

RE: Comments on Transfers (Change of Registrar) Policy (2002-08)

Dated: 29 January 2003

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Introduction

This feedback is presented from the point of view of a registrant holding several domain names. It is intended to provide an overview of what the author believes are conflicting statements in the current policy, and makes suggestions for altering the policy to more favourably reflect the needs of the average registrant.

Common Experience

As a registrant of several .au domain names, under no less than three (3) different registrars, I take this opportunity to outline the difficulty one often has in managing multiple domains. In my experience, this has included attempting to locate missing registry keys/passwords, often against domain names that have incorrect email addresses or contact details.

Increasingly, dealing with multiple registrars and/or resellers becomes a tedious process for the average registrant.

Transferring domain names may often be a case of registrants shopping around for the best deal, but in my experience, it can also be the case of wanting to more effectively manage multiple domains under a common registrar.

Aims of the current policy

My understanding of the aims of the currently published policy are:

- *“promoting a competitive domain name industry”*
- to avoid *“customer churn and other undesirable practices”*.

With figures from Q2, 2002 showing that the top four (4) registrars hold over 91% of the market in this country, competition should be first and foremost in the goals of any current policy.

Apparent conflicts in the current policy

Firstly, I would like to draw your attention to Sections 3.1(a), 3.2(b) and 3.3 of the current published Transfer Policy (2002-08):

The policy states that whilst a registrant has the right to transfer a domain at anytime, the registrant must renew their domain name licence at that time, and then the registrant is not entitled to a refund of the unused portion of the existing domain name licence.

I believe that given some of the scenarios listed below, this could be seen in a number of ways contrary to the aims of the policy:

- In all cases, the registrant loses money paid for the period of a licence that was not realised. Consider that by short-changing registrants in this process, there is less incentive to transfer, thus reducing churn (in line with the aim) and ultimately resulting less competition between registrars (contrary to the aim).
- As a further result of the registrant losing the unrealised portion of the licence, consider that this often results in the registrant delaying the transfer/renewal to the last minute before expiry, sometimes scaring the registrant into simply renewing with the old registrar for fear of losing the domain name.
- If the registrant transferred on the basis of poor service from the losing registrar, consider that the losing registrar still received the full profits from the original (but unrealised) two year licence of the domain name. This does not promote competition, it promotes complacency on behalf of a lazy registrar.
- If (in my case) the registrant transferred on the basis that he/she wanted to transfer to a common registrar for the ease of managing multiple domain names, the registrant is being penalised for choosing a better performing or preferred registrar. Consider that this might have a flow on effect to the number of “silly” enquiries that registrars/resellers receive, because many registrants are reluctant to consolidate their records to a common registrar – continuing in disorganisation by the registrant.

Secondly, I would like to draw your attention to Section 3.1(d) of the current published Transfer Policy (2002-08):

The policy states that under no circumstances may a losing registrar impose a transfer fee on the registrant, or any fee that could reasonably be construed as a transfer fee.

But what about the gaining registrar? Presumably, with 3.1(b) in force, the transfer component would be “hidden” in the markup of the licence renewal fee charged by the gaining registrar.

Consider that according to the existing published policy, there does not seem to be a restriction on whether a gaining registrar could charge a transfer fee, or any limit on how much that could be.

Suggesting a fairer transfer policy

In devising what I believe would be a more equitable transfer policy, based on my own experience as a registrant, I have considered the following points:

1. That the current transfer policy does not necessarily promote competition by virtue of penalising a registrant for the unrealised portion of the licence fee.
2. That there is currently no restriction or limit over the charging of transfer fees by gaining registrars.
3. That the average registrant waits until just before a licence is near its expiry date, before transferring/renewing.

I bring your attention to Clause 5.5 of the “.au Domain Name Suppliers Code of Practice” as below:

5.5 A Domain Name Supplier for a specific domain name licence, must not send a renewal notice any earlier than 90 days prior to the expiry date, and should make reasonable commercial efforts to advise the registrant of the need to renew at least 30 days prior to expiry.

In my opinion, this clause appears to establish a workable ninety (90) day “window of opportunity” in which a normal renewal process is conducted.

With this process in mind, consider the following suggestions in accordance with the window of opportunity, and that the registrant is able to transfer at anytime:

Within the 90 day period to expiry

- The registrant pays for a renewal of the domain name licence.
- The domain name is transferred to the gaining registrar.
- The domain name licence is extended as per the renewal.
- No transfer fee can be charged.
- No bulk transfers available.

Prior to the 90 day period

- The registrant pays a transfer fee* (see below).
- The domain name is transferred to the gaining registrar.
- There is no change to the domain name licence expiry.
- Bulk transfers available.

Transfer Fee Policy*

- The transfer fee (to the registrar) could be fixed by policy.
- The transfer fee could contain oncost components of auDA and the registry operator.
- The transfer fee could be a token amount, say \$5.00.