

# **Pricing Review: Summary of Recommendations from the Board**

## **1 Registration and Renewal of Domain Names**

### **1.1 Summary**

The current price for the discounted registration or renewal of a domain name is £5.00 +VAT and the price for a direct or non-member registration is £80.00 +VAT.

The Board reviewed these prices at the July '03 Board meeting. This included a review of Nominet's latest financial forecast and review of "what if" scenarios indicating the effect on income, surplus and cashflow for the next financial year for various price changes to both the full price and discounted registration / renewal price.

Preliminary work on next year's budget, assuming that registration and renewal prices remain unchanged, indicates that an adequate surplus to meet Nominet's financial objectives should be achievable for the year ending September '04. This is achievable mainly as a result of the cost efficiencies arising from the ongoing Nominet On-line project.

### **1.2 Recommendation to the PAB**

As a result of the above review the Board recommends that no change be made to either the discounted or full price registration and renewal prices at the current time.

## **2 Tag Changes and Registrant Transfers**

### **2.1 Summary**

Nominet introduced charging for tag changes and registrant transfers in March'03 and May '03 respectively. The prices are currently set at £15.00 +VAT for a tag change and £30.00 +VAT for a registrant transfer. Both these prices were set on a cost recovery basis.

It was agreed to review these prices six months after they were introduced, hence this has been included in the pricing review.

The executive has reviewed the current cost to Nominet of actioning tag changes and registration transfers. Since it is only a few months since charging was introduced for these services and automation of the processes involved is still in progress (this applies particularly to registrant transfers), significant reductions in costs have yet to be seen and in fact some costs are higher than originally predicted. Consequently, the overall costs of both services are very close to the current price.

#### **2.1.1 Multiple Tag Changes & Registrant Transfers**

A number of tag changes and registrant transfers arise where there is more than one domain name being transferred by a single registrant. In some (fairly rare) cases there can be several hundred domain names being transferred at one time by a single registrant.

The current pricing structure for these services does not take account of economies of scale in cost for these "bulk" transfers.

For tag changes, economies of scale in cost only become significant when one registrant is transferring their domain names to one tag holder and where all the registrant details (e.g registrant name and address) are identical.

For registrant transfers, economies of scale in cost only occur when one registrant is transferring their domain names to another registrant and where all the registrant details are identical.

## **2.2 Recommendation to the PAB**

The Board recommends that the current prices for tag changes and registrant transfers remain unchanged with the exception that multiple tag changes and registrant transfers should be capped at the price of two individual changes / transfers provided that **all** details (other than the domain name itself) are strictly identical for all the domains in question. Thus the capped price for multiple tag changes where these conditions are met would be £30.00 +VAT and the capped price for registrant transfers where these conditions are met would be £60.00 +VAT. It should be noted that implementation of this change to the pricing structure will be subject to a detailed technical rollout plan.

In addition the board noted that the tag change system should permit a registrant to defer payment of the £15.00 fee as well as any outstanding registration or renewal fees to the incoming tag-holder. If the tag-holder is prepared to take on these fees, they will be added to the tag-holder's normal credit account. Implementation is again subject to technical development.

## **3 Other Issues**

The Board reviewed the Dispute Resolution Service prices and recommends that no change is made to the pricing structure.

The members joining fee and annual subscription fee were also discussed and it was agreed that work on the cost to Nominet of members and tag-holders should be continued by the executive and considered in the context of the ongoing governance review begun at the joint CoM-PAB session in June.

The Board agreed to review Nominet's prices again before the end of the calendar year.

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