

The End of Domain Tasting

Status Report on AGP Measures

12 August 2009

Introduction

In response to community concerns about the excessive use and abuse of the five-day AGP (Add Grace Period), ICANN implemented two measures to address these problems that have resulted in a 99.7% decrease in AGP deletes from June 2008 to April 2009. AGP is the five-day period following the initial registration of a domain name. Currently, when someone registers a domain name through a registrar, the name may be deleted at any time during the first five calendar days of the registration (the AGP) and the registrar receives full credit, which is passed on to the registrant, for the registration fee from the registry. This report summarizes the two measures, the AGP Budget Provision (the "Provision") and the AGP Limits Policy (the "Policy"), and provides statistical information on AGP delete activity for all TLDs that offer this grace period to their customers. Exhibit 1 reflects the AGP delete trend across all TLDs and Exhibit 2 provides TLD-specific AGP delete activity.

FY09 Budget Provision

In June 2008, the ICANN Board approved the FY2009 Budget that contained the Provision on AGP deletes. The Provision was that domain names deleted during the AGP would be included as transactions if they exceeded the maximum of (i) 10 percent of that registrar's net new registrations in that month, or (ii) fifty (50) domain names, whichever is greater. Therefore the cost to the registrar for each AGP delete that exceeded the defined threshold was US\$0.20. The Provision was adopted as a short-term solution (1 July 2008 to 30 June 2009) undertaken in response to community comment as the Policy Development Process (PDP) on Domain Tasting occurred and was implemented.

AGP Limits Policy

The AGP Limits Policy (see, <http://www.icann.org/en/tlds/agp-policy-17dec08-en.htm>), is the result of the GNSO PDP on Domain Tasting. This process concluded on 17 April 2008, with approval "by super majority vote a motion to discourage use of the "add grace period" (AGP), where domains can be returned within five days without cost, for domain tasting."¹ The GNSO motion and its recommendations were adopted by the ICANN Board on 26 June 2008.

¹ This information from the 25 April 2008 GNSO Council Report to the Board is viewable at <http://gns0.icann.org/issues/domain-tasting/domain-tasting-board-report-gns0-council-25apr08.pdf>.

The Policy has the same thresholds as the Provision, but results in a higher cost for each excessive AGP delete. The Provision resulted in a cost to registrars of US\$0.20 per AGP delete above the threshold and the Policy US\$6.75 (i.e., the cost of a current .ORG domain) or higher depending on the domain registration fee charged by the registry to the registrar. The Policy also provides for a registrar to seek an exemption from the penalty upon the documented showing of extraordinary circumstances. Details of the exemption process can be found in the Policy's implementation notes.

Cost to Registrars of Excessive AGP Deletes

The following example demonstrates the cost to registrars of excessive AGP deletes prior to the Provision, during the Provision, and after the Policy. Exhibit 3 reflects how the number of AGP deletes has decreased as the cost has increased.

If a registrar registered 1,000 names in a given month and deleted 300 names during the AGP, the registrar would have 700 net new registrations. Because the Provision and the Policy entitle the registrar to 70 AGP deletes, 230 of the 300 AGP deletes would cost the registrar as follows:

- Prior to the Provision, there was no cost associated with excess AGP deletes.
- During the Provision, each excess delete was assessed a US\$0.20 penalty and thus the cost for 230 deletes was US\$46.00.
- Under the Policy, each excess delete is assessed a US\$6.75 (e.g., current cost of a .ORG domain) or more depending on the registration price at the TLD, and thus the cost for 230 deletes is US\$1,552.50.

Status of TLD Compliance with AGP Limits Policy

All TLD operators that are required to comply with the Policy have done so as verified by ICANN's contractual compliance findings, and details of their implementation are provided in Exhibit 4. For TLD operators that implemented the Policy by 1 April 2009 and have submitted their monthly registry report for that period, their report now contains the following additional reporting elements:

- Number of exemption requests
- Number of exemptions granted
- Number of names affected by granted exemption requests
- Number of AGP deletes (domains-deleted-grace) if this information is not currently defined in the operator's monthly reporting requirement

Future ICANN Reporting

ICANN will continue to issue status reports to the community based on the information provided in registry monthly reports that are available at <http://www.icann.org/en/tlds/monthly-reports/>. Registry and registrar specific information cannot be provided to the public until three months after the latest applicable reporting period.

Exhibit 1 – Total AGP Deletes for all TLDs
June 2008 to April 2009

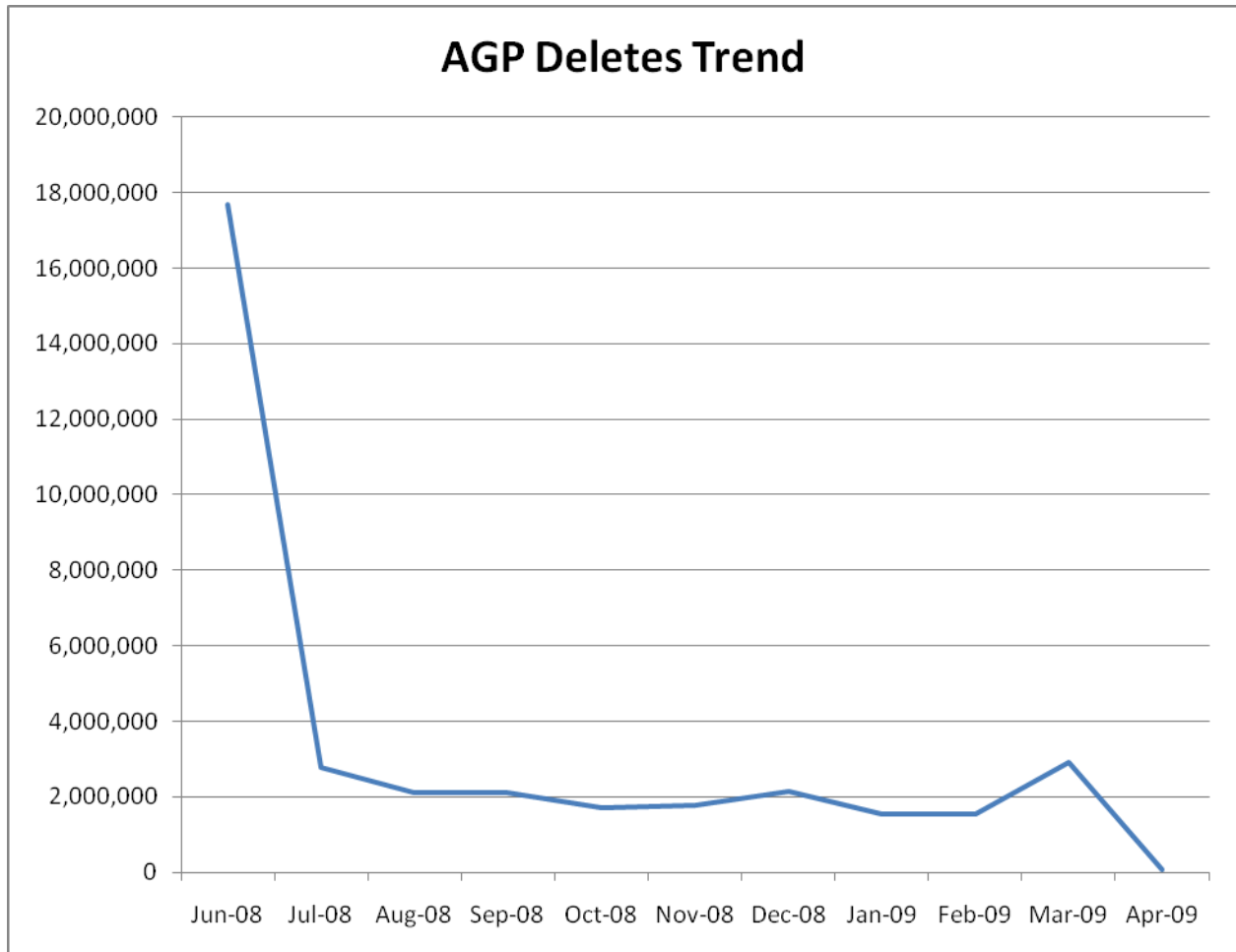


Exhibit 2 – AGP Deletes Activity per TLD

TLD	Operator	Jun-08	Jul-08	Apr-09
.AERO	SITA INC USA, Inc.	n/a (1)	n/a (1)	n/a (1)
.ASIA	DotAsia Organization	220	105	616 (2)
.BIZ	Neustar	1,409	1,264	988
.CAT	Fundacio puntCAT	174	175	1
.COM	VeriSign, Inc.	15,738,292	2,483,953	37,519
.COOP	DotCooperation LLC	0	0	0
.INFO	Afilias Limited	32,384	18,945	4,460
.JOBS	Employ Media LLC	81	339	175
.MOBI	mTLD Top Level Domain Ltd	431	587	5,007 (3)
.MUSEUM	Museum Domain Management Association International	n/a (4)	n/a (4)	n/a (4)
.NAME	VeriSign Information Services, Inc.	n/a (5)	n/a (5)	107
.NET	VeriSign, Inc.	1,860,164	249,958	6,202
.ORG	Public Interest Registry	35,052	30,255	2,591
.PRO	Registry Services Corporation	n/a (6)	24	131
.TEL	Telnic Ltd.	n/a (7)	n/a (7)	419
.TRAVEL	Tralliance Registry Management Company, LLC.	543	0	2
	Total	17,668,750	2,785,605	58,218

- (1) .AERO did not provide monthly reports until May 2009
- (2) .ASIA implemented the Policy on 1 May 2009 which resulted in higher than average AGP deletes in April
- (3) .MOBI implemented the Policy on 1 May 2009 which resulted in higher than average AGP deletes in April
- (4) .MUSEUM does not offer an AGP
- (5) .NAME was not required to report AGP delete activity
- (6) .PRO was not required to report AGP delete activity
- (7) .TEL launched in December 2008

Exhibit 3 – AGP Deletes vs. Cost per Excess AGP Delete

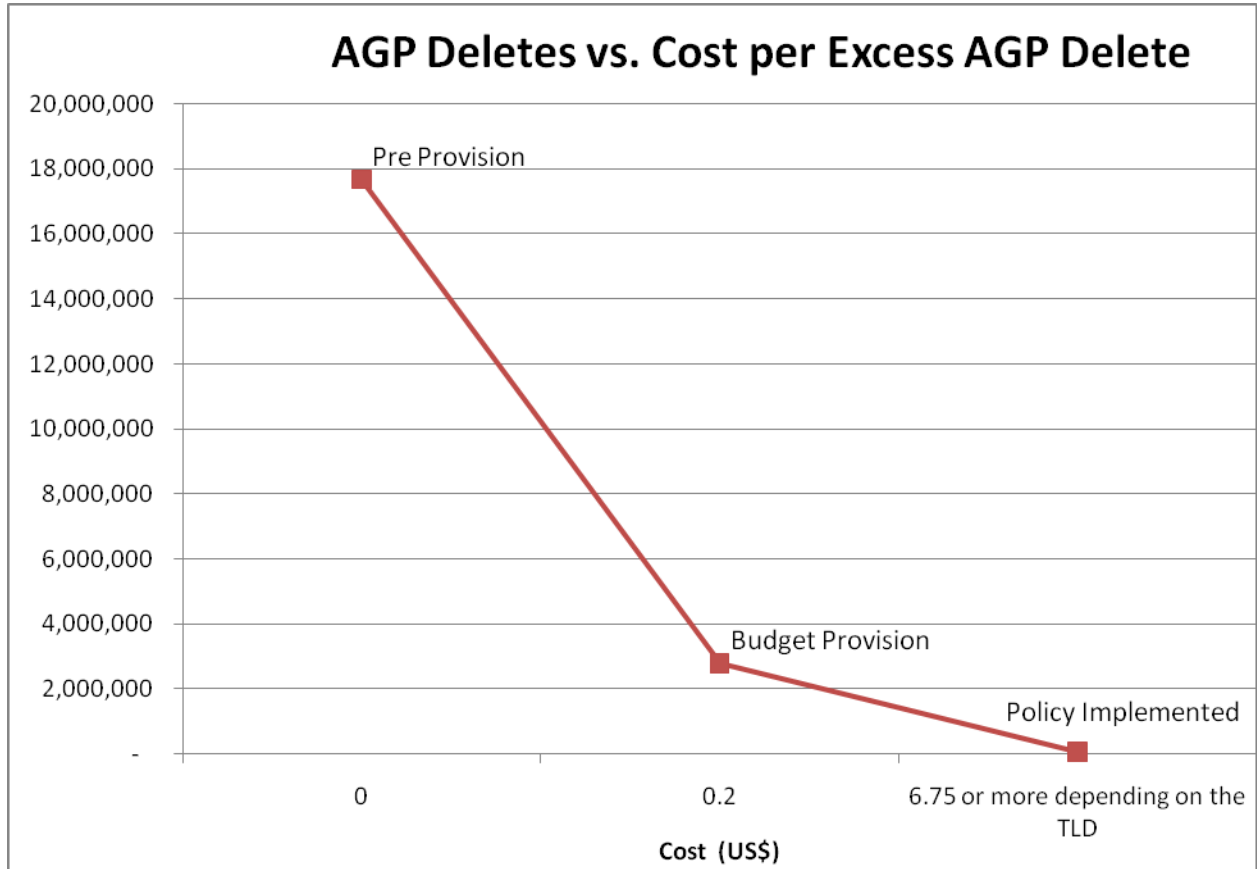


Exhibit 4 – AGP Limits Policy
Registry Implementation Schedule

TLD	Operator	Implementation Status
.AERO	SITA INC USA, Inc.	Effective 1 May 2009; requested a one-month extension
.ASIA	DotAsia Organization	Effective 1 May 2009; requested a one-month extension
.BIZ	Neustar	Effective 1 June 2008 following 27 March 2008 Board approval of RSEP request on AGP Modifications
.CAT	Fundacio puntCAT	Effective 1 April 2009
.COM	VeriSign, Inc.	Effective 1 April 2009
.COOP	DotCooperation LLC	Effective 1 April 2009
.INFO	Afilias Limited	Effective 1 April 2009
.JOBS	Employ Media LLC	Effective 1 April 2009
.MOBI	mTLD Top Level Domain Ltd	Effective 1 May 2009; requested a one-month extension
.MUSEUM	Museum Domain Management Association International	Does not offer AGP
.NAME	VeriSign Information Services, Inc.	Effective 1 April 2009
.NET	VeriSign, Inc.	Effective 1 April 2009
.ORG	Public Interest Registry	Effective 1 April 2009
.PRO	Registry Services Corporation	Effective 1 April 2009
.TEL	Telnic Ltd.	Effective 1 March 2009
.TRAVEL	Tralliance Registry Management Company, LLC.	Effective 1 April 2009