

**Ross Wm. Rader**

---

**From:** "Peter Girard" <peter\_girard@yahoo.com>  
**To:** <icann-delete@total.confusion.net>  
**Sent:** Friday, October 05, 2001 8:02 PM  
**Subject:** [icann-delete] Post-Expiration Auctions

I have joined this discussion to propose an alternative treatment of deletions. I am Peter Girard of Afternic.com, a subsidiary of Register.com. The following was prepared to outline the workings and benefits of an auction-based solution. I believe it better addresses the needs of registrants, registrars, and registries than do other proposals I've read:

**Post-Expiration Domain Name Auctions**

Several solutions have been proposed to address the problems presented by deletions. All aim to eliminate the tax on the registry's systems caused by demand surges, which are spurred by registrants' rush to claim expiring names. All aim to create a fair, open system that benefits all registrars and registrants equally, negating the advantage gained from technical prowess; all aim to accommodate the variable market value of names; and all aim to accomplish these goals without excessively burdening the registry technically or financially.

No one has proposed a serious auction-based solution, though. A post-expiration domain name auction addresses every consideration above, preempting registry rushes; providing transparent, universal access; allowing the market to determine pricing; and entirely removing the onus of development from the registry. Moreover, a centralized post-expiration auction could provide a shared source of income to all participating registrars.

**The Process**

We propose a system in which domain names are placed on auction during the registry grace period, after their date of expiration and prior to their mandatory deletion by the registry 45 days later. (In many cases, registrars choose not to delete names during the grace period.) Prospective registrants would bid for the right to register expired names in the event that the registrant of record fails to renew during the grace period.

At the end of the auction, names that aren't renewed during the grace period, and that receive bids, are registered to the highest bidders. Those without bids are released into the pool of available names, exactly as they are under the current system. Because those names that create the highest demand have already been re-registered, demand surges that threaten to overtax the registry systems will be virtually eliminated.

The process we propose begins with participating registrars submitting daily lists of expired names, at the beginning of the registry-allowed grace period. These names are placed on auction for a fixed period of time, long enough to allow sufficient exposure to interested registrants, ending in time to allow the registrar of record to submit the name back to the registry for deletion by the end of the grace period in the event that no bid is received.

There is no charge to the registrar for the creation or administration of auctions. Neither are bidders charged for their submissions, although bidders must supply the necessary information to initiate a registration and proof of their ability to pay for a completed transaction.

Should the registrant of record decide at any time during the auction period to renew the registration, the auction is immediately canceled without penalty or charge to any party. Otherwise, the auction requires no minimum starting bid, and advances in value at preset increments as bids are placed.

At the end of the auction (exact times evenly spaced throughout the 24-hour day), the high bidder is notified onsite and by email that payment is due for the bid amount, and that he or she must initiate a registration within a limited time period.

The auction winner may then select any registrar from a menu of participating registrars. His or her profile is then forwarded to the chosen registrar, which processes the registration per its normal procedures.

In the event that the auction winner cannot meet these conditions within the allotted time limit, the next-highest bidder is declared the auction winner and must follow the same procedure to secure the registration.

### **Apportioning Revenue**

We propose that a fixed amount be deducted from the proceeds of every auction as the auctioneer's fee. A percentage of the remaining sum will then be awarded to the registrar that submitted the expired name, while the remaining percentage will be divided equally among all participating registrars.

This revenue sharing model will benefit smaller participating registrars whose relatively low volume of expiring names might otherwise dissuade them from using this system.

### **Benefits**

Under this system, consumers enjoy open access to expiring domain names through a publicly viewable platform, and do not incur charges for services/names that are not (or cannot be) delivered. The system also creates a directory of expiring names—a service currently unavailable to the typical consumer. The process' transparency, the fact that it is inherently documented, and the opportunity for real-time oversight all build consumer confidence.

Instead of incurring a loss from the deletion of a valuable name, participating registrars realize revenue regardless of whether they retain the registration. In addition, this system facilitates the ability of market demand to determine transactional value. And participating registrars do not incur the cost of either development or implementation.

This system allows the registry to continue operations without architectural modifications, policy changes, or development expenses. Because the system naturally filters those expired names in high demand, those submitted for deletion are unlikely to generate a surge. The registry's existing procedures and functionality will be preserved.

---

### **Do You Yahoo!?**

NEW from Yahoo! GeoCities - quick and easy [web site hosting](#), just \$8.95/month. Yahoo! by Phone.