Dear Colleagues:

Following SnapNames' most recent sharing of business information with the community, some constituents have suggested, in the interest of understanding how the WLS might appeal to mainstream users versus speculators, that we produce yet another set of statistics on our current SnapBack customer base. Because a WLS subscription is not guaranteed to acquire a name that *won't* delete (or is renewed), some have said here, only a "fool" would purchase a subscription on a name *before* it enters the 45-day, post-expiration grace period. Even readily available, general data reveals this proposition to be false – renewal rates on domain names not attached to live websites are well under the 41% average for all CNO names -- but empirical data further demonstrates that most customers make calculated (and usually very successful) bets that names they back-order will in fact delete – a risk that is further lessened by their ability to transfer their subscription to a new name in the unlikely event the first name is renewed. We are at a loss to understand the source of so many erroneous assumptions, but in the interest of clarity, we'll again set the record straight.

While we think the data we have previously-shared correlates far more directly with the mix of customers one could expect under a WLS system (i.e. 92% of our customers have only one or two subscriptions; only 1% have more than 10 subscriptions), and while those demanding the statistics proffer no support for their own theories, we nevertheless submit below the following additional, fact-based statistics.

We've repeatedly asked that the opponents to the WLS who run competing secondary market business models, particularly those who proffer only unfounded speculation about our model, also share their relevant company information, as we willingly have, and be as open with all the constituents, and ICANN, as to customers' ability to equitably access and use their services. Most registrars who currently oppose the WLS proposal serve an audience consisting exclusively of speculators, who make up fewer than 1% of our valued customers and who, because knowledgeable speculators are far more likely already to have discovered our service than the mainstream, undoubtedly make up far less than 1% of all customers a WLS could reach. Most of the speculator business models do not even allow their clients to place orders for names that have not yet expired, though such pre-expiration orders represent 53.2% of SnapNames' current active subscriptions.

Some background information is required in order to interpret the chart below.

The data for this analysis is the same as was used in the "Greater Good" and "Pricing Market Research" documents we previously posted – active registrations currently in our system. (If you missed the other documents you can download them at http://www.snapnames.com/wlsproposal.html). The chart shows the distribution of SnapBack subscription target names in their present state in relation to the target names' expiration dates.

SnapNames originally offered a 3-year subscription service that was positioned as a protection product marketed to law firms and corporations. (Keep in mind, SnapBack

includes a security monitoring component that is not part of the Proposed WLS product.) In terms of active subscriptions, these 3-year protective SnapBack subscriptions remain disproportionately active precisely because they were taken out on names meant (barring inadvertence) never to delete. In terms of all orders ever placed, then, these protective subscriptions represent a small percent of our volume. However, in terms of active subscriptions, they represent roughly 25%-30%, with a <1% chance of ripening, and show up predominantly in the one-to-ten-years-out category since these names tend to be registered for longer periods of time by the subscriber himself. These solely security-based purchases are therefore not relevant to the WLS wait-list comparison. As we indicated in the "Greater Good" posting, we do NOT intend, nor do we anticipate, that the WLS product will ever be offered as a security product, for it lacks *any* such features.

The data show that 16.6% of SnapBack subscriptions target names that have six months to go before expiration. 11% of subscriptions are for names past expiration but within the 45-day grace period. 25% of subscriptions are for names between 45 days and 6 months past expiry (a number greatly inflated by legacy expirations still not deleted), with 11.3% being between 3 and 6 months past expiry. Again, keep in mind this is the present state of these subscriptions, not an indication of the time-to-expiration or time-past-expiration when the subscriptions were first taken. Finally, another 11.5% of subscriptions are targeting names that expired more than six months ago.

(Note that the expiration dates are provided by registrar whois, not registry whois. We have found many instances in which the registry indicates the name is renewed but the registrar's whois database shows it as expired. We have been able neither to verify potential database synchronization issues nor determine to what degree the practice is prevalent, although from other postings on these listservs we are hearing that others have also noticed an increasing rate of such aberrations.)

The expiration data here show a rough correlation to the data provided in the "Greatest Good" document, which indicated that 54% of subscriptions were held by mainstream customers with only one or two subscriptions, and a whopping 92% of customers had only one or two subscriptions. Because the supermajority of mainstream customers tend to subscribe *prior* to the 5-day delete cycle, the speculative theories that the bulk of customers would only place orders on names that are *sure* to be deleted (i.e. batch deletes about 45-50 days expired) are wholly unsupported by the data.

We hope this information is helpful; the provision of similar data from those who have requested our data would make it even more helpful. If I haven't expressed it before, then allow me to express now my appreciation to the community for engaging thoughtfully on this issue. Many of your questions have given us occasion to share potentially useful information so that everyone is in a better position to tailor a WLS solution that meets the needs of the greatest number of people.

% of SnapBack Subscriptions by Time Past or Until Expiration Date

Category	Percentage
No Exp Date	4.6%
3 - 10 yrs to exp	2.7%
<3 yrs to exp	0.9%
<2 yr to exp	13.8%
<1 yr to exp	14.6%
<6 mos to exp	6.7%
< 3 mos to exp	2.3%
<2 mos to exp	3.2%
< 1 mo to Exp.	4.4%
> 1 mos past	6.8%
> 2 mos past	7.7%
> 3 mos past	9.6%
> 6 mos past	11.3%
> 1 yr past	7.7%
>2 yrs past	3.1%
> 3 yrs past	0.7%