February 2002

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SnapNames™
Secure Your Domain™

SnapNames, the provider of domain name infrastructure technology and authoritative industry data and analysis, employs its patent-pending technology to facilitate an equal-opportunity secondary domain name marketplace.

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State of the Domain

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State of the Domain is a monthly publication of SnapNames.com, Inc. To accommodate inclusion of a full set of data the report is typically released three weeks following month-end. At present, this report is limited to covering the COM, NET, ORG, BIZ, INFO and NAME gTLDs, but coverage of additional sponsored TLDs and ccTLDs is also planned. SnapNames compiles data in the public domain in order to present information on registrar market share as well as industry trends. The editors assume that readers are already familiar with the industry and its terminology—for readers who are not, we recommend the www.ICANN.org site as a starting point for definitive historical documents and technical resources. **SnapNames does not warrant the accuracy of information in this document. Please read further disclaimers and information on our methodology within.**

Map on p. 34 courtesy of VeriSign.

Contents

Message from the Publisher

You know those writers who overreach themselves by giving platitudes that 1) make you roll your eyes, and, worse, 2) don't make a direct point? Yeah, we can't stand them either. So, instead of that "The only constant is change" banality, how about this:

It's all changing. Again. Fast. Gear up.

In this issue of *State of the Domain*, we'll give you a look at the coming changes, including a fresh-from-the-34-hour-return-trip report from Accra, Ghana, the site of the last ICANN meetings where president Stuart Lynn's reform plan was the topic of the day. Cameron Powell leads our coverage.

A few months ago, we got a call from Ori Eisen, VeriSign Registrar's new Director of Fraud Prevention, who, as a service to colleagues, wanted to share his knowledge about thwarting registration fraud. Speaking of change, after he came aboard at VeriSign he quickly ramped up an anti-fraud operation that has paid real dividends. During our time in northern Virginia for February's Registrars Constituency meetings, we accepted Ori's invitation to come by to learn more about his group. We also talked with other registrars to get their perspective; SnapNames president and COO Ray King tells more in his article.

We also welcome this month data from Global Name Registry, who provided information on .NAME registrations. Since this is the first month of coverage for NAME, we've reported registrar market share data as a one-month snapshot and will integrate the month-to-month changes into the "CNOBI" market share table (soon to be re-titled "CNOBIN"—pronounced "kuh-NOH-bin," in case you were wondering) next month.

Finally, as you well know, this monthly is changing, and we'll very shortly begin publication of the *Executive* and *Analyst Editions*. Take a look at the information on the page that follows this one for more information about the publications (including how to subscribe, which of course you'll want to do right away) as well as about the soon-to-launch website at www.sotd.info and the first *State of the Domain* Industry Conference coming this July. If you feel like skipping the ad, here are the vitals:

- Subscribers to the free edition (re-titled *Benchmark Edition*), will enjoy an at-a-glance view of the industry with market share tallies of the top 25 registrars, plus editorial coverage.
- The *Executive* and *Analyst Editions* are richer in data and detail and will provide industry executives and watchers with need-to-see information. If you're interested in subscribing, use the PDF registration form at www.snapnames.com/downloads/sotdregistration.pdf. Early Bird discounts are available through May 15.
- You can also use the same form to register for the *State of the Domain* Industry Conference, July 22-23 in San Francisco. Early Bird discounts are available for this through May 15 as well, and, even better, you get special package pricing if you register for the conference and subscribe to the publication at the same time.

Until the new site launches, our archive is available at www.snapnames.com/stateofthedomain.html. And, as always, forward any comment or question to publisher@snapnames.com.

Regards,

Mason Cole
Publisher

State of the Domain Is Bringing You More

State of the Domain, the industry's leading voice, already combines the only comprehensive, independently-produced data with the coverage and trend analysis necessary for executives, analysts and others to follow the domain marketplace and stay informed.

And now, *State of the Domain* is preparing to bring you even more:

April 1, 2002 **www.sotd.info**

Visit the new *State of the Domain* website to learn about our products and services, register for conferences or subscribe to publications, and to monitor the most up-to-date information on the domain name industry.

April 24, 2002 **Premiere of *Executive* and *Analyst Editions***

The *Executive* and *Analyst* editions of *State of the Domain* offer new and more in-depth data and analysis for those who need to stay on top of the industry's developments. Our regular report, still available free of charge, will be re-titled *Benchmark Edition*.

July 22-23, 2002 ***State of the Domain* Industry Conference**

The *State of the Domain* Industry Conference, the domain industry's leadership summit, is designed to provide a discussion and networking forum for Wall Street analysts, investment bankers, venture capitalists, industry executives, and others to review domain marketplace developments, opportunities, challenges, and solutions.

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www.sotd.info (after April 1)

- **Early Bird discounts** available before May 15!
- Subscription / Conference **package pricing** available

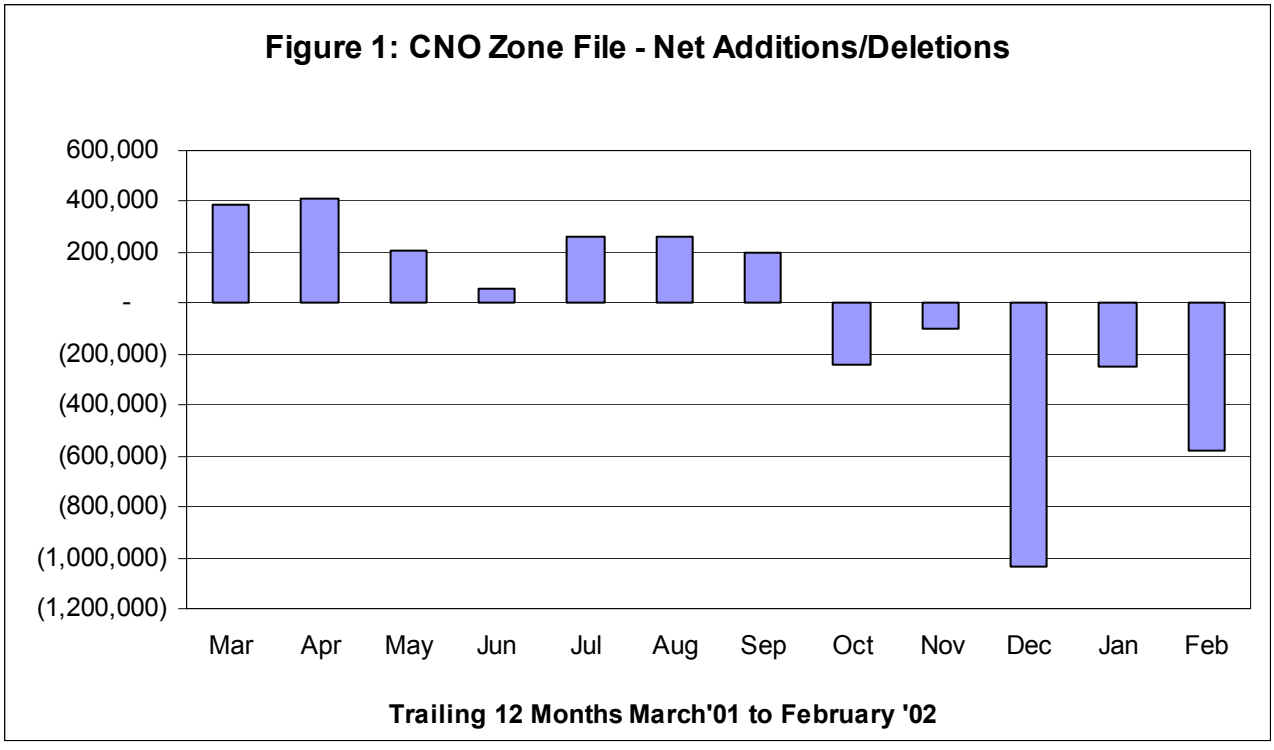
Industry Data Review

February 2002 Market Overview

Ron Wiener

One Final Deep Cleansing Breath

As *State of the Domain* predicted would occur in February, the CNO (com/net/org) zone file experienced yet one final purging of low-quality domain names, deflating its total by 565,000 names. Early signs are that March will be the first "normal" month after what has been a somewhat painful five-month trend of CNO zone file shrinkage. It will also be the first positive month for VeriSign Registrar since June. As our regular readers know, the deflation was caused principally by an eradication of "promotional" domain names by VeriSign, Register.com and some of the other large registrars, and a general low renewal rate on millions of names sold to speculators during the land rush of 1999-2001. The excess of promotion was evidenced once again by the disproportionately high percentage of NET and ORG names compared to COM names, since most of the "promotional" name stock was of the NET and ORG variety.



February CNO Registrar Market Shares

Trends in registrar market shares in February were consistent with recent months. An atypical development, however, was the absorption of nearly 700,000 Registrars.com domain names into VeriSign Registrar's accreditation. As we've been noting in the past two issues, this "bulk transfer" was scheduled for Q1, and indeed most all of it was executed in February by VeriSign Registry for the CNO inventory. NeuLevel and Afilias will be executing their registry-level bulk transfer commands for Registrars.com in March, so for the moment only BIZ, INFO and NAME domain names remain in

Registrars.com's accreditation (with the exception of a tiny number of CNO names that were still in transition when we pulled this month's data report).

Even with the assimilation of the names from the Registrars.com accreditation (which VeriSign Registrar originally acquired in June 2001), VeriSign's net loss of approximately 768,000 domain names in February was not a big surprise. This final contraction signaled what is likely the conclusion of their purging of promotional names that began in Q4. VeriSign Registrar's purging was again the primary contributor to overall zone file shrinkage in CNO in February.

Significant losses in market share were felt by Register.com (-90,123), BulkRegister (-39,593), CoreNIC (-38,545) and NameSecure (-25,393, or 12% of their installed base). For gainers, GoDaddy once again led the pack (+71,949) along with eNom (+47,772), DirectNIC (+41,162) and Tucows (+40,939).

Top Ten CNO Registrars

In the past we have ranked this table by the registrars' market share positions as they stood six months prior. With this issue we are changing the ranking order to the registrars' present market share positions because the new fluidity in the top ten table makes this view more meaningful.

A graphical view of the top ten registrars (Figure 3) illustrates the depth of VeriSign Registrar's and Register.com's loss in absolute registrations against the milder losses of CoreNIC and BulkRegister, and the gains of the other six (see Figure 2). In terms of percentage degradation of total registrations, VeriSign Registrar and CoreNIC were virtually neck-and-neck at a little more than 22% decline over the past six months, with Register.com in the same neighborhood, declining by 19.5%.

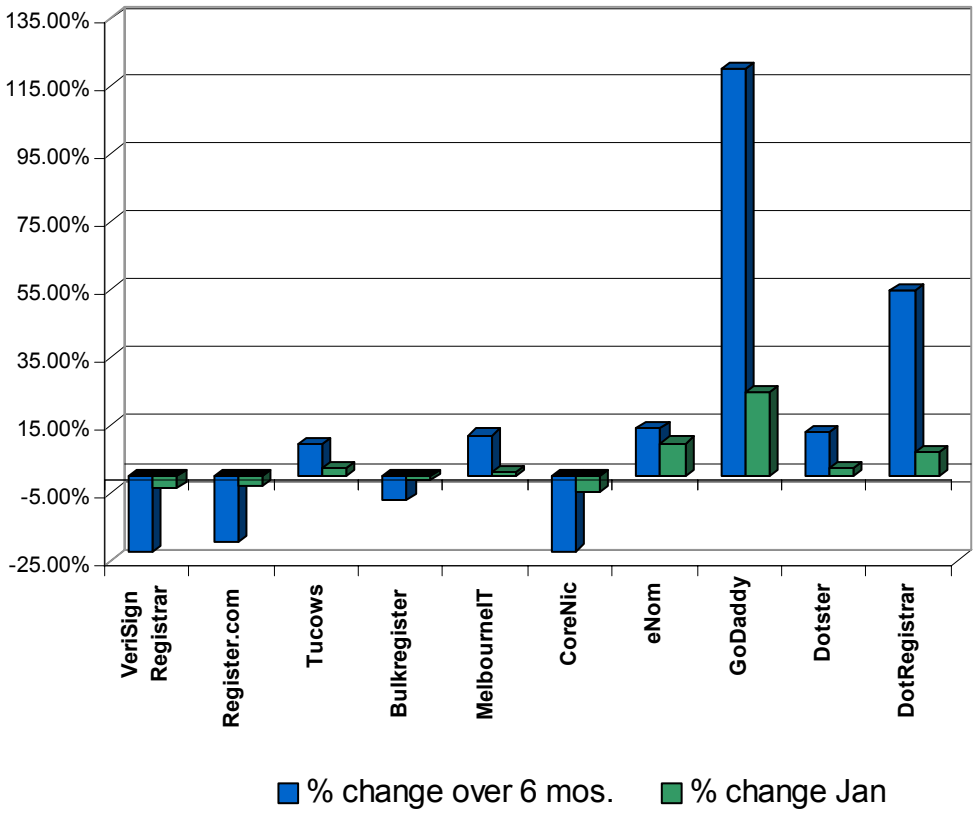
Taking the Up elevator, GoDaddy continues to blow away all others in rate of growth as well as growth in absolute number of names—clocking a 120% (343,000 names) increase over the past six months alone. DotRegistrar also showed impressive growth of 55% during the same period, but given its direct ownership ties to DomainCollection, one of the world's largest speculative portfolios, DotRegistrar's performance in comparison to registrars whose registrations are wholly attributed to external customers is a bit of an orange in a bushel of apples.

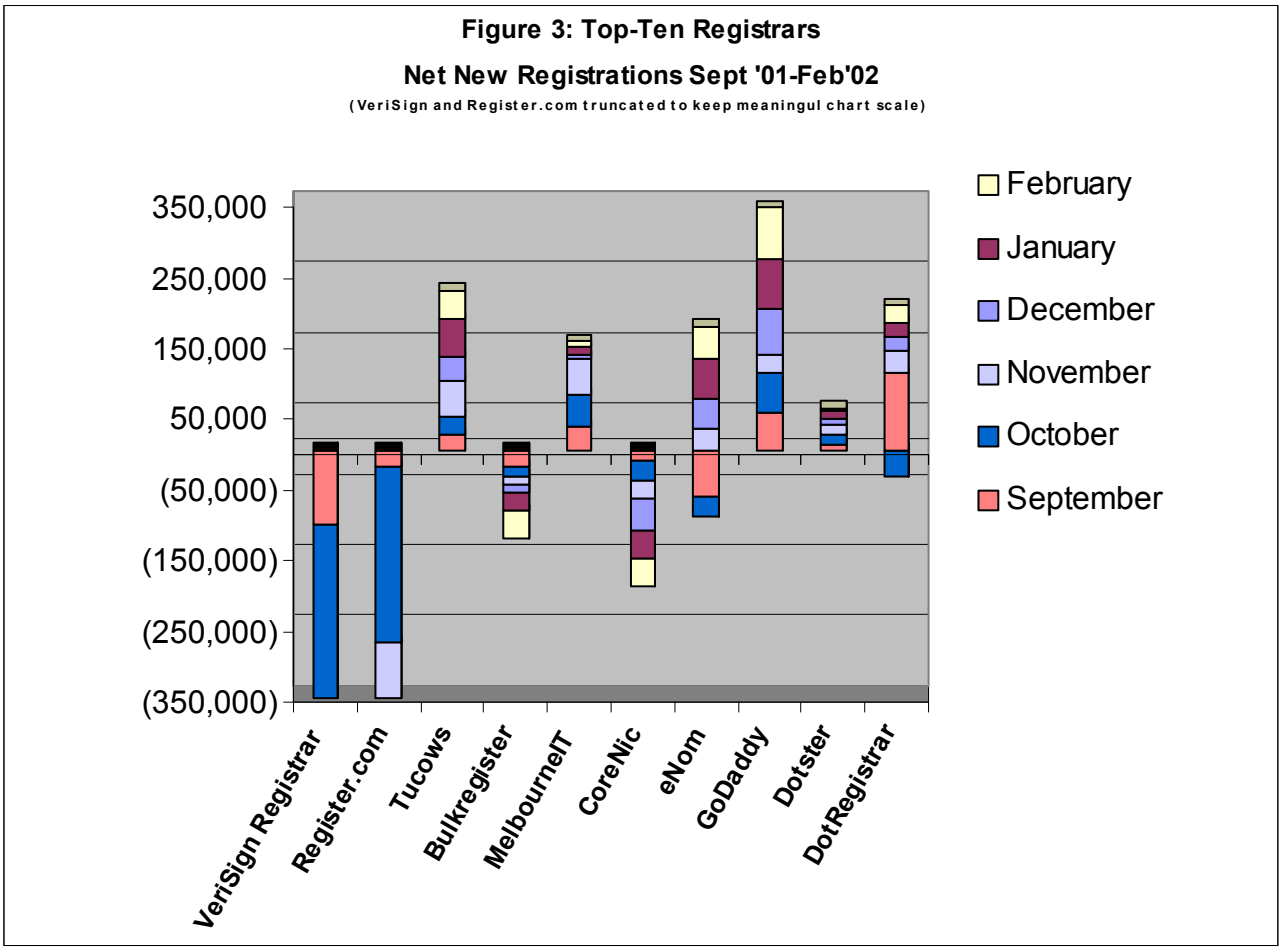
The CNO zone files have declined by 7.2% (2.2 million names) since September, with the top ten registrars declining at almost twice that rate: 12.6% (3.3 million names). In February, the top ten registrars represented 81.5% of all domain names in CNO, with 89 others representing the other 18.5%. VeriSign Registrar (incorporating Registrars.com), including the three acquired registrar accreditations of NameSecure, SRSPlus and NameEngine, remained the dominant player, owning 41% of the CNO market.

Table 1: Top Ten Registrars Gain/Loss (CNO / September 2001-February 2002)

Company	Sept	Oct	Nov	Dec	Jan	Feb	Aggregate	Sept Total	Feb Total	% Change
VeriSign Registrar	(106,761)	(253,931)	(375,107)	(1,300,267)	(538,353)	(767,553)	(3,341,972)	14,933,223	11,591,251	**-22.4%**
Register.com	(24,001)	(249,168)	(135,622)	(85,566)	(105,745)	(90,123)	(690,225)	3,538,005	2,847,780	**-19.5%**
Tucows	20,548	27,582	48,332	35,295	53,363	40,939	226,059	2,500,135	2,726,194	**9.0%**
Bulkregister	(24,839)	(12,143)	(11,351)	(11,062)	(25,857)	(39,593)	(124,845)	1,678,692	1,553,847	**-7.4%**
MelbourneIT	32,871	44,162	52,546	4,105	11,558	9,507	154,749	1,295,367	1,450,116	**11.9%**
CoreNic	(16,114)	(26,842)	(25,552)	(44,605)	(41,189)	(38,545)	(192,847)	866,216	673,369	**-22.3%**
eNom	(67,058)	(27,460)	31,260	40,494	55,954	47,772	80,962	583,428	664,390	**13.9%**
GoDaddy	52,680	55,302	26,111	66,682	70,272	71,949	342,996	284,763	657,135	**120.4%**
Dotster	7,684	12,594	14,729	10,405	10,054	3,675	59,141	466,336	525,477	**12.7%**
DotRegistrar	108,053	(37,775)	33,279	18,463	20,985	23,089	166,094	303,147	469,241	**54.8%**
Totals	**(16,937)**	**(467,679)**	**(341,375)**	**(1,266,056)**	**(488,958)**	**(738,883)**	**(3,319,888)**	**26,449,312**	**23,158,800**	**-12.6%**
Volatility Analysis	Sept	Oct	Nov	Dec	Jan	Feb				
CNO Zone File Count	30,675,536	30,571,212	30,307,916	29,271,104	29,027,122	28,451,771		30,675,536	28,451,771	-7.2%
Change in CNO Zone File	(224,407)	(104,324)	(263,296)	(1,036,812)	(243,982)	(575,351)			(2,223,765)	

Figure 2: Top-Ten Registrars' %Gain/Loss in Net New Registrations Sept '01 - Feb '01





Please note that VeriSign Registrar and Register.com are truncated in Figure 3 in order to retain a meaningful scale against the other eight registrars. VeriSign's actual loss in net new registrations (CNO) over the past six months was –3.34M, while Register.com's was -690K.

BIZ and INFO Recap

With only about 30,000 new names added to each the BIZ and INFO registries in February, there is very little of interest to report in the registrar market share numbers this month. Both registries appear to be slowing in growth rate from about 1,500 to about 1,000 names per day.

In terms of namespace utilization, there is little evidence that more than a few web sites are actually live yet in the BIZ and INFO realm—probably in the range of only 1% to 2% of the 1.3M+ names in these two registries at this moment in time. (SnapNames hopes to goose the adoption rate a bit by placing the soon-to-launch *State of the Domain* website at www.sotd.info—check it out after April 1). In future *Executive* and *Analyst Editions* of the *State of the Domain* report, expect to see the first-ever comprehensive namespace utilization studies.

Introducing NAME coverage

This month, we are introducing NAME registration data for the first time. Global Name Registry (GNR) launched the NAME gTLD on January 15 through a series of rolling "land rush" periods. Because NAME is currently operating in land rush mode, active names are processed in two-week batch cycles, with real time registrations scheduled to begin in late May. Our data reflects the batch sold through February 26, 2002 and processed as of March 12. Going forward, we expect to download the NAME zone file at the close of each month, as we do with the CNO, BIZ and INFO zones.

The Market Share column represents each registrar's market share of the registered names in the NAME zone file and does not include e-mail addresses, which are sold separately by GNR (of the new gTLDs, NAME is the only one in which e-mail addresses and domain names can be essentially "unbundled"). This allows for apples-to-apples comparisons to all the other gTLDs and will keep comparisons parallel next month, when we begin including NAME numbers in the CNOBIN market share table.

The Namespace column includes all NAME registrations in the zone file and all the e-mail addresses sold. Many registrars sell dual registrations (NAME e-mails bundled with NAME domain name addresses) and so for those registrars, the namespace number is exactly double the registration number. Some registrars, however, do not offer the e-mail product yet—for them, there is a no e-mail sales data.

NAME Recap

The NAME zone file showed 62,424 registered domains sold as of February 26, 2002. Out of 42 registrars represented, the top ten accounted for 84% of all registrations. Register.com and VeriSign Registrar currently hold the top two spots with 23.1% and 21.8% market share, respectively. MelbourneIT ranks third with 9.4%, followed by GoDaddy (6.9%) and Ascio (6.0%). SRSPlus (now owned by VeriSign) ranks sixth with 6.0% market share. The combination, along with NameEngine's .52% share and Registrars.com .25%, gives VeriSign a total of 27% of the NAME market, or just over 17,000 names.

GNR registered 44,256 e-mails from the January 15 launch through February 26, representing a 71% success rate in up-selling domain buyers the corresponding e-mail address. We expect NAME registrations to ramp slowly and steadily, unlike BIZ and INFO, which experienced significant growth initially and then tapered off. The milder adoption curve of NAME may be due to the personal nature of the NAME gTLD (large corporations will not be buying up NAME registrations in bulk in order to protect their brand spaces), and consumers' general fatigue with new TLDs.

CNOBI Recap

Compared to prior months, there was little growth in the number of new registrars promoting BIZ, INFO or CNO names in February. With new BIZ and INFO names representing an incremental monthly growth of only about 0.2% of the total CNO inventory, adding registrar market shares in BIZ and INFO to the overall rankings in CNO space causes no significant changes in the rankings of these registrars. In terms of active domain name registrations, BIZ, INFO and NAME together account for 4.5% of names in the major live gTLDs governed by ICANN.

6-Month Projection on Top Ten Registrars

In January we predicted that the Top Ten Registrars table would soon see significant shifting if current trends were to continue. February's results verified these trend lines, so unless major changes occur, we expect the top ten to appear within six months as follows:

Table 2: Top Ten Ranking Predictions

Rank	Present	Q3/Q4 2002 Prediction
1	VeriSign Registrar	VeriSign Registrar
2	Register.com	OpenSRS/Tucows
3	OpenSRS/Tucows	Register.com
4	BulkRegister	MelbourneIT
5	MelbourneIT	BulkRegister
6	CoreNIC	GoDaddy
7	eNom	eNom
8	GoDaddy	DirectNIC
9	Dotster	Schlund.de
10	DotRegistrar	DotRegistrar

Trend refinements in the bottom half of the table led us to bump up DirectNIC's projected ranking (the company would already be considered the sixth-largest registrar if one were to also count all its customers who still appear under the Tucows accreditation from their days as a reseller). Dotster's growth rate has slowed enough that we now project it may no longer be on this table within six months, allowing Schlund.de the possibility of rising back into the top ten ranks once again.

Table 3: Total Registrations per gTLD (CNO, INFO, BIZ / February 2002)

gTLD	Registrations		Change
	As of 1/31/02	As of 2/28/02	Net
COM	22,610,316	22,187,641	**(422,675)**
NET	3,953,210	3,846,007	**(107,203)**
ORG	2,468,091	2,418,123	**(49,968)**
CNO Total	**29,031,617**	**28,451,771**	**(579,846)**
BIZ	520,274	554,638	**34,364**
INFO	711,758	740,559	**28,801**
NAME	NA	62,334 *	NA
Totals	**30,263,649**	**29,809,302**	**(454,347)**

* = Reflects registrations sold as of 2/26/02 and processed 3/12/02

Technical Note: There is sometimes a discrepancy between the total number of names in the zone files (above) and the total number of names reported in the registrar market share section. The reason for this difference is that the registrar totals require about a week of compilation time, and during that time additional names are added or deleted. While zone file statistics are a one-time snapshot on the day quoted, registrar totals are more a moving target, and thus the gap in the two sets of figures. Slow Whois server response time can also lengthen compilation time, making the gap more acute than normal.

Registrars by Market Share of Current Registrations: CNO / February 2002

Company	Rank		Market Share		Registrations		Change
	Jan	Feb	Jan	Feb	Jan	Feb	Net
Verisign Registrar **	1	**1**	42.61%	40.76%	12,358,804	11,591,251	(767,553)
Register.com	2	**2**	10.13%	10.01%	2,937,903	2,847,780	(90,123)
Tucows	3	**3**	9.26%	9.59%	2,685,255	2,726,194	40,939
Bulkregister	4	**4**	5.49%	5.46%	1,593,440	1,553,847	(39,593)
MelbourneIT	5	**5**	4.97%	5.10%	1,440,609	1,450,116	9,507
CoreNic	6	**6**	2.45%	2.37%	711,914	673,369	(38,545)
eNom	7	**7**	2.13%	2.34%	616,618	664,390	47,772
GoDaddy	8	**8**	2.02%	2.31%	585,186	657,135	71,949
Dotster	9	**9**	1.80%	1.85%	521,802	525,477	3,675
DotRegistrar	11	**10**	1.54%	1.65%	446,152	469,241	23,089
Schlund.de	10	**11**	1.55%	1.63%	449,383	462,725	13,342
DirectNIC.com	12	**12**	1.38%	1.55%	400,203	441,365	41,162
Joker.com	13	**13**	1.34%	1.44%	387,494	410,148	22,654
Domain Discover	14	**14**	1.20%	1.27%	348,383	362,184	13,801
GANDI	15	**15**	1.01%	1.07%	293,477	303,234	9,757
EasySpace	16	**16**	0.95%	0.97%	276,613	275,532	(1,081)
ItsYourDomain	19	**17**	0.77%	0.83%	222,439	235,647	13,208
Domain Bank	18	**18**	0.79%	0.80%	230,252	228,366	(1,886)
NameSecure	17	**19**	0.84%	0.77%	243,937	218,544	(25,393)
Stargate	20	**20**	0.51%	0.55%	146,810	157,114	10,304
OnlineNIC	22	**21**	0.46%	0.50%	133,556	143,284	9,728
DomainPeople	21	**22**	0.47%	0.48%	137,430	135,645	(1,785)
Discount Domain	23	**23**	0.43%	0.44%	125,202	126,360	1,158
Names4Ever	24	**24**	0.41%	0.44%	119,346	124,657	5,311
YesNIC	25	**25**	0.39%	0.41%	112,885	116,540	3,655
AIT Domains.com	26	**26**	0.35%	0.35%	101,119	100,184	(935)
NamesDirect	28	**27**	0.30%	0.32%	86,866	91,734	4,868
IARegistry	27	**28**	0.30%	0.31%	87,153	89,248	2,095
Paycenter	29	**29**	0.28%	0.30%	81,847	85,310	3,463
Doregi	30	**30**	0.27%	0.27%	78,147	77,959	(188)
GKG.net	31	**31**	0.26%	0.27%	74,219	77,526	3,307
Ascio	32	**32**	0.23%	0.25%	67,477	70,131	2,654
Alldomains.com	33	**33**	0.22%	0.23%	63,636	66,289	2,653
Name7.com	34	**34**	0.21%	0.22%	60,442	63,216	2,774
Nordnet	36	**35**	0.19%	0.20%	53,687	57,510	3,823
EPAG Enter-Price Multimedia AG	37	**36**	0.18%	0.19%	51,006	54,301	3,295
Netpia	35	**37**	0.19%	0.19%	54,921	53,582	(1,339)
dotearth	38	**38**	0.17%	0.17%	49,978	47,332	(2,646)
Active ISP	41	**39**	0.13%	0.15%	36,353	43,313	6,960
Tmagnic.net	42	**40**	0.12%	0.13%	34,681	37,840	3,159
Awregistry	40	**41**	0.13%	0.13%	36,533	36,293	(240)
SignatureDomains	39	**42**	0.13%	0.12%	38,128	33,562	(4,566)
Interdomain	46	**43**	0.09%	0.10%	27,020	28,585	1,565
PSI-Japan	44	**44**	0.10%	0.10%	28,070	28,472	402
DomainInfo	43	**45**	0.10%	0.10%	29,296	28,425	(871)
Parava.net	45	**46**	0.10%	0.10%	27,966	27,211	(755)
Namescout	47	**47**	0.08%	0.09%	24,056	25,938	1,882
TotalNIC	48	**48**	0.08%	0.09%	22,150	25,511	3,361
Catalog.com	49	**49**	0.08%	0.08%	21,997	23,477	1,480
TotalRegistrations	51	**50**	0.07%	0.08%	20,233	22,582	2,349
Oleane	50	**51**	0.07%	0.08%	20,928	21,676	748

Registrars by Market Share of Current Registrations: CNO / February 2002

Company	Rank		Market Share		Registrations		Change
	Jan	Feb	Jan	Feb	Jan	Feb	Net
Namebay	52	**52**	0.07%	0.08%	18,894	21,333	2,439
NetNames	55	**53**	0.05%	0.06%	14,759	17,563	2,804
Domainsite.com	53	**54**	0.05%	0.06%	15,148	15,973	825
eNameCo	54	**55**	0.05%	0.05%	14,796	15,343	547
1stDomain.Net	56	**56**	0.04%	0.05%	12,495	12,908	413
DomainRG	57	**57**	0.04%	0.04%	11,180	11,277	97
SRSplus	60	**58**	0.03%	0.04%	7,873	11,185	3,312
Domini. It	58	**59**	0.03%	0.03%	8,577	8,658	81
Nominate.net	59	**60**	0.03%	0.03%	8,312	8,642	330
RRP Proxy	62	**61**	0.02%	0.03%	6,780	7,817	1,037
BookMyName	61	**62**	0.02%	0.03%	6,896	7,300	404
DomainZoo	63	**63**	0.02%	0.02%	6,207	6,704	497
Planet Domain	67	**64**	0.02%	0.02%	5,110	6,320	1,210
Omnis.com	66	**65**	0.02%	0.02%	5,476	6,107	631
NameEngine	64	**66**	0.02%	0.02%	5,712	5,963	251
Secura-GmbH	65	**67**	0.02%	0.02%	5,572	5,683	111
DirectI.com	73	**68**	0.01%	0.02%	3,482	5,348	1,866
shop4domain.com	68	**69**	0.02%	0.02%	4,427	5,034	607
Address Creation	70	**70**	0.01%	0.02%	4,055	4,367	312
ID Registry	69	**71**	0.01%	0.01%	4,103	4,119	16
Compuserve	71	**72**	0.01%	0.01%	3,988	4,026	38
Eastcom.com	72	**73**	0.01%	0.01%	3,807	3,494	(313)
Globedom	83	**74**	0.00%	0.01%	1,330	2,838	1,508
MrDomReg.com	74	**75**	0.01%	0.01%	2,683	2,826	143
eMarkmonitor	80	**76**	0.01%	0.01%	1,659	2,527	868
Domaindomain.com	75	**77**	0.01%	0.01%	2,446	2,445	(1)
InterAccess	76	**78**	0.01%	0.01%	2,317	2,356	39
Bluehill.com	81	**79**	0.01%	0.01%	1,624	2,108	484
123Registration	78	**80**	0.01%	0.01%	1,978	2,098	120
VirtualInternet	77	**81**	0.01%	0.01%	2,067	2,092	25
Nominalia	79	**82**	0.01%	0.01%	1,724	1,728	4
Web Express	82	**83**	0.01%	0.01%	1,455	1,687	232
eNetRegistry	84	**84**	0.00%	0.00%	819	788	(31)
Corporate Domains	86	**85**	0.00%	0.00%	555	652	97
pAsia	85	**86**	0.00%	0.00%	603	600	(3)
Registration Technologies	87	**87**	0.00%	0.00%	295	325	30
#1DomainNamesInternational	88	**88**	0.00%	0.00%	275	300	25
NameSystem	89	**89**	0.00%	0.00%	149	149	0
000domains	91	**90**	0.00%	0.00%	80	136	56
RGNames.com	90	**91**	0.00%	0.00%	96	108	12
Namesbeyond.com	96	**92**	0.00%	0.00%	3	29	26
trustnames.net	92	**93**	0.00%	0.00%	43	23	(20)
Alice's Registry	93	**94**	0.00%	0.00%	15	18	3
*DomainCity **		**95**		0.00%		16	16
NameTree	94	**96**	0.00%	0.00%	10	10	0
*Topnet **		**97**		0.00%		8	8
Talk.com	95	**98**	0.00%	0.00%	4	3	(1)
*T-Systems **		**99**	0.00%	0.00%		2	2
	Totals		**100%**	**100%**	**29,002,881**	**28,438,388**	**(564,493)**

* = New to CNO this Month

** = Registrars.com CNO registrations have been combined with Verisign Registrar registrations to reflect the transfer of the CNO accreditation during the month of February.

Registrars by Market Share of Current Registrations: BIZ / February 2002

Company	Rank		Market Share		Registrations		Change
	Jan	Feb	Jan	Feb	Jan	Feb	Net
Verisign Registrar	1	**1**	21.52%	21.47%	111,929	118,671	6,742
Register.com	2	**2**	11.34%	11.30%	58,972	62,447	3,475
Tucows	3	**3**	7.97%	8.12%	41,468	44,876	3,408
MelbourneIT	4	**4**	5.77%	5.88%	29,986	32,489	2,503
Schlund.de	5	**5**	4.84%	4.79%	25,153	26,479	1,326
eNom	7	**6**	3.63%	3.76%	18,898	20,752	1,854
Bulkregister	6	**7**	3.73%	3.68%	19,401	20,357	956
DotRegistrar	8	**8**	3.57%	3.45%	18,571	19,076	505
GoDaddy	9	**9**	2.75%	2.90%	14,311	16,023	1,712
DirectNIC.com	10	**10**	2.68%	2.79%	13,957	15,412	1,455
CoreNic	11	**11**	2.32%	2.31%	12,047	12,783	736
Ascio	12	**12**	2.24%	2.21%	11,657	12,216	559
Joker.com	13	**13**	2.12%	2.14%	11,036	11,832	796
SRSplus	14	**14**	1.97%	1.92%	10,250	10,635	385
Dotster	16	**15**	1.81%	1.82%	9,429	10,085	656
Registrars.com	15	**16**	1.90%	1.79%	9,884	9,897	13
VirtualInternet	17	**17**	1.52%	1.45%	7,912	8,026	114
YesNIC	18	**18**	1.43%	1.40%	7,445	7,728	283
Domain Discover	19	**19**	1.36%	1.35%	7,084	7,448	364
Name7.com	20	**20**	1.06%	1.06%	5,521	5,837	316
DomainDiscount24	21	**21**	1.03%	1.00%	5,375	5,553	178
DomainPeople	22	**22**	0.82%	0.80%	4,264	4,419	155
Domain Bank	23	**23**	0.78%	0.76%	4,034	4,220	186
EasySpace	26	**24**	0.64%	0.66%	3,346	3,649	303
ItsYourDomain	29	**25**	0.56%	0.66%	2,938	3,642	704
DomainInfo	25	**26**	0.65%	0.64%	3,387	3,537	150
NetNames	28	**27**	0.59%	0.62%	3,067	3,443	376
Corporate Domains	24	**28**	0.66%	0.62%	3,408	3,410	2
Alldomains.com	27	**29**	0.63%	0.62%	3,287	3,399	112
Netpia	30	**30**	0.56%	0.54%	2,893	2,968	75
1stDomain.Net	31	**31**	0.47%	0.45%	2,452	2,461	9
Namebay	32	**32**	0.41%	0.41%	2,136	2,268	132
Nominalia	34	**33**	0.39%	0.39%	2,016	2,172	156
Namescout	33	**34**	0.40%	0.39%	2,071	2,135	64
TotalRegistrations	37	**35**	0.37%	0.38%	1,937	2,114	177
Discount Domain	35	**36**	0.39%	0.38%	2,005	2,111	106
OnlineNIC	36	**37**	0.37%	0.38%	1,943	2,088	145
Nordnet	38	**38**	0.35%	0.35%	1,835	1,917	82
eNameCo	39	**39**	0.35%	0.33%	1,802	1,841	39
NameSecure	41	**40**	0.31%	0.32%	1,604	1,782	178
Secura-GmbH	40	**41**	0.33%	0.32%	1,725	1,775	50
Doregi	42	**42**	0.28%	0.28%	1,473	1,525	52
Names4Ever	44	**43**	0.25%	0.26%	1,280	1,459	179
000domains	45	**44**	0.24%	0.25%	1,260	1,369	109
NameEngine	43	**45**	0.26%	0.24%	1,351	1,350	(1)
eMarkmonitor	46	**46**	0.24%	0.22%	1,223	1,230	7
BookMyName	47	**47**	0.20%	0.19%	1,017	1,039	22
DirectI.com	48	**48**	0.17%	0.17%	884	932	48
IARegistry	49	**49**	0.15%	0.15%	793	822	29

Registrars by Market Share of Current Registrations: BIZ / February 2002

Company	Rank		Market Share		Registrations		Change
	Jan	Feb	Jan	Feb	Jan	Feb	Net
123Registration	50	**50**	0.15%	0.15%	789	817	28
Parava.net	51	**51**	0.14%	0.14%	720	784	64
Catalog.com	53	**52**	0.13%	0.13%	660	725	65
#1DomainNamesInternational	52	**53**	0.13%	0.13%	695	692	(3)
Cronon	56	**54**	0.10%	0.11%	496	630	134
RegistrarsAsia.com	54	**55**	0.11%	0.11%	575	581	6
AIT Domains.com	55	**56**	0.10%	0.10%	521	558	37
Bluehill.com	57	**57**	0.08%	0.08%	414	451	37
SignatureDomains	58	**58**	0.07%	0.07%	361	373	12
Interdomain	60	**59**	0.06%	0.07%	336	366	30
dotearth	61	**60**	0.06%	0.06%	327	355	28
RGNames.com	59	**61**	0.07%	0.06%	343	347	4
PSI-Japan	62	**62**	0.06%	0.06%	319	332	13
ChinaDNS	65	**63**	0.06%	0.06%	290	311	21
Nominate.net	63	**64**	0.06%	0.06%	304	309	5
DomainRG	64	**65**	0.06%	0.05%	292	292	0
Galcomm	66	**66**	0.05%	0.05%	264	264	0
007Names	67	**67**	0.04%	0.04%	234	240	6
ID Registry	68	**68**	0.02%	0.02%	112	114	2
Address Creation	70	**69**	0.01%	0.02%	66	95	29
PhillipineRegistry	69	**70**	0.02%	0.02%	85	93	8
Globedom	72	**71**	0.01%	0.01%	28	55	27
Awregistry	71	**72**	0.01%	0.01%	43	54	11
Omnis.com	74	**73**	0.00%	0.01%	13	48	35
DomainZoo	73	**74**	0.00%	0.00%	17	26	9
RegistryRegistrar	75	**75**	0.00%	0.00%	8	8	0
Transpac	76	**76**	0.00%	0.00%	3	4	1
Harleyzo-USA	77	**77**	0.00%	0.00%	1	1	0
Totals			**100%**	**100%**	**520,033**	**552,624**	**32,591**

Registrars by Market Share of Current Registrations: INFO / February 2002

Company	Rank		Market Share		Registrations		Change
	Jan	Feb	Jan	Feb	Jan	Feb	Net
Schlund.de	1	**1**	13.74%	13.55%	97,756	100,306	2,550
Verisign Registrar	2	**2**	8.92%	9.22%	63,446	68,255	4,809
Tucows	3	**3**	8.33%	8.43%	59,242	62,405	3,163
Register.com	4	**4**	8.05%	8.08%	57,247	59,790	2,543
Ascio	5	**5**	4.50%	4.40%	32,004	32,557	553
CoreNic	6	**6**	4.38%	4.39%	31,168	32,532	1,364
MelbourneIT	7	**7**	4.12%	4.20%	29,332	31,080	1,748
DirectNIC.com	8	**8**	3.72%	3.70%	26,485	27,368	883
Joker.com	9	**9**	3.64%	3.61%	25,881	26,688	807
eNom	11	**10**	3.12%	3.26%	22,166	24,166	2,000
Bulkregister	10	**11**	3.19%	3.14%	22,663	23,243	580
Registrars.com	12	**12**	2.99%	2.88%	21,284	21,316	32
GoDaddy	13	**13**	2.03%	2.09%	14,413	15,480	1,067
NamesDirect	14	**14**	1.78%	1.71%	12,671	12,672	1
NameZero	15	**15**	1.69%	1.62%	12,013	12,013	0
EPAG Enter-Price Multimedia AG	16	**16**	1.63%	1.60%	11,601	11,823	222
DomainDiscount24	17	**17**	1.32%	1.31%	9,424	9,720	296
DomainPeople	18	**18**	1.26%	1.23%	8,976	9,117	141
Domain Bank	19	**19**	1.24%	1.21%	8,792	8,963	171
SRSplus	20	**20**	1.18%	1.18%	8,400	8,711	311
Dotster	21	**21**	1.16%	1.17%	8,229	8,653	424
NameSecure	22	**22**	1.11%	1.08%	7,903	8,011	108
VirtualInternet	23	**23**	0.99%	0.96%	7,069	7,123	54
EasySpace	24	**24**	0.88%	0.87%	6,268	6,476	208
Domain Discover	25	**25**	0.85%	0.86%	6,038	6,360	322
TotalRegistrations	26	**26**	0.85%	0.83%	6,029	6,135	106
ItsYourDomain	27	**27**	0.73%	0.82%	5,180	6,095	915
GANDI	28	**28**	0.70%	0.78%	4,967	5,749	782
Alldomains.com	30	**29**	0.64%	0.63%	4,579	4,676	97
YesNIC	29	**30**	0.65%	0.63%	4,603	4,663	60
DomainInfo	31	**31**	0.61%	0.61%	4,366	4,530	164
Secura-GmbH	32	**32**	0.59%	0.57%	4,183	4,256	73
Discount Domain	35	**33**	0.54%	0.54%	3,832	4,006	174
DotRegistrar	36	**34**	0.52%	0.54%	3,679	3,981	302
dotearth	33	**35**	0.56%	0.54%	3,965	3,978	13
1stDomain.Net	34	**36**	0.54%	0.52%	3,847	3,837	(10)
NetNames	38	**37**	0.49%	0.51%	3,483	3,805	322
Globedom	37	**38**	0.50%	0.49%	3,574	3,642	68
Nordnet	39	**39**	0.48%	0.47%	3,431	3,483	52
Name7.com	40	**40**	0.47%	0.47%	3,364	3,455	91
eNameCo	41	**41**	0.41%	0.40%	2,937	2,954	17
Namebay	42	**42**	0.36%	0.36%	2,584	2,658	74
Nominalia	43	**43**	0.33%	0.33%	2,333	2,452	119
Parava.net	44	**44**	0.30%	0.29%	2,131	2,165	34
Namescout	45	**45**	0.29%	0.28%	2,037	2,083	46
NameEngine	46	**46**	0.27%	0.26%	1,918	1,927	9
OnlineNIC	47	**47**	0.25%	0.25%	1,786	1,858	72
Names4Ever	50	**48**	0.22%	0.23%	1,581	1,674	93
eMarkmonitor	48	**49**	0.23%	0.22%	1,634	1,643	9

Registrars by Market Share of Current Registrations: INFO / February 2002

Company	Rank		Market Share		Registrations		Change
	Jan	Feb	Jan	Feb	Jan	Feb	Net
Registration Technologies	49	**50**	0.23%	0.22%	1,623	1,618	(5)
Netpia	51	**51**	0.19%	0.18%	1,347	1,363	16
Doregi	52	**52**	0.18%	0.18%	1,301	1,315	14
#1DomainNamesInternational	53	**53**	0.18%	0.17%	1,279	1,262	(17)
Cronon	57	**54**	0.13%	0.17%	958	1,230	272
DomainZoo	54	**55**	0.15%	0.14%	1,049	1,058	9
000domains	56	**56**	0.14%	0.14%	993	1,048	55
ID Registry	55	**57**	0.14%	0.13%	998	998	0
DirectI.com	58	**58**	0.12%	0.12%	851	871	20
AIT Domains.com	59	**59**	0.12%	0.12%	844	865	21
RGNames.com	60	**60**	0.11%	0.10%	778	777	(1)
SignatureDomains	61	**61**	0.11%	0.10%	757	768	11
PSI-Japan	62	**62**	0.10%	0.10%	728	739	11
123Registration	63	**63**	0.08%	0.08%	562	567	5
Bluehill.com	65	**64**	0.08%	0.08%	547	561	14
AAAQ.com	64	**65**	0.08%	0.07%	552	533	(19)
Interdomain	66	**66**	0.07%	0.07%	511	529	18
RegistrarsAsia.com	67	**67**	0.07%	0.07%	499	505	6
Catalog.com	69	**68**	0.06%	0.06%	413	469	56
007Names	68	**69**	0.06%	0.06%	415	416	1
Nominate.net	70	**70**	0.05%	0.05%	377	382	5
Galcomm	71	**71**	0.04%	0.04%	259	286	27
BestRegistrar	72	**72**	0.03%	0.03%	242	255	13
Awregistry	74	**73**	0.03%	0.03%	230	241	11
Alice's Registry	73	**74**	0.03%	0.03%	238	237	(1)
Corporate Domains	75	**75**	0.03%	0.03%	214	233	19
Address Creation	76	**76**	0.02%	0.02%	136	142	6
BookMyName	77	**77**	0.01%	0.01%	91	111	20
Omnis.com	79	**78**	0.01%	0.01%	79	100	21
DomainPro, Inc.	80	**79**	0.01%	0.01%	60	100	40
Sitename.com	78	**80**	0.01%	0.01%	84	85	1
Misc	82	**81**	0.00%	0.01%	1	41	40
DomainRG	81	**82**	0.00%	0.00%	26	26	0
TotalNIC		**83**	0.00%	0.00%		17	17
Active ISP		**84**	0.00%	0.00%		1	1
*Misc **		**85**	0.00%	0.00%		1	1
	Totals		**100%**	**100%**	**711,536**	**740,283**	**28,747**

* = Unidentified Registrar

Registrars by Market Share of Current Registrations: NAME / February 2002 [*]

Company	Rank	Registrations Feb	Market share Feb	E-mail Addresses	Total Namespace
Register.com	**1**	14,412	23.09%	14,412	28,824
Verisign Registrar	**2**	13,608	21.80%	13,594	27,202
MelbourneIT	**3**	5,873	9.41%	415	6,288
GoDaddy	**4**	4,319	6.92%	-	4,319
Ascio	**5**	3,714	5.95%	3,374	7,088
SRSplus	**6**	2,936	4.70%	2,936	5,872
Alldomains.com	**7**	2,531	4.05%	1,515	4,046
Namescout	**8**	1,958	3.14%	1,950	3,908
Tucows	**9**	1,753	2.81%	331	2,084
YesNIC	**10**	1,357	2.17%	84	1,441
DomainPeople	**11**	987	1.58%	756	1,743
Dotster	**12**	975	1.56%	102	1,077
DirectNIC.com	**13**	963	1.54%	613	1,576
TotalRegistrations	**14**	894	1.43%	627	1,521
Bulkregister	**15**	656	1.05%	372	1,028
123Registration	**16**	650	1.04%	538	1,188
1stDomain.Net	**17**	538	0.86%	384	922
Discount Domain	**18**	415	0.66%	415	830
CoreNic	**19**	406	0.65%	361	767
EasySpace	**20**	389	0.62%	202	591
NameEngine	**21**	324	0.52%	-	324
Nominalia	**22**	311	0.50%	109	420
Domain Discover	**23**	304	0.49%	304	608
DomainProcessor.com	**24**	283	0.45%	-	283
Internetters	**25**	247	0.40%	29	276
DomainDiscount25	**26**	190	0.30%	106	296
NetNames	**27**	178	0.29%	26	204
Registrars.com	**28**	157	0.25%	113	270
Name7.com	**29**	150	0.24%	140	290
BookMyName	**30**	139	0.22%	-	139
Registration Technologies	**31**	125	0.20%	102	227
Secura-GmbH	**32**	121	0.19%	101	222
Names4Ever	**33**	118	0.19%	108	226
Global Name Registry	**34**	108	0.17%	-	108
OnlineNIC	**35**	105	0.17%	-	105
eMarkmonitor	**36**	77	0.12%	22	99
DotRegistrar	**37**	62	0.10%	62	124
Namebay	**38**	40	0.06%	40	80
eNom	**39**	33	0.05%	-	33
Catalog.com	**40**	12	0.02%	12	24
Interdomain	**41**	3	0.00%	1	4
007Names	**42**	3	0.00%	-	3
Totals		**62,424**	**100%**	**44,256**	**106,680**

* = The NAME data includes registration and e-mails sold through Feb 26 and processed as of March 12. Market share has been calculated using the registration data and does not include e-mail addresses. See the "February 2002 Market Overview" section of this report for a detailed explanation of the data.

Registrars by Market Share of Current Registrations: CNOBI / February 2002

Company	Rank		Market Share		Registrations		Change
	Jan	Feb	Jan	Feb	Jan	Feb	Net
Verisign Registrar **	1	**1**	41.56%	39.72%	12,565,347	11,809,390	(755,957)
Register.com	2	**2**	10.10%	9.99%	3,054,122	2,970,017	(84,105)
Tucows	3	**3**	9.21%	9.53%	2,785,965	2,833,475	47,510
Bulkregister	4	**4**	5.41%	5.37%	1,635,504	1,597,447	(38,057)
MelbourneIT	5	**5**	4.96%	5.09%	1,499,927	1,513,685	13,758
CoreNic	6	**6**	2.50%	2.42%	755,129	718,684	(36,445)
eNom	7	**7**	2.18%	2.39%	657,682	709,308	51,626
GoDaddy	8	**8**	2.03%	2.32%	613,910	688,638	74,728
Schlund.de	9	**9**	1.89%	1.98%	572,292	589,510	17,218
Dotster	10	**10**	1.78%	1.83%	539,460	544,215	4,755
DotRegistrar	11	**11**	1.55%	1.66%	468,402	492,298	23,896
DirectNIC.com	12	**12**	1.46%	1.63%	440,645	484,145	43,500
Joker.com	13	**13**	1.40%	1.51%	424,411	448,668	24,257
Domain Discover	14	**14**	1.20%	1.26%	361,505	375,992	14,487
GANDI	15	**15**	0.99%	1.04%	298,444	308,983	10,539
EasySpace	16	**16**	0.95%	0.96%	286,227	285,657	(570)
ItsYourDomain	19	**17**	0.76%	0.83%	230,557	245,384	14,827
Domain Bank	18	**18**	0.80%	0.81%	243,078	241,549	(1,529)
NameSecure	17	**19**	0.84%	0.77%	253,444	228,337	(25,107)
Stargate	21	**20**	0.49%	0.53%	146,810	157,114	10,304
DomainPeople	20	**21**	0.50%	0.50%	150,670	149,181	(1,489)
OnlineNIC	22	**22**	0.45%	0.50%	137,285	147,230	9,945
Discount Domain	23	**23**	0.43%	0.45%	131,039	132,477	1,438
YesNIC	24	**24**	0.41%	0.43%	124,933	128,931	3,998
Names4Ever	25	**25**	0.40%	0.43%	122,207	127,790	5,583
Ascio	26	**26**	0.37%	0.39%	111,138	114,904	3,766
NamesDirect	28	**27**	0.33%	0.35%	99,537	104,406	4,869
AIT Domains.com	27	**28**	0.34%	0.34%	102,484	101,607	(877)
IARegistry	29	**29**	0.29%	0.30%	87,946	90,070	2,124
Paycenter	30	**30**	0.27%	0.29%	81,847	85,310	3,463
Doregi	31	**31**	0.27%	0.27%	80,921	80,799	(122)
GKG.net	32	**32**	0.25%	0.26%	74,219	77,526	3,307
Alldomains.com	33	**33**	0.24%	0.25%	71,502	74,364	2,862
Name7.com	34	**34**	0.23%	0.24%	69,327	72,508	3,181
EPAG Enter-Price Multimedia AG	35	**35**	0.21%	0.22%	62,607	66,124	3,517
Nordnet	37	**36**	0.19%	0.21%	58,953	62,910	3,957
Netpia	36	**37**	0.20%	0.19%	59,161	57,913	(1,248)
dotearth	38	**38**	0.18%	0.17%	54,270	51,665	(2,605)
Active ISP	42	**39**	0.12%	0.15%	36,353	43,314	6,961
Tmagnic.net	43	**40**	0.11%	0.13%	34,681	37,840	3,159
Awregistry	41	**41**	0.12%	0.12%	36,806	36,588	(218)
DomainInfo	40	**42**	0.12%	0.12%	37,049	36,492	(557)
SignatureDomains	39	**43**	0.13%	0.12%	39,246	34,703	(4,543)
TotalRegistrations	46	**44**	0.09%	0.10%	28,199	30,831	2,632
SRSplus	49	**45**	0.09%	0.10%	26,523	30,531	4,008
Parava.net	44	**46**	0.10%	0.10%	30,817	30,160	(657)
Namescout	47	**47**	0.09%	0.10%	28,164	30,156	1,992
PSI-Japan	45	**48**	0.10%	0.10%	29,117	29,543	426
Interdomain	48	**49**	0.09%	0.10%	27,867	29,480	1,613
Namebay	50	**50**	0.08%	0.09%	23,614	26,259	2,645
TotalNIC	52	**51**	0.07%	0.09%	22,150	25,528	3,378
NetNames	53	**52**	0.07%	0.08%	21,309	24,811	3,502
Catalog.com	51	**53**	0.08%	0.08%	23,070	24,671	1,601

Registrars by Market Share of Current Registrations: CNOBI / February 2002

Company	Rank		Market Share		Registrations		Change
	Jan	Feb	Jan	Feb	Jan	Feb	Net
Oleane	54	**54**	0.07%	0.07%	20,928	21,676	748
eNameCo	55	**55**	0.06%	0.07%	19,535	20,138	603
1stDomain.Net	56	**56**	0.06%	0.06%	18,794	19,206	412
VirtualInternet	57	**57**	0.06%	0.06%	17,048	17,241	193
Domainsite.com	58	**58**	0.05%	0.05%	15,148	15,973	825
DomainDiscount24	59	**59**	0.05%	0.05%	14,799	15,273	474
NameZero	60	**60**	0.04%	0.04%	12,013	12,013	0
Secura-GmbH	62	**61**	0.04%	0.04%	11,480	11,714	234
DomainRG	61	**62**	0.04%	0.04%	11,498	11,595	97
Nominate.net	63	**63**	0.03%	0.03%	8,993	9,333	340
NameEngine	64	**64**	0.03%	0.03%	8,981	9,240	259
Domini. It	65	**65**	0.03%	0.03%	8,577	8,658	81
BookMyName	66	**66**	0.03%	0.03%	8,004	8,450	446
RRP Proxy	68	**67**	0.02%	0.03%	6,780	7,817	1,037
DomainZoo	67	**68**	0.02%	0.03%	7,273	7,788	515
DirectI.com	71	**69**	0.02%	0.02%	5,217	7,151	1,934
Globedom	74	**70**	0.02%	0.02%	4,932	6,535	1,603
Nominalia	69	**71**	0.02%	0.02%	6,073	6,352	279
Planet Domain	73	**72**	0.02%	0.02%	5,110	6,320	1,210
Omnis.com	70	**73**	0.02%	0.02%	5,568	6,255	687
eMarkmonitor	75	**74**	0.01%	0.02%	4,516	5,400	884
ID Registry	72	**75**	0.02%	0.02%	5,213	5,231	18
shop4domain.com	76	**76**	0.01%	0.02%	4,427	5,034	607
Address Creation	77	**77**	0.01%	0.02%	4,257	4,604	347
Corporate Domains	78	**78**	0.01%	0.01%	4,177	4,295	118
Compuserve	79	**79**	0.01%	0.01%	3,988	4,026	38
Eastcom.com	80	**80**	0.01%	0.01%	3,807	3,494	(313)
123Registration	81	**81**	0.01%	0.01%	3,329	3,482	153
Bluehill.com	83	**82**	0.01%	0.01%	2,585	3,120	535
MrDomReg.com	82	**83**	0.01%	0.01%	2,683	2,826	143
000domains	85	**84**	0.01%	0.01%	2,333	2,553	220
Domaindomain.com	84	**85**	0.01%	0.01%	2,446	2,445	(1)
InterAccess	86	**86**	0.01%	0.01%	2,317	2,356	39
#1DomainNamesInternational	87	**87**	0.01%	0.01%	2,249	2,254	5
Registration Technologies	88	**88**	0.01%	0.01%	1,918	1,943	25
Cronon	90	**89**	0.00%	0.01%	1,454	1,860	406
Web Express	89	**90**	0.00%	0.01%	1,455	1,687	232
RGNames.com	91	**91**	0.00%	0.00%	1,217	1,232	15
RegistrarsAsia.com	92	**92**	0.00%	0.00%	1,074	1,086	12
eNetRegistry	93	**93**	0.00%	0.00%	819	788	(31)
007Names	94	**94**	0.00%	0.00%	649	656	7
pAsia	95	**95**	0.00%	0.00%	603	600	(3)
Galcomm	97	**96**	0.00%	0.00%	523	550	27
AAAQ.com	96	**97**	0.00%	0.00%	552	533	(19)
ChinaDNS	98	**98**	0.00%	0.00%	290	311	21
Alice's Registry	99	**99**	0.00%	0.00%	253	255	2
BestRegistrar	100	**101**	0.00%	0.00%	242	255	13
NameSystem	101	**101**	0.00%	0.00%	149	149	0
DomainPro, Inc.	104	**102**	0.00%	0.00%	60	100	40
PhillipineRegistry	102	**103**	0.00%	0.00%	85	93	8
Sitename.com	103	**104**	0.00%	0.00%	84	85	1
Misc ^	112	**105**	0.00%	0.00%	1	50	49
Namesbeyond.com	109	**106**	0.00%	0.00%	3	29	26

Registrars by Market Share of Current Registrations: CNOBI / February 2002

Company	Rank		Market Share		Registrations		Change
	Jan	Feb	Jan	Feb	Jan	Feb	Net
trustnames.net	105	**107**	0.00%	0.00%	43	23	(20)
*DomainCity**		**108**	0.00%	0.00%	-	16	16
NameTree	106	**109**	0.00%	0.00%	10	10	0
RegistryRegistrar	107	**110**	0.00%	0.00%	8	8	0
Transpac	109	**111**	0.00%	0.00%	3	4	1
Talk.com	108	**112**	0.00%	0.00%	4	3	(1)
*T-Systems **		**113**	0.00%	0.00%	-	2	2
Harleyzo-USA	111	**114**	0.00%	0.00%	1	1	0
	Totals		**100%**	**100%**	**30,234,450**	**29,731,295**	**(503,155)**

* = New to CNOBI this Month

^ = Unidentified Registrar

* The CNOBI data for VeriSign Registrar reflects a combined 31,213 BIZ and INFO names that were registered through Registrars.com in February and a combined 31,168 in January. These numbers are shown separately in the BIZ and INFO tables since the BIZ and INFO accreditations for Registrars.com had not been transferred to VeriSign Registrar as of the end of February.

Registrar Market Share Gains & Losses: February 2002

As a % of January CNOBI Total

Company	% Change	Actual
GoDaddy	0.25%	74,728
eNom	0.17%	51,626
Tucows	0.16%	47,510
DirectNIC.com	0.14%	43,500
Joker.com	0.08%	24,257
DotRegistrar	0.08%	23,896
Schlund.de	0.06%	17,218
ItsYourDomain	0.05%	14,827
Domain Discover	0.05%	14,487
MelbourneIT	0.05%	13,758
GANDI	0.03%	10,539
Stargate	0.03%	10,304
OnlineNIC	0.03%	9,945
Active ISP	0.02%	6,961
Names4Ever	0.02%	5,583
NamesDirect	0.02%	4,869
Dotster	0.02%	4,755
SRSplus	0.01%	4,008
YesNIC	0.01%	3,998
Nordnet	0.01%	3,957
Ascio	0.01%	3,766
EPAG Enter-Price Multimedia AG	0.01%	3,517
NetNames	0.01%	3,502
Paycenter	0.01%	3,463
TotalNIC	0.01%	3,378
GKG.net	0.01%	3,307
Name7.com	0.01%	3,181
Tmagnic.net	0.01%	3,159
Alldomains.com	0.01%	2,862
Namebay	0.01%	2,645
TotalRegistrations	0.01%	2,632
IARegistry	0.01%	2,124
Namescout	0.01%	1,992
DirectI.com	0.01%	1,934
Interdomain	0.01%	1,613
Globedom	0.01%	1,603
Catalog.com	0.01%	1,601
Discount Domain	0.00%	1,438
Planet Domain	0.00%	1,210
RRP Proxy	0.00%	1,037
eMarkmonitor	0.00%	884
Domainsite.com	0.00%	825
Oleane	0.00%	748
Omnis.com	0.00%	687
shop4domain.com	0.00%	607
eNameCo	0.00%	603
Bluehill.com	0.00%	535
DomainZoo	0.00%	515

Registrar Market Share Gains & Losses: February 2002

As a % of January CNOBI Total

Company	% Change	Actual
DomainDiscount24	0.00%	474
BookMyName	0.00%	446
PSI-Japan	0.00%	426
1stDomain.Net	0.00%	412
Cronon	0.00%	406
Address Creation	0.00%	347
Nominate.net	0.00%	340
Nominalia	0.00%	279
NameEngine	0.00%	259
Secura-GmbH	0.00%	234
Web Express	0.00%	232
000domains	0.00%	220
VirtualInternet	0.00%	193
123Registration	0.00%	153
MrDomReg.com	0.00%	143
Corporate Domains	0.00%	118
DomainRG	0.00%	97
Domini. It	0.00%	81
Misc ^	0.00%	49
DomainPro, Inc.	0.00%	40
InterAccess	0.00%	39
Compuserve	0.00%	38
Galcomm	0.00%	27
Namesbeyond.com	0.00%	26
Registration Technologies	0.00%	25
ChinaDNS	0.00%	21
ID Registry	0.00%	18
*DomainCity**	0.00%	16
RGNames.com	0.00%	15
BestRegistrar	0.00%	13
RegistrarsAsia.com	0.00%	12
PhillipineRegistry	0.00%	8
007Names	0.00%	7
#1DomainNamesInternational	0.00%	5
Alice's Registry	0.00%	2
Sitename.com	0.00%	1
Transpac	0.00%	1
NameZero	0.00%	0
NameSystem	0.00%	0
NameTree	0.00%	0
RegistryRegistrar	0.00%	0
Harleyzo-USA	0.00%	0
Domaindomain.com	0.00%	(1)
Talk.com	0.00%	(1)
pAsia	0.00%	(3)
AAAQ.com	0.00%	(19)
trustnames.net	0.00%	(20)
eNetRegistry	0.00%	(31)

Registrar Market Share Gains & Losses: February 2002

As a % of January CNOBI Total

Company	% Change	Actual
Doregi	0.00%	(122)
Awregistry	0.00%	(218)
Eastcom.com	0.00%	(313)
DomainInfo	0.00%	(557)
EasySpace	0.00%	(570)
Parava.net	0.00%	(657)
AIT Domains.com	0.00%	(877)
Netpia	0.00%	(1,248)
DomainPeople	0.00%	(1,489)
Domain Bank	-0.01%	(1,529)
dotearth	-0.01%	(2,605)
SignatureDomains	-0.02%	(4,543)
NameSecure	-0.08%	(25,107)
CoreNic	-0.12%	(36,445)
Bulkregister	-0.13%	(38,057)
Register.com	-0.28%	(84,105)
Verisign Registrar **	-2.50%	(755,957)
Total		**(503,157)**

* = New to CNOBI this Month

^ = Unidentified Registrar

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Monthly Report

Things Fall Apart

Cameron Powell

Turning and turning in the widening gyre
The falcon cannot hear the falconer;
Things fall apart; the center cannot hold
Mere anarchy is loosed upon the world

-- W.B. Yeats, "The Second Coming"

The citizens of Ghana, in West Africa, are well known to be a friendly lot. Even their coups d'etat (of which there were about six between 1966 and 1981) have often been bloodless, and in most cases the coup leaders voluntarily returned power to a democratically elected government. Every few years in Ghana, one of Africa's first nations to achieve independence from colonial rule, some general, or in two cases a military officer with the rather pedestrian title of Flight Lieutenant Jerry Rawlings, would decide that democracy, or rather the post-colonial economy, wasn't going quite well enough, he would instigate a coup of more or less, but usually less, violence, and within two years or so there would be another election, after which a president would preside over an increasingly degraded economy, until he too was invited to leave in the course of another coup intended to try to get it right, finally.

Fittingly, ICANN conducted its March 2002 meeting in Accra, the capital of Ghana, three weeks after its CEO, Stuart Lynn, had made a proposal for reform that some critics (rather confusedly) likened to "a palace coup d'etat". Whether Mr. Lynn was attempting to sign or dodge ICANN's death warrant remains a subject of some debate. Was Lynn's proposal for restructuring a brilliant stroke, because it left ICANN's negotiating opponents in the registries with the prospect that if ICANN could not show progress by September 30, 2002, the U.S. Department of Commerce might first refuse to renew the Memorandum of Understanding (MoU) from which ICANN derives its limited authority, and then take over—the endgame no one wanted even to think about? Or was the proposal monumentally misguided for almost the same reason—that, with only a few months until renewal of its contract with the DOC, ICANN was undermining its credibility and effectiveness?

Or did ICANN simply have no choice, already believing, perhaps, that the MoU with the Department of Commerce may not be extended in September? In addition, the U.S. Government Accounting Office is soon to issue its second report on the legitimacy of ICANN's authority, and criticism of ICANN in Congress has become increasingly bi-partisan. Could Lynn's proposal have come about, as Dr. Samuel Johnson once explained it, because there's nothing like a hanging to concentrate the mind?

Some neutral observers appeared to hold to a modification of the observation of Egypt's former president, Gamel Abdel Nasser, on Americans: "The genius of [ICANN] is that you never make clear-cut stupid moves, only complicated stupid moves which make us wonder at the possibility that there may be something to them which we are missing."

There was one clear result of Lynn's reform proposal: heightened interest in a review of ICANN by the U.S. Congress, as we shall see. But first, Lynn's proposal for reform.

An Auto Coup d'Etat

In his 17,000-word treatise of February 24, remarkable in part for its inspired heights of self-flagellation, Stuart Lynn had identified ICANN's problems as follows: (1) Not enough participation by government; by ccTLDs and address registries; by the voluntary root name server operators; and by major users, ISPs, and backbone providers; (2) too much process; and (3) too little funding (partly the result of ccTLDs alleged to be getting a free ride). The first two were by far the most controversial.

On the need for greater government involvement, Lynn argued that ICANN's wholly private status gave it "unstable institutional foundations", divested it of necessary "coercive" power, and "isolated" it from "real-world institutions—governments—whose backing and support [were] essential". He said (perhaps overhearing or even anticipating existing criticism[1]) that ICANN must extricate itself from so many policy matters and stick to its mission of technical oversight. And he claimed that ICANN will not be able to attract international participation (or bodies for its own staff and Board) so long as foreign entities see no prospect for a transition of DNS control away from the U.S. government.

Lynn went on to propose a restructuring of ICANN as a public-private partnership; more involvement from the business community; and rather less involvement by "self-selected" "unknown" individuals or their representatives on the ICANN Board or in the At-Large membership. Online voting for ICANN board members was, he said, "noble, but deeply unrealistic" and "fatally flawed." In what would become a media flashpoint, he wrote that a "global online election of ICANN Board members by an entirely unknown and self-selected membership is not a workable solution" to the problem of public accountability of ICANN.

He proposed, instead of the solely private entity that ICANN now is, that governments become more involved in a public-private partnership – a partnership that would also give ICANN much-needed funding and enforcement powers. Referring to the substitution of government involvement for the black box of current ICANN elections, Lynn added, "The most evolved form of representation of the public interest is government. ICANN is not an exercise in global democracy."

On the subject of ICANN's miring in process, Lynn claimed that ICANN has not shown "that it can be effective, nimble, and quick to react to problems," a condition he blamed largely on an "[u]ndue focus on process to the exclusion of substance and effectiveness". "ICANN is viewed by many key stakeholders as more of a debating society than as an effective operational body," he wrote, and its decision-making processes are "too exposed to capture by special interests". The result was what one observer likened to an honors class containing one person with an I.Q. of 60 "and you can't move forward until they're satisfied."

Lynn concluded that on "its present course, ICANN cannot accomplish its assigned mission." ICANN, he said, was, "at best, an incomplete experiment," and "its legitimate future prospects are . . . non-existent" without meaningful reform.

[1] Five Congressmen criticized ICANN's involvement in policy matters in a recent letter (quoted below) to the Secretary of the U.S. Department of Commerce. *Wired* magazine's Declan McCullagh also quoted perennial ICANN thorn Karl Auerbach, the ICANN board member elected to represent North America, as stating, "ICANN has never done anything but non-technical policy -- it has never done anything that is technical."

Lynn himself appears to be a thoughtful, deliberate individual, and while some critics have accused him of a power-grab, his credibility is certainly not harmed by the very real appearance that he hasn't a self-preserving bone in his body. He appears to be doing what he thinks is the best thing, and his own job be damned. If those were his terms, many were quick to suggest acceptance of them.

The Reaction Outside, Part I

More interesting than the proposal itself was the reception of it that ensued in the press:

> Lynn's proposal became an instant catalyst for criticism because it zigs opposite the direction that reformers want: It all but eliminates public participation, increases control by governments and corporations and promises to turn ICANN into a kind of international government-run bureaucracy like the Council of Europe or the Organization for Economic Cooperation and Development.[2]
>
> Most of the controversy comes from the fact that the five existing publicly elected board seats would be scrapped, and replaced with five seats nominated by a Nominating Committee (itself made up of board members and board-selected individuals). This smells of cronyism to many ICANN critics, who believe the public should have a greater role to play in ICANN's policy-making process.[3]
>
> "ICANN appears to be designed by people who failed 'introduction to organizational design' in high school. And the so-called reorganization plan is nothing less than an overt power grab by ICANN management in an attempt to build a large bureaucratic empire with no oversight from any quarter."[4]

And last but not least was the unshocking news, delivered by *Computerwire*, that "International governments have cautiously welcomed proposed reforms of the Internet Corp for Assigned Names and Numbers, made by its CEO Stuart Lynn".[5] Of course they did. The proposal had acknowledged their existence. But on the whole the reaction was negative, and this comment summed them up:

> "A lot of people are saying that he got the problems right ... but very few people support the main outlines of his proposal."[6]

Accra – Tempest in a Teapot

The heat was in the nineties and the humidity along the Gold Coast above one-hundred percent (or so it seemed), and multicolored cat-sized lizards scurried across the landscaped lawns of the La-Palm Royal Beach Hotel, casting baleful glances at the visitors. Along the human-litter-box beaches paralleling the Gulf of Guinea, in the shadow of billboards cautioning against AIDS and the myriad hazards of not drinking Coca-Cola, representatives from the domain name registries, a few hardy

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[2] Kevin Murphy, "ICANN Will Reform or Die," *Computerwire*, March 18, 2002.
[3] Kevin Murphy, "Governments Weigh In On ICANN Reform", *Computerwire*, March 14, 2002.
[4] Statement of ICANN Board member Karl Auerbach, quoted by Declan McCullagh, "Congress to Enter ICANN Fray," *Wired*, March 14, 2002.
[5] Murphy, "Governments Weigh In".
[6] Statement of Center for Democracy and Technology Associate Director Alan Davidson, quoted in Scarlet Pruitt, "Little Support for ICANN Overhaul Proposal," March 13, 2002.

registrars, and various non-governmental and non-business constituencies all gathered to speak and listen on the subject of the future of ICANN.

Some in the General Assembly meeting urged ICANN not to give up on its participatory processes. "Do not go back to Spain," said one speaker, citing the example of how easy it would have been for Christopher Columbus to turn back. There was a rare moment of levity when ICANN Board member Amadeu Abril, in a Spanish accent that carried its own authority on the topic, pointed out, "First of all, Christopher Columbus was completely crazy. He thought he was in India."

A smaller, quieter group of critics of the reform proposal were concerned that it would elevate the influence of the Registry and Registrar Constituencies (not to mention the role of government) at the expense of their own: the Business, Intellectual Property, and Non-Commercial Constituencies. But even the registrars weren't sanguine. Elliott Noss, CEO of registrar Tucows, thought the greatest weakness of Lynn's proposal was that three or four positions on the new Board could control ICANN: "Benevolent dictatorship is the most efficient form of government," he pointed out, "but…"

And with the prospect of increased governmental representation replacing the At-Large Membership as the voice of the people, some wondered if the At-Large Membership would survive at all. "It was very difficult to me to come to the idea that there should be some form of government involvement" in ICANN, Lynn confessed to a meeting of ICANN-accredited registries and registrars, adding that the idea had once been "anathema." In his proposal as well as his public statements, Lynn has stressed that he supports the idea of public participation, but has little faith in any mechanism that could effect true representation. Worse, he said, "We don't have enough bottom-up input. We tend to scare them off with our processes."

The governments themselves, Lynn added in the registrar and registry meeting, were still, well, he didn't like to use the word "clueless," but they were "not sufficiently knowledgeable and informed," in part because ICANN had always kept them at a distance. Tucows' Tim Denton took issue with the idea of more government being the solution at all, saying a complicated governmental structure could be disproportionate to the domain industry's importance to consumers, yet have more power than its importance implied, and live beyond its usefulness. The most democratic and responsive solution, he urged, might actually be for registrants to vote with their pocketbooks, so that the number of dollars flowing to the domain name system would then be roughly equivalent to the importance that people assigned the system.

In the end, however (or perhaps, In the end, of course), nothing was resolved. Even what to do about the election of At-Large members was put off to a task force.

The Reaction Outside, Part II: America Gets Excited

For those who wondered why ICANN was forcing many of its constituents to travel ten thousand miles to a place where locals' Internet access costs a month's wages and the Cedi's value is so small that banks weigh, rather than count, payments for hotel bills, one had only to witness the genuine excitement of many Africans to have such a meeting—the Internet!—in their home region. Somehow the interminable flight almost seemed worthwhile.

read a headline in Accra's March 14 *Network Herald*, the text of which added, with what may have been alternately naïveté, a touching regard for what the U.S. thinks, and unintended euphemism,

> There are reports of mounting excitement in the United States over the outcome of the first meeting of the Internet Corporation of Assigned Names and Numbers [ICANN] for the year 2002 currently taking place in Accra.

Yes, America was "excited," but only in the literal sense of *excite*, "to rouse to an emotional response". As the death throes of a water buffalo will attract the attention of scavengers, so too was an angry group of congressmen drawn to the spectacle of ICANN bleeding in public. ICANNWatch termed a March 13 letter fired off by five congressmen to the Department of Commerce "the most important thing to happen to ICANN this year," noting that "In addition to demanding that Commerce ensure a representative Board, accountability, adherence to ICANN's original mandate, and due process protections, the writers squash the idea which forms the cornerstone of the Lynn Plan -- that ICANN should be given full control of the root."

The congressmen began by noting that ICANN's original goal was to "coordinate core Internet functions and manage the technical aspects of its naming and address allocation systems" and that it was "founded upon the principles of 'stability, competition, bottom-up coordination, and representation.'" But the letter went on:

> Since its inception, however, ICANN has increasingly departed from that limited role. Its unchecked growth into general Internet policymaking and regulation of commercial rights and interests is very disturbing. As you know, this Committee has repeatedly joined the chorus of critics from every part of the Internet community in objecting to ICANN's lack of transparency, due process, and accountability. It has been slow to create new competition in the generic top-level domain (gTLD) marketplace and has developed needlessly detailed, highly regulatory contracts for the number of new top-level domains announced last year.
>
> The remedies that ICANN management is proposing to address these fundamental problems, however, will only make matters worse. ICANN management is proposing to eliminate direct representation of Internet users on ICANN's board, place five representatives of national governments on the board in their stead, and increase its own budget with funding to be sought from governments and network operators.
>
> It is our belief that such proposals will make ICANN even less democratic, open, and accountable than it is today.

The congressmen added that the ICANN Board should be "representative" (far easier said than done, as any political science student can tell you), ICANN should develop long-delayed systems of due process, it should be more accountable (this perhaps an implicit reference to Board member Karl Auerbach's holy war to open up ICANN's books), it should stick to its core mission, and it should stay out of policy and business matters, including its overly detailed negotiations of new contracts for generic TLDs.

Within days, the assaults on ICANN had grown to a fever pitch. ICANN Board member Auerbach sued ICANN to open up its records, citing requirements of California law. ICANNWatch reported the apparently suspicious news that ICANN, claiming the newest gTLDs were now old news, had shut down the New TLD Forum, a list serv that had apparently been very popular among participants. And "three heavyweights of the Internet establishment," as ICANNWatch labeled them, wrote an open letter "reluctantly" concluding that ICANN was no longer fixable and should be immediately scrapped, its functions transferred immediately "to a different, already existing non-profit organization . . . on a non-permanent, strictly stewardship basis."[7] ICANN's "history, structure, and behaviors" had created so much "'bad blood' and institutional 'baggage'" as to "doom 'reform' efforts within the organization," and ICANN would have to be discontinued to avoid a potential "meltdown" of Internet policies, functionalities, and operations.

But the congressmen had also made one point abundantly clear.

Democracy? Somehow. Foreign Control? You Must Be Joking.

Will there ever be an entity with oversight of the A-Root that derives most of its influence from governments, organizations, or individuals outside the United States? Is it technically or politically possible to make such an oversight body into the world's first successful model of global representation? To both questions the answer is surely no, but that hasn't stopped some wishful thinking:

> "Icann [sic] . . . should operate with a high degree of transparency," said John Mamphey, assistant secretary-general for the Internet Society of Ghana. "It is the world democracy because all Internet users are affected by its decisions."[8]
>
> Andy Mueller-Maguhn, Europe's at-large representative . . . and others have expressed concerns that the war on terrorism made it less likely that the U.S. Commerce Department -- which has overseen ICANN since it was established in 1998 -- will gradually cede control as planned.[9]

Mr. Lynn, in his proposal, had made some very cogent observations about the difficulty, if not impossibility, of creating a truly globally representative organization out of mere stuff of ICANN, particularly with its limited funding. The problems of representativeness can be briefly summarized as, Who gets a vote, and who is representative of "the people"? Corporations, individuals, nations? All three? Are their representatives' votes counted equally? How does each elect a representative? What about the vote of the market? The problems are undeniably monumental and their resolution would be expensive even if feasible.

And for those who believe there's a prayer in opening the A-Root or ICANN up to foreign control, a concept that might also reasonably be construed to include Mr. Mamphey's "world democracy," the U.S. congressional representatives put it this way:

> Finally, we want to strongly reiterate our support for continued Department of Commerce control over the so-called "A-root" server. We believe that any assumption of control over that

[7] David J. Farber, Peter G. Neumann, Lauren Weinstein, "PFIR – People for Internet Responsibility Overcoming ICANN: Forging Better Paths for the Internet," www.pfir.org/statements/icann (March 18, 2002).
[8] AP, "Internet Oversight Body's Future Takes Center Stage," March 14, 2002.
[9] Steve Kettmann, "ICANN Surveys Its Crossroads," WIRED, March 18, 2002.

> asset by any outside entity would be contrary to the economic and national security interests of the United States.

Senator Burns, calling for hearings on ICANN, had echoed this view a week earlier:

> Obviously, more fundamental questions also need to be addressed, such as whether ICANN is even the most appropriate organization to be tasked with such a critical mission, which is central to our national security.

The media was quick to quote Stuart Lynn's subsequent equivocations, on March 14:

> Even CEO Lynn, who joined the organization a year ago, has started talking about the eventuality that ICANN may not exist before too long. In recent interviews, he has on at least two occasions made hypotheses about the demise of ICANN.
>
> "If ICANN does not believe it can accomplish what is in the MoU, we may not decide to renew the MoU," he told reporters on Thursday, referring to the Memorandum of Understanding ICANN has with the US Department of Commerce. The MoU lists ICANN's responsibilities and gives it its powers. No MoU essentially means no recognisable ICANN.[10]

No ICANN would mean that oversight of the DNS and all of ICANN's registry agreements would revert to the U.S. Department of Commerce and possibly other governmental entities such as the International Telecommunication Union (ITU), a highly bureaucratic inter-governmental agency. If ICANN has been accused of blanketing innovation beneath excessive process, one need only consider this alternative.

Of course, Flt. Lt. Rawlings eventually became, after his second coup d'etat, the president of Ghana for nearly twenty years. Whither Stuart Lynn? In his famous novel "Things Fall Apart," the Nigerian writer Chinua Achebe had borrowed the title of his story about a tragic "strong man" named Okonkwo from a poem whose use as an epitaph many would like to see ICANN avoid:

Things fall apart; the center cannot hold
Mere anarchy is loosed upon the world

Sign in Ghana, Keith Teare © 2002

* * * * * *

[10] Murphy, "Reform or Die"

Fraud and the Domain Industry

Raymond King

Editor's Note: *This special report has been developed for the benefit of our readers, and in cooperation with a number of experts in cyber crime and cyber terrorism, but especially registrars, registries, attorneys, and analysts who cover the domain name industry.*

The Internet, being such a powerful medium for both commerce and communications, is also fertile ground for a whole new breed of perpetrators of fraud, whose aims vary from theft to illegal commerce to even promotion of terrorism. New business models give rise to new ways to steal, and the worldwide usage of the Internet makes it hard to track down abusers. Criminals can plan and execute fraudulent schemes from anywhere in the world, and their victims can be anywhere in the world.

Webster's says:

> ***Fraud:*** ***a:*** *intentional perversion of truth in order to induce another to part with something of value or to surrender a legal right;*
> ***b :*** *an act of deceiving or misrepresenting*

According to the National Consumers League, Internet fraud has increased 600% since 1998 and it continues to grow. The FBI and National White Collar Crime Center (W3C) report that major categories of online fraud currently include:

- Online auction fraud: There are many variations designed to dupe the legitimate buyer.
- Online retail sales: Taking advantage of the Internet's complexity to mislead consumers to different websites.
- Investment fraud: "Pump and Dump" stock schemes.
- Payment card fraud: Defrauding merchants with stolen credit cards. Under the policies of major credit card issuers, merchants bear the cost of fraudulent CNP (card not present) transactions.
- Identity theft: Closely related to credit card fraud, but even deeper in scope.
- Business opportunity fraud: "Work at home" schemes, etc.

The domain name industry is particularly vulnerable, because virtually all of its transactions are conducted online and with credit cards. Registrars and registries are also pivotal subjects of fraud because they control the entry point for website publication and e-mail—domain names. For these reasons, it's imperative that they look closely at how fraud is creeping in. The types of fraud that affect the domain name industry include:

1) payment card fraud
2) theft of registration
3) anonymous registrations

This article will touch on all three, identifying the harms they cause and what individual registrars can do about it, and providing some ideas about what the domain name industry can do to prevent it.

Payment card fraud

Back in the days when a gold piece was a gold piece, if someone filched something from your store, you drew your sword and dealt with it. In today's world, if a customer comes to your store and buys something with a credit card, gold pieces are replaced with a few bits of information, but you're still relatively safe—if you have proper identification from the purchaser. On the web, however, much like a mail or telephone order, the buyer is not physically present, the card is not present, and no signature is obtained to complete the sales transaction. The merchant should beware, because he will likely bear the cost of a fraudulent transaction.

The domain name industry is particularly prone to fraud, because in addition to the vast majority of its business that's done over the web, its digital goods are delivered digitally (there's no tangible deliverable to track), it's highly reliant on automated systems, and it's high-volume, low-cost. Fraud perpetrators love low-cost items, such as printer ribbons and domain names, because they are under the radar and often not worth the time or effort to prosecute.

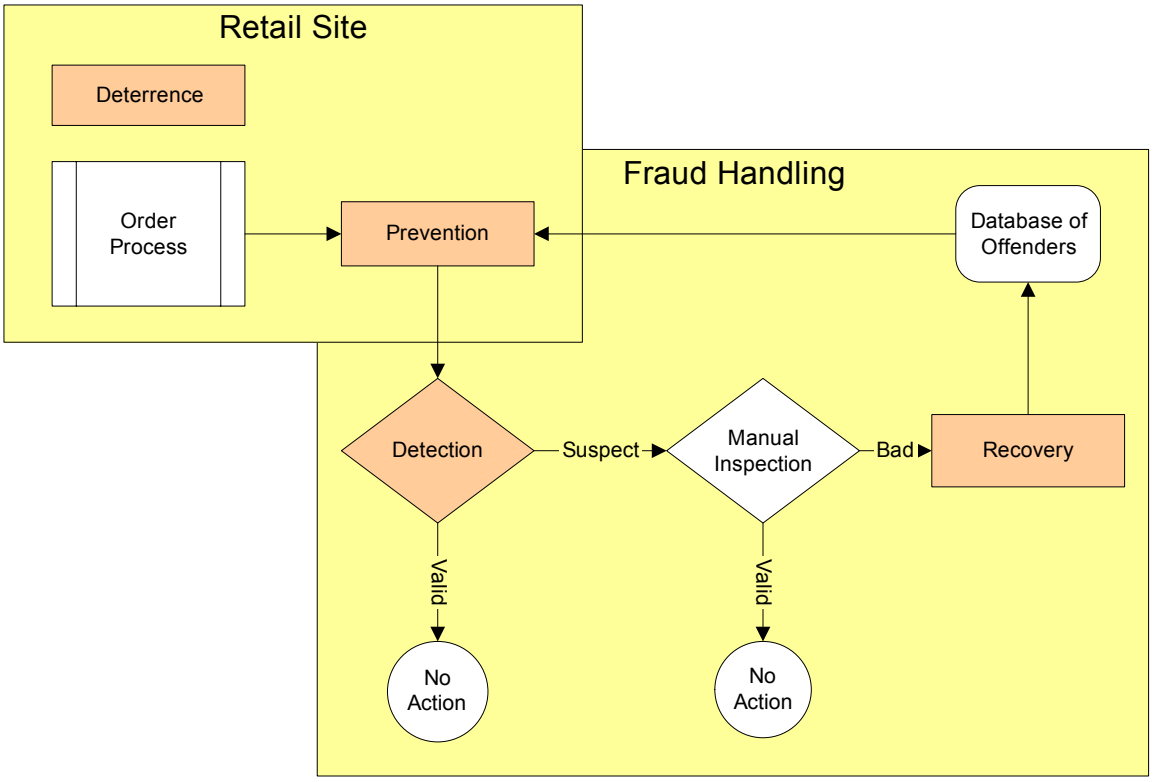
The math

If no action is taken by the merchant, fraudulent transactions can represent up to 10% of total transaction volume. The average, counting charge-backs, is 4-5% of total, but to avoid loss of merchant privileges, Visa and other associations require this number to be below 1%. Continued excessive charge-back activity may even result in the merchant account of a registrar's credit card being shut down by the merchant's bank. Taking a proactive approach should reduce charge-backs to below 1%. And 1% might seem low enough, but if net income is 5% of gross, 1% is 20% of the operating margin. So for most, it's a bigger issue than meets the eye.

It's also worth the time because it saves time. Consider the time that's already being spent fixing registration data, dealing with charge-backs, and providing customer support. Extra time spent on preventing fraud will yield approximately equal time savings to dealing with it after the fact—and it saves money. Fraudulent transactions also tie up names that other people could be purchasing.

Unfortunately, there is no simple answer for squelching fraud. The Internet has opened up unlimited possibilities for technologically savvy criminals to steal with greater anonymity, and they're getting better at it every day. So the best defense is to design systems that stop today's fraud perpetrators and are flexible enough to keep up with tomorrow's. Such a system should have four key components:

1) Deterrence
2) Prevention
3) Detection
4) Recovery



To find some of the best methods, we spoke with Ori Eisen, Director of Fraud Prevention at VeriSign Registrar. When you walk into Ori's fraud prevention department at VeriSign, you immediately realize that he and his staff take the subject very seriously. There is a giant map of the world on the wall, with push pins identifying areas of high fraud density, and there are graphs measuring the success rate of every anti-fraud initiative. Giant flowcharts detail the inner workings of a machine he designed to do combat with fraud-minded individuals.

Ori was happy to share some of his secrets, but he didn't want to tip his hand. "It's a constant war, and information is the key" he said. Here are some of his tips:

Deterrence

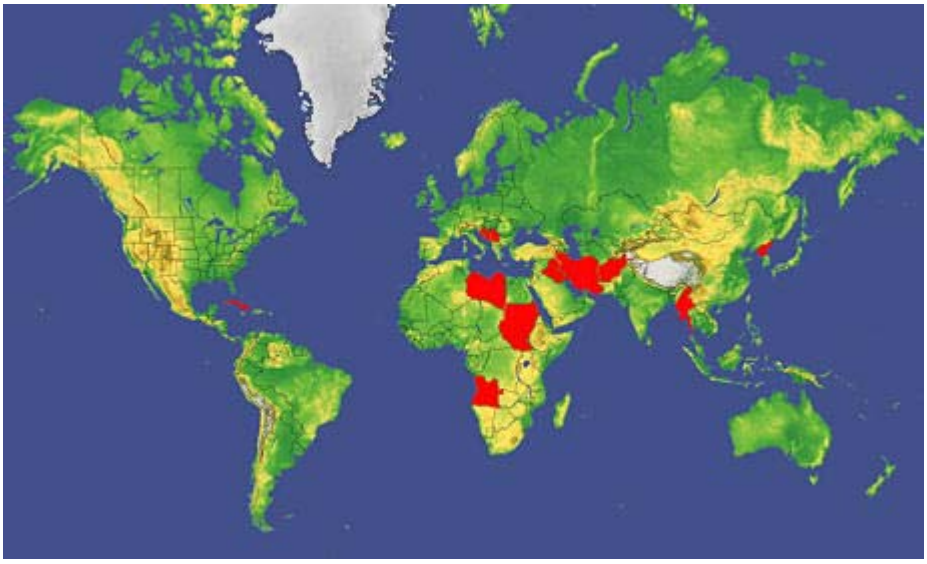
The first step in preventing fraud is to deter the would-be perpetrator:

- Post warning statements in the checkout process, indicating that offenders will be prosecuted to the full extent of the law.
- Show users the date/timestamp of their transactions and the IP addresses they are using and let them know that information is being stored. While this may not pin down exactly where they live, it's a good way of making them think twice.
- Make sure the site uses a secure connection. Legitimate users want to see HTTPS when they buy something online. Better yet, inform consumers to look for that extra S; many have no idea, and as long as that's the case, they'll keep buying on insecure sites. Cyber criminals want to see HTTP; it implies less attention to security and a lack of technical savvy.
- Let customers know what merchant name will appear on their credit card statements ahead of time, so there isn't any confusion after the fact.

Prevention

The second step is to simply refuse transactions that are likely to be bad:

- Prevent repeat fraud, by creating a database of offenders. If, while monitoring future transactions, the same transaction characteristics are discovered, then the transaction should be immediately flagged as suspect.
- Look up other registrations in the Whois file that may have been made by the same person or organization. If there are matches, then these suspect records should also be reviewed for possible deletion or other action.
- Have users enter the card verification value, which is the three digit number shown on the physical card (Visa and MasterCard). For American Express, it's called a card identification number (CID) and it's four digits. Sending this information to your payment gateway and receiving a positive response can add assurance that the card is physically in the hands of the user. According to Visa, *this tactic alone will reduce charge-backs by 26%*.
- Use the address verification system (AVS), which allows the sending of an address and zip code and returns a *yes*, *no*, or *information not available*. In the U.S. and England, this works well, but in other countries, coverage is spottier. Sending this information to your payment gateway and receiving a positive response also adds assurance that the card is physically in the hands of the users.
- Screen OFAC sanctioned countries. The Office of Foreign Assets Control (OFAC) has identified and administered sanctions against a number of countries, terrorist-sponsoring organizations, and international narcotics traffickers, based on U.S. foreign policy and national security goals. The first and easiest step is to block out OFAC countries. Below is a map:



The currently blocked countries are shown in red:

- Afghanistan
- Angola
- Burma
- Cuba
- Iran

- Iraq
- Libya
- North Korea
- Sudan
- Yugoslavia including Serbia, Montenegro and Kosovo

The second and more difficult step is to block transactions with all individuals or entities that are on the OFAC list. This list can be found at www.treas.gov/ofac/. To save the time of entering these names, there are also some commercial packages available, such as OFAC Tracker™, which can be purchased at www.ofaccompliance.com.

- Employ fraud screening software. Currently available checks generally ascertain if the credit card exists and if it has enough credit for the purchase. There is commercially available software specifically designed to help identify suspicious credit card transactions. Among this group are HNC's E-falcon, Nestor's Prism eFraud, ClearCommerce's FraudShield, CyberSource and Advanced Software Applications' e.DecisionWORKS. Many of these applications boast the use of neural nets, logistic regression, statistics, and analysis of what's being purchased and by whom. Eisen believes most of these solutions are geared towards companies that ship merchandise. While these solutions help, he feels that they must be augmented with the other recommendations discussed here.

Detection

After the transactions have been placed, it makes sense to check them against patterns of suspicious behavior. Here are some such behaviors that should trigger an alert.

- Entry of bogus names. If a name consists of only characters typed on one side of the keyboard, it's likely to be bogus. For example "asdfasdfsd". An algorithm can be implemented to trap those registrations.
- Fraud perpetrators often stay up late. If the "client local time" is after midnight, there's a higher chance that the registration is fraudulent. If that the variable for time isn't available from the customer's browser, it can be calculated based on the customer's country of origin.
- Anonymous free e-mail domains, such as Yahoo and Hotmail also have a slight correlation with higher instances of fraud. Of course there are plenty of legitimate people using these types of e-mail accounts, but this is another factor that should raise a flag.
- Make sure the zip code matches the city and state. The zip code locator tool at usps.com is an easy way to enter either a zip code to find the city and state, or vice versa (www.usps.com/ncsc/lookups/lookup_ctystzip.html).
- Same idea, but with phone numbers. The area code should match the state. Cross reference tools, such as powerfinder (under $100 at www.phonefinder.com), or free services at www.fonefinder.net, are also readily available to help.
- Look up the IP address for the computer placing the order. Up to one in five transactions from some countries are fraudulent. Not great odds. To look up a location by entering an IP address, go to one of the three Regional Internet Registries, at Arin.net, Ripe.net and Apnic.net. The Americas are covered by Arin, Europe and the Middle East by Ripe and Asia Pacific by Apnic. There are more robust solutions available, including GeoPoint, which can be seen at www.Quova.com.

The first six digits of the credit card number will give the location of the bank that issued the card. This information is available on the BIN table, which is available from the acquiring bank. Generally speaking, if the credit card leads you to one location, the registrant information to another, and the IP address to a third, chances are it's a fraudulent transaction.

According to a list compiled by ClearCommerce, here are the top 12 countries from which fraudulent transactions originate, as well as the top 13 countries with the lowest fraud rates:

Bad	**Good**
1. Ukraine	1. Austria
2. Indonesia	2. New Zealand
3. Yugoslavia	3. Taiwan
4. Lithuania	4. Norway
5. Egypt	5. Spain
6. Romania	6. Japan
7. Bulgaria	7. Switzerland
8. Turkey	8. South Africa
9. Russia	9. Hong Kong
10. Pakistan	10. United Kingdom
11. Malaysia	11. France
12. Israel	12. Australia
	13. United States

Each merchant should decide which items should trip an alert by themselves, and which combinations of items together should do the same. Then decide what transactions should be denied at the point of purchase, and what items are acceptable to review after the fact. Those transactions will require manual inspection. Setting the sensitivity too high will result in flagging close to 100% of the potentially fraudulent orders, but will also impact many legitimate sales (known as false positives). So striking the right balance between fraud detection and sensible credit policies is important. It's also vital to build a system that allows flexibility so those key controls can be tweaked as necessary.

Recovery

If a transaction is suspect, first look for legitimate contact information. If that fails, then refund the money, so that the legitimate cardholder isn't charged, undo the registration (or whatever was purchased), deactivate the account, and add the contact information to the database of known offenders.

If the victim has already done a charge-back, then try to determine if it's actually unauthorized use, or so-called "friendly fraud". The mis-named friendly fraud occurs when the actual cardholder has ordered something online, but later changes his mind and requests a charge-back, claiming he didn't make the original order. A valid CVV2 or CID number is strong evidence of friendly fraud.

Timing is important: Be careful not to double refund by issuing a refund if a chargeback has also taken place.

Registration Theft

With tens of millions of names registered, a hundred registrars, thousands of domain name resellers, and varying policies on registrant transfers, registration theft is a game that is being increasingly played. Domain name theft affects public confidence in the industry and is of course a calamity for those who lose their names. There have been many high profile cases (e.g., the famous "sex.com" case), but theft happens more often with names that are of lesser value and names that aren't currently being used and therefore are not being watched as carefully.

Often, perpetrators initiate a transfer through a registrar that doesn't have a policy of e-mailing the original registrant, and then five days later the name is automatically transferred. The name may then be transferred multiple times and to different registrars to throw anyone investigating off the trail. Ultimately, the name may end up with a registrar that is difficult to deal with, and the name becomes extremely difficult to get back by any means other than paying a high ransom.

To understand the problem better, we talked with Ross Rader, Director of Research and Innovation at Tucows, who has seen names stolen when the losing registrar has faulty security practices, or fails to enforce the correct practices on their resellers. According to Rader, when Whois information is changed, based on a phone call or fax without proper registrant verification, names are lost. Perpetrators will often use similar names, to fool inexperienced support operators—for example, asking the contact e-mail address to be changed from ross@tucows.com to ross@yahoo.com. Domain name thieves will also look for names with faulty e-mail addresses (testing for bounces), and then call the registrar to 'fix' them. Rader says the registrar operator is generally fooled because the address does indeed bounce, and it's the only way they would normally contact the registrant. Once the e-mail address is changed, the name can easily be stolen. Solving this problem requires registrars to examine their security practices and also take responsibility for educating and training their resellers to do the same.

Rader also says another piece to the solution is for registrars to make available to users a "registration lock" feature. If the lock is enabled, there can be no transfer of the registration to a different registrant. To allow a transfer, the original registrant would have to sign into his account and unlock the record first. For the registration lock to work effectively, Rader added, registrars must default all records to the locked position, with a user option to unlock either the entire account or specific registrations. This extra step may be a bit of a nuisance to those who are legitimately transferring names, but the extra security is well worth it.

Rader finds the "bogus renewal" is yet another technique that some registrars have recently identified as means of theft. In a bogus renewal, the perpetrator calls the registrar to initiate a renewal on a name the perpetrator wants but doesn't own himself. A known bad credit card is given and, as a result, the renewal fails. Because the name is in a different "bin" now, the original registrant may not be notified in time, and hence the name is deleted and the perpetrator is waiting to snatch it.

The key to preventing this type of trick is to verify that the person on the other end of the phone is in fact the registrant. Also, make sure there is a process for informing registrants of renewals that are failing due to improper credit card information.

Bogus Whois

It is important that the contact information for each registrant be up to date and accurate, but it's a hard thing for registrars to police. Below is the requirement of the Registrar Accreditation Agreement (RAA):

> 3.7.7.1 The Registered Name Holder shall provide to Registrar accurate and reliable contact details and promptly correct and update them during the term of the Registered Name registration, including: the full name, postal address, e-mail address, voice telephone number, and fax number if available of the Registered Name Holder; name of authorized person for contact purposes in the case of an Registered Name Holder that is an organization, association, or corporation; and the data elements listed in Subsections 3.3.1.2, 3.3.1.7 and 3.3.1.8.
>
> 3.7.7.2 A Registered Name Holder's willful provision of inaccurate or unreliable information, its willful failure promptly to update information provided to Registrar, or its failure to respond for over fifteen calendar days to inquiries by Registrar concerning the accuracy of contact details associated with the Registered Name Holder's registration shall constitute a material breach of the Registered Name Holder-registrar contract and be a basis for cancellation of the Registered Name registration.

Because registrars don't generally enforce requirements on the validity of Whois information, registrants can, at least initially, enter whatever they please. Many legitimate paying registrants enter bogus information simply because they don't want their contact information made public. This is truer of individual registrants than it is of companies.

Then there are people who don't want to enter their actual contact information because they don't want to be traced back to the content they are publishing. These people are likely to use stolen credit card numbers to obtain their domain names for the same reason. People who've obtained a domain name in this manner, entered bogus Whois information, and used a free anonymous e-mail account, are now completely anonymous domain name holders.

Contact addresses given during the registration of these domain names are usually either complete gibberish, obviously wrong (Registrant = Donald Duck), are foreign addresses that are difficult to check, or, most troublesome, look correct, but don't correspond in any way to the credit card holder. E-mail accounts are almost always at Hotmail, Yahoo, or some equivalent popular free service in their country.

While this may seem to be just an annoyance, anonymous registrations present a much larger problem. Owners of these domains can publish whatever they want with complete impunity. This, of course, is a problem if what's being published or how a domain is being used is either illegal or poses a threat to public safety.

Here are some examples of things no one wants to see:

Illegal:

- Intellectual property theft and publication of copyrighted material
- Showcasing of child pornography (which service providers are required by law to report to government authorities), harming both the children involved and innocent accidental viewers

- Aiding in illegal drug or weapons trafficking
- Publishing, either via web site or e-mail spam, false information that is designed to harm a company or individual, or move stock prices up or down in an illegal way (pump and dump)

National Security Concerns:

- Publishing information on weapons of mass destruction, such as bomb making, germ warfare and supply sources
- Publicly exposing the contents of secret documents related to national security
- Promoting terrorism or hate

Solving these problems requires that identification and thereby accountability is re-introduced into the process. Registrars can do this by making sure that domain name holders can be reached and are responsible for their actions.

Cleaning Whois records, of course, would require a significant change to the industry's policies and is therefore not likely to happen quickly. Individual registrars, however, can take steps to greatly lessen the problem. First, take credit card fraud seriously—which we've already covered. Second, cleanse the Whois database and evict bogus registrants. Legitimate registrants with bad information should be made to correct their contact information, and illegitimate registrations should be deleted. This Whois hygiene will also make those names available again for sale and legitimate usage.

Another measure that can be taken is to compare contacts against the OFAC list of sanctioned people and entities. A long list of people and entities that pose terrorist threats is available at www.treas.gov/ofac/text/terror.txt. This list is in ASCII format, but unfortunately not designed to be easily loaded into a database. If new registrations are being attempted by anyone on the list, or by any entity on the list, a registrar can either disallow the transaction, or allow it and report it to the FBI, who can monitor the sites and gain intelligence. Along the same lines, check the list against your current Whois database to see if there are matches.

Steve Chabinsky, Assistant General Counsel for the FBI and Principal Legal Advisor to the National Infrastructure Protection Center, indicates that terrorists are definitely using the Internet to their benefit. "We know terrorist organizations to be well-financed, patient, and technically trained in a variety of areas. The Internet allows terrorists to communicate quickly, globally, and almost without a trace, based on ubiquitous access, nearly anonymous passage, and the use of strong encryption." It is likely that terrorists are using anonymous remailers, IP address anonymizers, spoofing, and steganography, a technique where information is digitally hidden in picture files. The FBI is looking to the domain industry for help. "The only way the government can fulfill its mission to protect public safety and national security," Chabinsky added, "is with the dedication, support and involvement of the domestic and international private sector. To protect the United States against the cyber-terrorist threat, the entire Internet community, including the registrar community, must become more involved in developing fair standards that help ensure user accountability together with enforcement mechanisms for their breech."

If you think you have information related to Internet fraud or terrorism, you can file a complaint or simply provide information online through the Internet Fraud Complaint Center's website at www.ifccfbi.gov.

Unified industry databases

Here are some ideas about how to utilize common databases for protection and fraud detection:

Create a unified Whois database. By aggregating the full Whois information into a common database, it becomes possible to cross-reference records by registrant, address, telephone number and e-mail address across registrars . For example, if we know that a name registered with a stolen credit card has John29332@aol.com as the e-mail address, we can look for all registrations with that e-mail address in any of the e-mail fields, at any registrar.

This is equally valuable in resolving UDRP cases, where it's unclear if a registration was made for legitimate purposes, or by someone purposely registering other people's trademarks. A look at the accused's prior registrations would shed light on the question.

To create a unified Whois database, the records from various registrars would have to be put into common format, and updated data would have to flow freely to the central repository. This would most likely be done using extensible markup language (XML), because it would be easy to create a vendor- and platform-neutral, but industry-specific, format. There are numerous other industry benefits to standardizing the Whois format, not the least of which would be facilitating the requirement of registrars to periodically escrow their Whois data. In addition, a standard format would provide a much easier way to oversee the hygiene of the data for the industry as a whole.

Recently, Congressman Howard Berman, on behalf of the House Judiciary Subcommittee on Courts, the Internet, and Intellectual Property, sent a letter to a number of registrars concerned about how the domain industry was dealing with the accuracy of Whois information (*see* www.lextext.com/HouseIPwhoisletter.html). The subcommittee's focus was on protecting intellectual property rights:

> We believe that fraudulent information in the Whois database is a danger to intellectual property rights, including copyright and trademark protection. When false information pervades the Whois database, the false registrations result in a threat to rights-holders in policing their property on the Internet, as well as for parents and consumers, who cannot determine the source and the persons maintaining the websites under investigation.

A unified Whois database would aid in overall hygiene, because it can be filtered consistently, and all at once. In addition, a clear definition of what's "valid" and what's not, as well as steps to take when a record is suspect, would all be extremely valuable.

Concerns over a centralized Whois database include individuals' privacy, as well as the potential for more massive spam campaigns. These are very legitimate concerns, and any such database would need to be carefully administered, and access granted based on well-thought-out policies.

Another way the industry can work together is to create a unified "known offender" database—a sort of credit report in which merchants share data for the benefit of each other. Such a database would include an up-to-date list of people and entities that are on the OFAC list as well as others who are using stolen credit cards, or conducting any other type of fraud or illegal activity. In addition, IP addresses and other data that signals abuse would be stored. Standard registration and credit card information could be sent to an API, which would check the database and return information if any matches were found.

Right now, with 100 active registrars, a fraud perpetrator is likely to be able to find one registrar whose defenses she can work around. Registrars could avoid fraud by checking transactions against a known offenders database before accepting them, making it harder to commit credit card fraud or steal a domain. Making a unified database work would require creation and maintenance of this database, as well as an agreed-upon set of standards for updating the information. Domain name registration is a service best protected by eliminating the abuses of the few.

No company in the domain name industry is unfamiliar with the impact of unchecked fraud. Certain steps outlined in this article are relatively quick and easy to implement at the individual registrar level. However, other more complex and effective measure can only be implemented through cooperative industry efforts. SnapNames is a strong proponent of unified industry databases for cross-indexing fraud perpetrators, and will continue coverage on the topic in future issues of *State of the Domain*.

Methodologies and Statistical Accuracy

SnapNames Methodology

SnapNames' domain name industry data is generated using domain names listed in the COM, NET, ORG, BIZ, INFO and NAME zone files. Only *active* domain names appear in the zone file, although a domain name does not have to be attached to a web site to be considered active. It is possible that a registrar could have domain names that are on hold, or domain names that do not have name servers listed, thus causing our report-generating process not to "credit" the registrar with such domain names. Overall industry reports are run monthly from zone files produced on the first day of each month. Because some domain names may be transferred, expire, or expire and be re-registered by another registrar while the report is being produced, it is possible for those names not to be included in the report.

Daily reports are the result of the difference between two zone files monitored 24 hours apart. A domain name appears on or disappears from a zone file if:

- It was just registered and is being placed into the zone file.
- Its status is being changed from Registrar or Registry "hold" to "Active".
- It is being placed on hold in the normal process of expiration.
- It is being placed on hold because of a dispute.
- Its name servers are being permanently dissociated from the domain.
- Name server changes are made during the cycle when the zone file is generated.

Oftentimes, registrars will report larger numbers of current registrations and larger percentages of market share than the numbers shown in this report. This is because many registrars were resellers for Network Solutions or some other ICANN-accredited registrar prior to themselves becoming ICANN-accredited. In order to avoid double-counting, in the compilations you'll find in this report each registration is to the actual registrar of record in the zone file, regardless of the reseller that technically sold the name and manages the customer.

The above information is accurate to the best of SnapNames' knowledge and within reasonable margins of error. SnapNames is not liable for any reliance on this information. Persons with corrections or other comments are encouraged to bring them to SnapNames' attention. Please forward comments to publisher@snapnames.com.