proposed
> fee will be a profit center."

- Business Description: In 1, Scope and Objectives, you mention a new

reporting requirement. Could you provide a copy on a confidential basis?

PIR anticipates that a modified version of existing reports will be generated to facilitate billing for the new service. PIR would be happy to make these modified reports available to ICANN on a confidential basis.

- In 6, Risks and Contingencies, what happens if the registrar does not have enough money, since the fee is charged post-transaction?

The registrar would be required to make an additional deposit to cover the fee balance. This would be treated like any other charge to a registrar. PIR would post the charge to the registrar's account. If this put the account into a negative balance, then the Registrar could not process further registrations (except deletions within the grace period) without adding funds back into the account.

- Contractual provisions, we are not sure why you have not answered this. You mention changes to Appendix G. Appendix C, functional specifications is affected also.

These were oversights that have been corrected.

- Benefits of Service, you state that "PIR believes that the proposed change will contribute significantly to the stability of the DNS." How? We need more detail around how a fee relates to technical stability.

At this time, the abuse of the add-grace period is restricted to a few registrars who are engaged in domain tasting on a larger scale than the vast majority of registrars. While the back end provider for PIR (Afilias) is confident that it currently has the technical capacity to handle any burdens caused by the high percentage of add-grace period transactions being experienced, this situation could change if a large additional number of registrars were engaged in the same practices. Imposing a fee at this time should help to limit the risk that could accompany a large surge of add-grace period transactions.

- Competition, you state "PIR believes that the proposed fee would have positive effects on competition by providing a more 'level playing field' for registrars." How? Please explain how it would be more level than now, when the fee is $0.

As noted above, registrar stability will be served by creation of a more level playing field, in which the relatively small number of registrars who abuse the add-grace period will pay a fee for the burden on the system. This fee is imposed only on those registrars that are making greater demands on the system, and is comparable to any other fee for services measured by the extent of the services used.