

*Consultative
committees for
Registrars and Users*

**Minutes of the plenary meeting
of 7 October 2014**

afnic

1. Attendees

Registrars: 11 (out of 42 members)

BUSINESS DOMAINS	Fabien RIELH
CLARANET	Sophie PACAVE
CONNECTION	Jean-Benoît RICHARD
DATAXY	Bernard DULAC
EURODNS	Luc SEUFER - (<i>Webex participation</i>)
GANDI	Nicolas LHUILLERY
MAILCLUB	Frédéric GUILLEMAUT
NAMEBAY	Eric LANTONNET
NORDNET	Scott JUNG
ORANGE	Sophie JEAN-GILLES
SFR	Sylvie POUSSIN
SFR	Serge RIBEIRO

Users, individuals and legal entities: 7 (out of 21 members)

Legal entities	
CCI France	Thierry HINFRAY
CCI Paris IDF	Laurent DELIN
CDNIC	Chris TSHIMANGA
ISOC France	Marie-Astrid LERAY
Individuals	
	Sébastien BACHOLLET - (<i>Webex participation</i>)
	Mathieu PITTE
	Elisabeth PORTENEUVE

Afnic

Loïc DAMILAVILLE, Marketing Studies
Pierre BONIS, Deputy CEO
Marianne GEORGELIN, Politiques de registre
Régis MASSE, CTO

Julien NAILLET, Communication director
Virginie NAVAILLES, Member Services Manager
Lucile RAVASSE, .FR Marketing Manager
Emilie TURBAT, Sales Director
Mathieu WEILL, CEO

2. Agenda of the plenary meeting

- ✓ Update
- ✓ Plenary Meeting and presentation of the day's items for discussion:
 - 2014 trajectory and discussion of the priorities proposed for 2015 and beyond
 - Campaign for the .fr TLD: compilation of ideas for upcoming content
- ✓ CCU / CCBE
- ✓ *Lunch*
- ✓ Plenary Meeting, restitution of the positions of the consultative committees and presentation of information and exchange updates with members:
 - gTLDs: presentation of the progress report on the Afnic gTLD project
 - New .fr TLD services
 - The DN market: analyses reserved for members
 - Working Group on members: announcement of the calendar and first members, volunteering during meeting possible

3. Minutes

Mathieu Weill welcomed the participants in the room and remote, and announced the two topics for discussion in the morning and the information updates that would be developed during the afternoon. The members present introduced themselves during a round table and Julien Naillet introduced the remote participants.

Current events at Afnic were mainly marked by the launch of the campaign to promote the .fr TLD and the new gTLDs.

Five gTLDs were in the root since the last consultative committees. The sunrise periods (phases during which rights holders may apply for the registration of domain name(s) were in progress for the .paris and .bzh gTLDs. The .frogans and .ovh gTLDs were open.

The "Succeed with the .fr TLD" campaign had been launched in late September. It targets SOHOs / SMEs and young users in accordance with the promotion strategy recorded by the Minister in 2013 and focuses on the purpose and simplicity of use of domain names. Afnic is working with 23 registrars selected after a call for proposals.

In addition, the National Digital Council had launched a nation-wide RFP on October 4. 24 RFPs were to be launched by December 31, 2014. Afnic would obviously respond to this

unprecedented call for contributions, especially on the topics "Support for innovation," how innovation can create growth related to Internet practices and "Loyalty between economic stakeholders: The principles and rules of conduct to improve the balance between digital stakeholders and ecosystems, and the procedures suitable for the digital world".. This RFP follows the publication of a report of the State Council on the transformation of public procurement.

Afnic would also contribute to topics related to open data in accordance with its commitment to analyze governance of the Internet. Work was continuing on this subject in order to consolidate the association's position in the country. Afnic would share its reply with its members so that they might make a contribution.

The specific goals of this RFP had not been announced but Pierre Bonis indicated it should serve as input for a bill on the digital economy in early 2015.

3.1. Discussion items

3.1.1. 2014 trajectory and discussion of the priorities proposed for 2015 and beyond

Mathieu Weill gave an overview of the highlights of 2014 to date. The slowdown in growth of the .fr TLD was confirmed. The forecasts were a drop of 5% for the year. The slowdown affected every ccTLD but the .fr TLD continued to be one of the most dynamic in Europe.

Marketing of the gTLDs had started but with delays due to the complexity of the relationship between clients and ICANN for carrying out the administrative formalities, which offset billings and had an impact on the turnover for 2014 which would therefore be a financial period with a slightly larger deficit than expected, on the same level as that for 2013.

In terms of priorities for the next 3 years, the agreement for the management of .fr TLD would be up for renewal on July 1, 2017. The state could renew it without any call for tenders and was to indicate its choice of procedure one year before the renewal of the agreement.

Afnic's environment was liable to undergo major changes and there were uncertainties about the success of the gTLDs and free or low-cost offers and their impact on the market, overall market dynamics, the .fr TLD, and changes in the registrar sector that were already visible such as consolidation.

The three main objectives for 2015 were to return to financial equilibrium by supporting the growth in turnover and controlling costs, secure the renewal of the State / Afnic agreement by delivering all the commitments in the agreement that were possible before year-end 2015 and demonstrating the excellence of the service provided, and seizing growth opportunities consistent with the Association's project.

Afnic's board had devoted its annual seminar to analyzing all of these issues and reflecting on Afnic's role over the next 3 years. The gTLDs were to be launched, but should Afnic

position itself on new markets or develop new services based on existing products to continue its development?

The position of users:

- ✓ They noted the uncertainties mentioned by the CEO plus the risks associated with the mainstream use of search engines and the arrival of players such as Amazon and Google, which also apply to registrars, and are eroding the value of domain names. Afnic must seek to defend that value and increase user loyalty to the *.fr* TLD.
- ✓ Afnic could sell consultancy services, research, or directly sell domain names and develop complementarity with registrars, according to the Swiss model where users can register domain names by a registrar or not.
- ✓ They asked about the progress in the WIPO ADR and calls for applications to manage the overseas TLDs.

Pierre Bonis replied that the latter could be considered obsolete given the lead-time and that Afnic was still waiting for the publication of the decree after the notification of the texts to the European Commission. The WIPO ADR regulation could then be integrated into the rules of the Association and approved by the Secretary of State. The recruitment phase for experts would probably not begin until early 2015.

The position of registrars

- ✓ They pointed out that direct retailing in Switzerland had stopped and now went through registrars once again, which provided legal and technical validation of the registration by the accreditation of the registrar.
- ✓ From their point of view, the priority was for Afnic to finish the implementation of the commitments with respect to the *.fr* TLD.

Mathieu Weill concluded by recalling that the legislator by law prohibited registries from performing registrar duties.

3.1.2. Campaign for the .fr TLD

The aim of the campaign was to contribute to the growth in the number of *.fr* domain names by improving the reputation and desirability of the *.fr* TLD, particularly among SOHOs / SMEs and 15/25 year-old users through a strategy of relevant content.

The special website "réussir-en.fr" was launched on 25 September 2014. It promotes the *.fr* TLD with testimonials, ambassadors and editorial content equating success with the *.fr* TLD, a training section (MOOC) with 10 videos on topics such as "Why the web is revolutionizing the economy" or "How to go from 0 to 100 hits a day on your site", a communal area with a competition for the best *.fr* sites and conversion funnel associated with plain language offers ("How to post a CV that promotes your ambitions," "How to share your interests," "How to create a showcase for your business", "How to retail your products and/or services online", and "How to create an email address in your own image").

The campaign combines on-line features (buying advertising space, social media, videos and online testimonies from innovative entrepreneurs that promote the Made in France brand via

the .fr TLD) and offline features (events, press relations, institutional partnerships and specifiers for our wording.

Julien Naillet requested input from members for the training section. The aim was to regularly propose new videos on personal and professional matters. He also announced that Afnic was working on a 6 page teaching aid and best practices guide for domain names that would be applied to two targets and would be edited in partnership. The AMF and Transition Numérique had already expressed their interest in the material.

The position of users:

- ✓ They welcomed the launch of the campaign and the clear and user-friendly website, and underlined Afnic's legitimacy to produce this type of content to bring it additional recognition.

The position of registrars:

- ✓ They also highlighted the dynamic of the campaign and the enthusiasm of the registrars
- ✓ They suggested producing videos on how to use and secure email, redirects and routing, the various intermediaries who can register a domain name (agency, webmaster, registrars, etc.), the obligations related to the purchase of a domain name, etc.
- ✓ They invited Afnic to post partnership opportunities further upstream so that every registrar could apply, and to clarify the selection criteria to avoid any misunderstanding in the next wave in March 2015.
- ✓ The results of joint operations could be improved by joint promotional operations to be included in the partnership agreements.
- ✓ Finally, some asked to have the promotional brochure in paper or electronic format.

3.2. Information updates

3.2.1. gTLDs: Presentation of the progress report on the Afnic gTLD project

Emilie Turbat recalled that Afnic was assisting 17 registries. 4 gTLDs had been delegated to date (.paris, .bzh, .alsace, .frogans), to which would be added six others before the end of the year. She also detailed the deployment process. The registries had until 10/29/2014 to sign the ICANN contract (a further period of extension was possible up to 9 months from September 24, 2014). Once the contract had been signed, the registries determined by mutual agreement with ICANN the date of commencement of the pre-delegation (2 months), followed by delegation for 1 month and possibly a TMCH sunrise launch phase for 3 months.

The launch of the .paris gTLD began on June 4, 2014, initially with a program of 78 pioneers, and then on September 9. The general opening was scheduled for December 2.

The *.bzh* gTLD was opened on September 4 for brands. A second launch phase for public authorities and associations would begin on November 3 before the general opening on December 4.

As regards the *.ovh* gTLD, the TMCH sunrise began on September 1 before the general opening on 2 October.

3.2.2. New *.fr* TLD services

3.2.2.1. *.fr* Lock

Fr Lock blocks all the operations on a domain name except publication. To lock a domain name, the registrar enters a form on the extranet indicating the domain name in question, and the coordinates of three people who will be contacted in case of an unlock request. Afnic checks that the coordinates of the three contacts are up to date and locks the domain name.

To unlock it, the registrar makes a temporary or permanent unlock request via the extranet and can then perform the requisite operation(s) for 48 hours and re-lock the domain name at any time. Afnic sends 3 SMS containing the single-use authentication codes to the contacts, calls the contacts (at least 2/3), checks the codes and then unlocks the domain name for a period of 48 hours and automatically re-locks it after 48 hours.

.fr Lock is a special service proposed by Afnic, and is therefore subject to a specific service contract to be signed between the registrar and Afnic. The service was to be available from October 27, 2014.

The position of registrars:

- ✓ The discussed focused on the implementation process, the service availability times, and the billing process in case of transfers of domain names.

3.2.2.2. Opening of registrations with 1 or 2 characters

The opening was to take place in three phases. First of all a Sunrise phase from December 8, 2014 to February 9, 2015 during which holders could apply to register their domain name(s) with 1 or 2 characters. Then a Landrush phase from February 16 to March 16, 2015 during which any interested party could apply to register a domain name with 1 or 2 characters, provided it had not already been registered during the Sunrise phase. Finally, the opening for registration of all the domain names with 1 or 2 characters that had not been registered during the Sunrise and Landrush phases would be on held March 17, 2015 at the standard rates for the *.fr* TLD.

All the domain names consisting of 1 or 2 numeric and/or alphabetic characters formed using alphanumeric ASCII and IDN characters (*.fr*. a, à, á, â, ã, ä, å, æ, b, c, ç, d, e, è, é, ê, ë, f, g, h, i, î, í, î, j, k, l, m, n, ñ, o, ò, ó, ô, õ, ö, oe, p, q, r, s, t, u, ù, ú, û, ü, v, w, x, y, ý, ÿ, z, ß, 0, 1, 2, 3, 4, 5, 6, 7, 8, 9) could be registered, except for the - character (minus sign).

Domain names consisting of the following national country codes (and their IDN versions) were also excluded from registration: "fr.fr", "re.fr", "pm.fr", "yt.fr", "tf.fr", "wf.fr", "nc.fr", "pf.fr", "mf.fr", "bl.fr", "gp.fr", "mq.fr", "gf.fr" as well as the domain name "co.fr" and the terms already registered i.e. "tm.fr" and "nh.fr".

The "first come, first served" principle would apply to all of the phases. Applicants would have to comply with the Naming Policy of the .fr TLD and with all applicable Registry policies at the time of the opening, including the eligibility rules for the .fr TLD and the rules relating to the registration of terms subject to prior review.

Afnic would apply a single price of 200 euros per domain during the sunrise phase, then a sliding scale weekly during the Landrush phase: € 15,000 the first week, € 10,000 the second week, € 5,000 the third week and € 100 for the fourth and final week. The price schedule would be standard from the general opening onwards.

3.2.2.3. Multi-annual registration

Holders would be able to register their .fr domain names for periods ranging from 1 to 10 years, as they wished. Billing would take place once. A holder could also apply at any time during registration to renew the domain name, corresponding to the introduction of a new "Renew" operation. When a domain name expires, it would be automatically renewed for a period of one year, as is the case today.

The technical specifications would be sent to registrars mid-October. Afnic would proceed with the developments and functional tests until 12/12. Test benches would be opened for registrars between 5/01 and 15/01, the launch date of multi-annual registrations.

1.1.1. Market trends and figures for domain names

On the global market, the decline in growth had stabilized in recent months. For gTLDs, the trends varied, with about 50% growth and 50% decline. The contribution of ccTLDs to the global market was stable but the proportion of gTLDs was decreasing in favor of nTLDs.

The dynamics of the .fr TLD were in line with forecast growth of 5%. The number of nTLDs was exploding with more than 400 already in the root and nearly 2.5 million names registered.

In terms of new TLDs, the trends involved concentrations of large volumes of registrations with a small number of players, but often due to promotional sales campaigns, while sunrises were generally disappointing compared with expectations. It was difficult at this stage to accurately predict the success or failure of the various nTLDs. Uses and renewal rate were better metrics than just volumes and several registries had had to revise their business models and/or marketing strategies.

There was also growing involvement on the themes of security. Registries were increasingly operating as full participants in "cyber security", especially those involved in ccTLDs.

Finally, in economic terms, competition was growing between registry operators implementing TLD "conquest" strategies, such as the .se TLD which had taken over

management of the .nu (Niue) representing approximately 20% of the Swedish market, "free" or "low cost" strategies (e.g. .tk, xyz .berlin, Google's offer of 5,000 free nTLD domain names in Japanese characters) or those seeking funding and concentrations.

Discussions mainly focused on free models.

1.1.2. "Afnic membership" Working group

Pierre Bonis recalled that a think tank had been set up in 2014 on how to revive the Afnic user-driven model, closely linked in the past to the marketing and use of the .fr TLD. A service offer for members had been constructed and presented to the consultative committees in March 2014. The issue at hand was the change in the types of members. Afnic wanted to set up a working group with members to discuss the general directions to be taken and incite greater participation during sessions. A call for papers was to be sent to all the members in parallel.

Position of members: Orange, the France CCI and ISOC France wished to take part in the working group.