

Policy Advisory Board: Report from Meeting 15

PORTMAN SQUARE, LONDON, W1. 1 August 2001

Those present:

- Richard Almeida, Elected member
- Richard Baron, Appointed member
- Denesh Bhabuta, Elected member
- Mike Blanche, Elected member
- Alex Bligh, Appointed member – Council of Management
- Gordon Dick Elected member
- Steve Dyer Appointed member – Council of Management
- Clive Feather Elected member
- Peter Gradwell Elected member
- Sue White Appointed member
- Shirley Wood Elected member

From Nominet by invitation of the PAB: Felicity Hoad, Fay Howard, Emily Taylor.

1. Welcome and apologies

Apologies were received from Adam Beaumont who gave his proxy to Peter Gradwell.

2. Code of Practice

Fay Howard presented a progress report and a new version of content for the Code. She reported that there was very little controversy over the content of the code, but that those consulted had questioned why it was not being made a condition of Tag Holder status.

Given the strength of this opinion, Fay outlined plans to meet with the DTI and seek clarification on their original advice to Nominet with regard to competition issues. She felt that whether it was appropriate or not, she needed to understand the arguments better and, given the much wider demand for domain names now than when DTI advice was first sought, a review may be helpful in other areas of Nominet's business.

Alex Bligh pointed out that Nominet endorses minimum barriers and that members should be allowed to adopt different business models. Some PAB members believed that a mandatory CoP would restrict this. Fay Howard agreed with this but pointed out that the code did not dictate business models but ensured better consumer information, in line with Nominet's mandate to serve the interests of the whole UK Internet community.

A discussion ensued around whether it would be appropriate for Nominet to enforce rather than encourage a CoP. It was pointed out that some Tag holders did register names on behalf of others and that the CoP wording would have to be prefaced with wording such as: 'if registering names on behalf of others in a

commercial capacity...' Fay advised that she had tried to meet with more of those who would oppose a compulsory CoP but many had not responded.

On funding, Fay reported that some of the larger members were happy to pay a considerable fee to an Accreditation body but others had pointed out that this would make the good guys who did sign up less competitive than those who didn't sign up. She reported on the favourable reception to a recommendation from OFTEL that Nominet funding of the CoP should be withdrawn on a sliding scale over a number of years. There was PAB support for this view.

The PAB recommended that Fay:

1. With the assistance of Nominet's lawyers, explore the competition issues of a CoP with the DTI
 2. Try to consult with more members who may be opposed to the idea of a mandatory CoP
 3. Bear in mind that 53% of Tag Holders register less than 5 names per year.
3. **Rules for .uk**

Emily Taylor outlined the requirement to remove clause 3.5 of Nominet's Rules that deals with the Dispute Resolution Service, in order to harmonise the terms under which the new DRS will commence on September 24 2001. The Terms for the new DRS are incorporated in the new Terms and Conditions for Domain Name registration that the PAB have approved, that will come into force from September 1 2001.

It was further recommended that in the longer-term a comprehensive review of the Rules for .uk and its sub-domains should take place.

The PAB:

1. Approved the proposed deletion of clause 3.5 of the Rules
 2. Requested that Emily produce a draft set of revised Rules for the next PAB meeting
4. **Feedback from the AGM**

A list of ideas generated from the PAB Workshop at the AGM was circulated to the PAB. It was agreed that the workshop session had provided a useful consultation. Future suggestions included dealing with one issue at a time, having a Nominet scribe in each break-out group, and having a longer time to discuss the issues.

Alex Bligh suggested that Lesley Cowley feed the views from the pricing group into the pricing review differentials being prepared for October's meeting.

5. **Personal SLD Applications**

The PAB discussed the requirement for a personal Second Level Domain in light of the two SLD applications - for *me.uk* and *soc.uk* -that were tabled for review at the meeting.

The majority agreed that there was a need for a personal SLD, with one voting against and one abstention.

The majority thought that *me.uk* and *soc.uk* were overlapping proposals. Referring back to the Guidelines, the PAB was unanimously against the idea of introducing two overlapping SLDs.

The majority believed that *me.uk* was a well-defined proposal and that *soc.uk* was not, with one abstention.

The majority were supportive of the name *me.uk*, with two abstentions.

Therefore:

The PAB approved the *me.uk* applications and made the following recommendations (with two abstentions):

1. There should be a personal SLD
2. It should be called *me.uk*
3. There should be no dots or a firstname.lastname distinction
4. A suitable start-up mechanism, and the legal implications of this, should be investigated by the Executive
5. A suitable Dispute Resolution Service should be looked at

Clive Feather offered to assist the executive.

With regard to *soc.uk*, the PAB recognised that it catered for some communities that were not served elsewhere, but that the majority of these were fulfilled by the *me.uk* proposal.

Therefore:

The PAB agreed to reject the proposal for *soc.uk* on the grounds that, as currently worded, it was not necessarily beneficial nor appropriate (there was one abstention from this view).

6. Geographic SLDs

Clive Feather agreed to chair a sub committee to review the issue of geographic SLDs. Alex Bligh, Gordon Dick and Richard Almeida expressed interest in being involved.

It was agreed that the sub committee should take account of the work of WIPO on geographical indications - see <http://wipo2.wipo.int/process2/>.

7. Financial Paper

The review of the pricing structure was delayed until the next meeting. However, an interim paper was tabled which demonstrated that Nominet was reaching a negative cash flow position this Autumn.

8. **Two Letter Third Level Domains**

Discussions were held around the proposed mechanisms for releasing two letter TLDs.

Some believed that an auction was the preferred option, and that Nominet should only release the names if it raised 20 per cent of the deficit in cash net of costs.

Others supported the view that it may be unpalatable for Nominet to set a price for these names above the normal registration fee of £5.

The PAB recommended that:

1. The net amount raised (excluding costs) by any release mechanism, should be at least 20% of the predicted Financial Year End cash position deficit, that deficit being the difference between the targeted cash (as defined by the third of the three principles), and the forecast cash position.
2. The proposed list of mechanisms should be passed to the Executive in order for them to propose to the PAB a suitable and operable mechanism at the next meeting.

9. **Matters arising from pab-suggest list**

Tag Changes

A discussion was held around the issue of Nominet's involvement in the contracts between members and their customers. This was raised in light of Nominet's willingness to uphold a member lien in the case of a Tag Change, but not in the instance of a Domain Name transfer or cancellation.

The majority of PAB members would like to see a way forward without Nominet's involvement in a third party lien situation. However, it was noted that Nominet had produced Model terms that had a lien clause in them, and therefore any change in policy would need to be handled carefully.

The PAB recommended that the Executive investigate the legal status of Nominet's current procedure on Tag changes, and determine whether this position is legally enforceable or not.

There were three possible options to be considered:

1. To leave the existing policy on Tag changes as it is
2. To change the policy so as not to allow Tag Holders to block Tag changes

3. To extend the policy on Tag changes to cover cancellation and transfers

.sch.uk

A proposal had been submitted by the Scottish Executive Education Department for use of an additional 4LD under *.sch.uk*. The 4LD was intended for use by Education Authorities.

The PAB approved the proposal and recommended that the 4LD should be called: *ea.geographicalarea.sch.uk*.

Position on Verisign's accusation of 'slamming'

The PAB agreed that it did not have a position on the letter sent by Verisign's Roger Cochetti to ICANN's CEO Stuart Lynn.

Request for price reduction for bulk renewals

The PAB rejected a proposal for a price reduction for bulk renewals.

Further work was needed by Lesley Cowley to investigate whether any different groups of renewals bore significant different costs, and if so what these were.

10. Date of next meeting

The next meeting would take place on Wednesday 3 October, venue tbc.