
Nominet Response to 2020 .UK Policy Consultation

Overview	2
<i>Expired Domains</i>	2
<i>Background</i>	2
2019 .UK consultation	3
<i>Reponses</i>	3
2020 .UK consultation	5
<i>Responses</i>	5
Further consideration	7
.UK Registry Advisory Council	7
Policy Decision	8
Domain expiry process and introduction of drop lists for .UK.....	8

Overview

Since 1996 Nominet has operated at the heart of the UK's internet community as the .UK domain name registry.

As the environment in which we operate evolves, we actively engage with a wide variety of UK stakeholders to ensure that the policies we maintain reflect emerging threats, changes in stakeholder expectations and new industry practices. This ensures that .UK provides a platform for innovation and remains a competitive and trusted space for businesses and consumers.

EXPIRED DOMAINS

In 2019 Nominet consulted on implementing a more transparent process for informing registrars and the wider public when an expired domain name will be made available for re-registration and the mechanism for releasing expired domains (i.e. a "drop list").

In 2020, we decided to further consult on the implications of implementing a mechanism to release expired domains. The consultation comprised of two areas for input:

- Whether domains should be made available for re-registration throughout the day at a specific point in time, based on the time stamp we have for the original registration, or be released at a specified single point in time, say 2pm every day; and
- Since a very small minority of domains are intensely contested with multiple parties interested in re-registration, whether to alter the way in which we release these domains. The options proposed were (1) auction model – two variations, and (2) economically controlled access to expiring domains.

Due to the relatively low levels of response to the consultation, together with the lack of a clear consensus on the policy issues and complex technical and operational considerations, in August 2021 we asked the .UK Registry Advisory Council (UKRAC) to provide advice and industry insight on the proposal to introduce drop lists with a specific time at which domains will be available and a Pending Delete period.

In February 2022, following a formation of a Drop List Implementation Working Group (DLIWG) which sought feedback from members more widely, the UKRAC agreed with the Nominet proposal subject to its [recommendations](#). The Nominet Board approved the policy proposal and UKRAC recommendations in April 2022 for implementation.

The new expired domains process was implemented on the 13th of September 2022.

BACKGROUND

A domain name is registered with Nominet for a specific term between one and ten years. At the end of the term, the registrant has the option to renew the domain, or let it expire.

If the registrant does not request for the domain to be renewed in 30 days of the expiry date, the domain name is automatically suspended. If the domain has been suspended for a further 60 days without being renewed, it will be scheduled for a random cancellation over a 24-hour period and be available for re-registration.

This creates demand for look ups using Nominet's Domain Availability Checker (DAC) as registrars query whether domains have been released. This is particularly important when many registrars are attempting to register the same domain name, because the registrar which is first to register will be successful.

A DAC account is available only to registrars who are Nominet members, and costs £25 a year. There are system limits which provide for a maximum of 432,000 DAC queries over a 24-hour period, and 1,000 over 60 seconds.¹

Once a registrar knows that a domain can be registered, they can submit a registration request, generally this is done using Nominet's EPP protocol.² Frequently, registrars whose businesses focus on the re-registration of expired domains will additionally own or licence proprietary software to maximise the efficiency of their DAC query use and automate an EPP registration request.

When a domain name is registered it is placed on a registrar's TAG. TAGs are currently available to members and non-members for free and there is no limitation on the number of TAGs. Each TAG is limited to six simultaneous connections to the EPP service.³ There is a limit on the number of failed EPP create requests that can be sent over a given time period (1,000 in any 24-hour period). An EPP create request will fail if the domain name is already registered.

This process for releasing expired domains is unique to Nominet, and whilst well-understood by our registrars, is not consistent with practices in other Top-Level Domains (TLDs). In addition, when an attractive generic domain is in the process of being made available for re-registration, Nominet receives many thousands of requests made over a 24-hour period to determine whether a domain is available to be registered. This reduces the system capacity for other services. We also receive a small number of complaints that Nominet registrars pool resources in contravention to the Acceptable Use Policies (AUP) to maximise their chances of success.

2019 .UK consultation

Nominet ran a consultation from the 9th of October-16th December 2019 on implementing a .UK drop list to provide a transparent and orderly process for the re-registration of expired domains. A drop list provides a public date and time at which a domain will become available for re-registration on a first come first served basis.

The 2019 .UK Policy Consultation document, with further details, can be found [here](#).

RESPONSES

We received 64 responses from a variety of individuals and organisations, predominantly from the domain industry but also UK Government Department for Digital, Culture, Media and Sport (DCMS),

¹ <https://registrars.nominet.uk/uk-namespace/registration-and-domain-management/query-tools/uk-domain-availability-checker/dac-instructions-for-use/>

² <https://registrars.nominet.uk/uk-namespace/registration-and-domain-management/registration-systems/epp/>

³ <https://registrars.nominet.uk/uk-namespace/registration-and-domain-management/acceptable-use-policy/#epp>

and related organisations. We also held a roundtable on the 4th December 2019 attended by 14 participants.

Respondents to the consultation generally agreed that the current process for releasing expired domains could be improved. Most supported the principle of a drop list for registrars (89%), and for the general public (68%).

Several respondents raised concerns that a drop list alone would not resolve what they perceived to be the real problem – that the very small number of highly desirable domain names tend to be re-registered within a fraction of a second by specialist registrars. This has a number of negative consequences according to the consultation respondents: it is impossible for members of the public to register a desirable expired domain; genuine use of good domain names is reduced as these domains tend to be parked for resale and the market for re-registration is very limited to a small number of individuals with significant barriers to entry for new players and effectively perpetuates a closed market.

There were several suggestions made to radically review the process for re-registration to address this issue. These suggestions were concerned with allocation of domains that are perceived to be of inherent high value, for example, generic words or short domain names with the potential to score highly in Search Engine Optimisation (SEO). These domain names account for approximately 0.7% of cancelled domain names but incur most of the system access for domain availability checks.

Suggestions included:

Registry auction: Expiring domains are open to bids for a specified time period, the highest bid wins and can be registered with the winner's registrar of choice. Domains that do not receive any bids will then be released through the normal process.

Wait lists: Implement a Registry operated system to allow the general public to register interest in a domain before it is due to expire (i.e. creating a queuing system). Once it expires the person at the top of the queue would have first preference on registering the domain. If they choose to register the domain, they would then do so through their preferred registrar. Wait lists would typically be maintained for a modest annual fee, although of course there is no guarantee that a domain name will ever expire.

Landing pages: Redirect expired domains to a landing page which includes a) the day and the exact time that a domain will become available for general registration if it is not renewed, and b) a Nominet spinner of registrars who offer drop catching services.

Expression of interest ballot: Expired domains are given a specified "expression of interest period". Expressions of interest are all treated equally, at the end of the expression of interest period a technical algorithm picks a winner at random

Reflecting on the consultation responses, we decided to further consider the implications of implementing a drop list in the context of maintaining world class registry systems, including suggested alternative release mechanism for highly desirable domains.

The full Response and Summary of Feedback of the 2019 Consultation can be found [here](#).

2020 .UK consultation

In consideration of the support in 2019 .UK consultation to improve the process for releasing expired domains, we proposed to publish the date and exact time that expiring domains will become available for re-registration. In doing so, we recognised that this may have consequences that would need addressing by means of further policy change. For example, since we do not charge for registrar status, and since there may be a perceived competitive advantage in having multiple registrar TAGs (and hence EPP connections to our registry systems), we could see that in the absence of further policy changes or economic incentives to limit the number of TAGs, we may face an excessive number of requests for new TAGs in order to maximise the chances of successfully registering an expired domain in a highly competitive environment.

In preparation for our 2020 Expiring Domains Consultation, we considered a number of options to mitigate these issues: proliferation of TAGs, accounts and memberships, excessive queries of our systems, and complaints of collusion.

During this evaluation we were guided by the following principles:

Technical load on .UK infrastructure: Does the option proposed allow us to safely manage technical load and ensure the resilience of .UK, without undue interference with the registration systems for standard non-expired domain registrations?

Simplicity and clarity: Does the option result in a system that can be easily explained to people outside the domain industry, including potential registrants?

Reduce incentive to collude: Does the proposed option remove the incentive to create additional memberships and accounts in order to avoid our Acceptable Use Policies (AUPs)?

Standardisation: Is there any industry precedent for this option? While there is no need to be tied to existing practices, we are conscious the industry is international and do not want to create entirely unique and unprecedented practices unless there is a strong benefit to doing so.

Complications: Are there reasons that make this option unfeasible for .UK? For example, the technical implementation would be excessive or there are other unintended consequences or legal implications.

The 2020 .UK Expiring Domains Consultation [briefing document](#) sets out a full description of the options we considered and how we assessed them against our guiding principles. The consultation ran from until the 16th July to the 27th August 2020.

RESPONSES

We received 107 responses to the consultation predominantly from the businesses or individuals operating in the Domain Name Industry, and to a smaller extent, those from the Information and Communications Technology (ICT) sector, civil society, intellectual property sector, financial services, and consumer interest representatives.

We also held two virtual roundtables on the 11th of August 2020, attended by 15 participants and a webinar for Nominet members on the 21st of July 2020.

In consideration of the issues associated with amending the expired domains process and options available, we felt it was necessary to change the process by which expiring domains will become available for registration in conjunction with publishing the exact date and time that expiring domains will become available for re-registration.

From stakeholder feedback and our evaluation we concluded that there were two viable options that meet our guiding principles: (i) a registry auction or (ii) economically controlled access to expiring domains. In addition, in the event of implementing option (ii) we proposed to segregate this registration process from our standard registration systems.

Our consultation asked stakeholders to express their preference between the options for mitigating the issues related to highly contested domains (those for which there is intense competition to be 'first' to register under the current first come, first served). We estimate that highly contested domains account for approximately 1% of expiring domains.

- **Option 1: Auction model; a) ascending price auction or b) sealed bid auction**
- **Option 2: Economically controlled access to expiring domains**

Respondents favoured the economically controlled access model (67, 63%) with 9 (18%) preferring an ascending price auction and 9 (8%) selecting a sealed bid auction.

Comments from respondents who supported **Option 2: Economically controlled access** included concerns that a monetary value should not determine access with suggestions to use the number of domains under management or a deposit, and a suggestion there should be no limits at all. We heard concerns that the secondary market should not be detrimentally impacted, as well as opinions there should be greater restrictions on secondary market activity. Other responses suggested that strict enforcement of the existing Acceptable Use Policies would resolve the issue.

Respondents who selected **option 1a) Ascending price auction**, emphasised fairness, transparency, tackling perceived avoidance of the AUPs, accessibility, competition, and dissatisfaction with the current system however others expressed dissatisfaction with the existence of the drop catching industry.

Those who supported **option 1b. Sealed bid auction** included suggestions for implementation, opinions that sealed bids are best to reduce collusion, and a desire to allow more end users to register mid-range expiring domains. Whilst some respondents felt this model would benefit end users, others told us it would benefit the secondary market.

In order to provide the exact time and date an expired domain name will be become available for registration we will need to introduce a time period of certainty where the domain cannot be renewed by its previous registrant and has not yet been deleted and made available for registration by a new registrant (i.e. a Pending Delete period). We suggested a Pending Delete period of around five days and asked respondents for their views.

Most respondents (94, 88%) submitted comments to this question, which ranged greatly, from one second and less than 48 hours, up to 30 or 90 days. The most common answer aligned with our suggestion of a five day Pending Delete period (34, 36%).

All other domains which are not highly contested would also need to be available for registration through an orderly and transparent process. To provide the exact date and time of availability we would need to remove the current random release process. We asked respondents for views on options for these domains:

- **Option 1: Specified times throughout the day**
- **Option 2: Single diary time of release e.g. 2pm**

Option 1: specified time throughout the day received slightly more preferences (51, 48%) than **Option 2: single time of day (e.g. 2pm)** (48, 45%). The comments from responses that preferred **Option 1 specified time throughout the day**, noted general support for transparency (i.e. publishing an exact time for all to see) and suggestions that this would be preferable to spread the technical load throughout the day. We also received suggestions around the time used – either the original time of registration or an allocated slot. The comments from respondents that preferred **Option 2: Single time for all domains being released on that day** noted the simplicity of communication and a level playing field. Others noted they thought this sounded preferable for monitoring system load or helped them concentrate resources/reduce processing of times as well as dates.

Further consideration

We greatly appreciated the responses received to the 2020 .UK consultation however we recognised that the consultation did not receive a high number of responses and that there was a lack of significant support for the options outlined.

Additionally, we recognised that there were difficulties to creating a system to manage technical load and potential AUP abuse pre-emptively without first understanding how drop lists will be used in practice.

We therefore took time to reflect and redraft proposals to best respond to the needs of registrars and our wider stakeholders. To ensure our proposals were feedback led, we asked Nominet's .UK Registry Advisory Council (UKRAC), formed of elected representatives of large registrars (top 25 by .UK domains under management), mid-small registrars and secondary market to input.

.UK Registry Advisory Council

In August 2021, we asked the UKRAC to provide advice and industry insight on our redrafted proposal. We proposed to cease randomly dropping domains over a 24-hour period and to implement drop lists with a specific time at which domains will be available.

We proposed that domains would be staggered in terms of availability throughout the day. Following this change we would monitor actual use in practice before reporting back on how the change is working and whether there are any other changes that might become necessary.

We also would seek to introduce a period of time prior to the domain dropping where the domain is prevented from being renewed. This would be referred to as Pending Delete.

Policy Decision

In February 2022, following a formation of a Drop List Implementation Working Group (DLIWG) formed of UKRAC members and Nominet staff, the UKRAC agreed with the Nominet proposal subject to the following:

- 1) UKRAC to commit to its own review of dropcatching in the Autumn after a sufficient number of months of operation of the drop list process and data that can be analysed. In particular this review should consider:
 - wider aspects of collusion and transparency focusing in particular on the data around successful dropcatches and the process for verifying and monitoring TAG identities
 - the involvement of non-member TAGs in the wider review of dropcatching
 - review of the performance of the drop list process in place and comparison with other options
- 2) UKRAC to secure from Nominet a commitment to:
 - provide regular updates as the drop list project is implemented
 - provide a data driven review of the operation of the process after three to six months of its implementation
 - provide sufficient educational support for registrars and registrants to understand the process, provide sufficient educational support and information about how access to drop times will be facilitated and lookup mechanisms to display states.
 - provide wider information about dropcatching on the website etc

In April 2022, the Nominet Board approved the policy proposal and UKRAC recommendations for implementation.

Domain expiry process and introduction of drop lists for .UK

On September 13th, 2022, the domain expiry process and i drop lists for .UK were introduced. A daily drop list is published with the specified time a domain is going to become available for re-registration. This drop list contains domains which have not been renewed from the point of suspension for non-renewal. Domains become available for re-registration by any registrar through the existing Web Domain Manager and EPP systems.

To view the technical specification of this change, please see [here](#).