

07/06/2011

Attn: Lujia Chen, Policy Officer

Re: **Secondary Market Working Group Issues Paper – Public Submission**

Hi Lujia,

Please see below my response to the auDA Secondary Market Working Group Issues Paper. The views expressed are my own personal opinions and do not necessarily reflect those of my employer (Netregistry Group Ltd). Thanks for the opportunity to participate.

Regards,

Kim Lowton

Registrant transfer process and fees

I support auDA updating their policy document to strengthen rights and responsibilities of the transfer procedure for the existing Transfers (Change of Registrant) Policy (2008-08). After reviewing the procedures outlined in both policies, key differences I noticed include:

- *The provision of the domain name password when initiating a transfer request.*

I believe the providing the domain name password for registrant transfer requests is a good idea.

- *The prohibition of resellers requesting transfers on behalf of registrants.*

The current policy allows submission by an authorized representative of the old/new registrants. I would suggest that resellers are excluded from affirming registrant transfers on behalf of their clients, in line with the registrar transfer policy.

- *The prohibition of charging a transfer fee.*

I don't agree with adopting this. I think registrars should be able to set and charge transfer fees to recover the administrative and support costs of providing the service. The .au namespace is a free market, so consumers can decide which registrar to use to transfer.

I do not support a requirement that registrars publish the a breakdown of costs including registration and transfer fees, as registrants can easily deduce this information by comparing the complete registrant transfer costs with the standard registration fees on each registrar's website.

AuDA should be able to advise registrants that they are able to transfer domains between registrars before effecting a change of registrant transfer, but should not recommend one provider over another.

Six month prohibition on transfers

I support the view that the prohibition should be dropped, in line with comments made in the issues paper. The prohibition creates a burden at multiple levels (registrant, registrar and regulator) and it appears that the issue of registering for the purpose of immediate resale isn't a problem, so I see no reason to keep the prohibition in place.

Drop catching services

I support auDA providing general information about domain drop services. I see value in auDA creating a voluntary formal approval process that lists accredited drop providers; however I would like to see a proposal on how this might work.

Domain name sale listings

In terms of out of date listings on aftermarket and other websites, surely auDA (or the new registrant) can simply notify the site where the domain is being listed and ask them to update/remove the entry. I don't know why a provider would want inaccurate information on their site, and feel this issue is outside of auDA's scope.

Registry operations

The paper does not provide specific information about the type of rate limiting that may need to be imposed with additional players entering the .au drop market, so it is difficult to comment on this issue. As long as the impact is limited for registry users not involved in the drop and it is deemed essential for the stability of the registry then I think this is OK.

Registrar connection sharing

I support a policy prohibiting sharing of registrar connections between unrelated entities to address security and privacy concerns. I don't support restriction of registrar connections across parent entities after market consolidation (ie - one existing registrar/entity buying out another) as I feel this is too restrictive.

I don't have a strong opinion on increasing costs of additional accreditations at this time. In terms of "shell" registrars, given the auDA accreditation process requirements and industry size (when compared with the gTLD drop market as an example), does the working group feel that this will become a big issue in the future, and has this already been seen in the .au space? I'm not aware of it happening, however if it becomes an issue then I would support implementing measures such as cost of accreditation, to address.

Registrar competition

I don't support the registry providing assistance to individual registrars on the drop process, as it is outside the scope of their support and would not be fair to all industry participants and it would be difficult for auDA to demonstrate that they have not provided more information to one registrar over another.

If possible and practical I would support an OTE drop environment as a ground for registrars to practice their systems/procedures without impacting the live registry environment.

If a registrar breaches the Registry Usage Policy they face suspension. The more they breach the policy, the longer the subsequent suspension period. Surely this practice helps manage and control registrar behavior and keep it within an acceptable risk level.