

A Government Perspective

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I am grateful for the opportunity to speak to you today. I hope to tell you why I think it is important that Nominet does think about how it makes an impact – and the necessity that such an impact is positive. Clearly, the flipside of today's theme is how Nominet can avoid making a negative impact.

I am lucky to be following Tanya Byron who has done so much to influence our thinking on child protection on the Internet and indeed that takes us to the heart of the challenge facing all those involved in the development of the Internet as a key part of our modern society.

That challenge is the question of trust and confidence in the Internet as a fundamental requirement of putting the UK at the forefront of the new digital economies. I want to explore today why these issues should be at the forefront of how you conduct your business and how, through Nominet, the domain name sector in the UK manages its affairs.

You may think that the Government doesn't get the Internet. I may not be able to persuade you otherwise today, although personally several years ago I listed it as amongst my interests for my entry in Who's Who alongside with something economically less important but culturally highly significant - red wine. The move of so much of the world of work and leisure on-line – or to put it another way, our economy and our way of life taking place in cyberspace - poses some of the biggest policy challenges that Society faces today. This is a challenge for governments in respect of how we interact with the citizen – all of the questions around identity, e-government and e-democracy – as well as the questions about the rule of law in cyberspace. Tanya has touched on some of these issues but the move of so much positive activity on line has been accompanied by the movement of all that is negative in our societies – counterfeit goods, terrorist recruitment, the glorification of all

forms of violence – and, sadly, there is probably no more enthusiastic adopter of the new technologies than organised crime.

So the challenge of the Government in policy terms is to promote a dynamic growth of all that is positive while looking to mitigate all that is negative. In respect of the prospects for growth, my new Minister Stephen Carter has clearly set out that we have to deliver a step change in how we deliver Government policies in this area. The name of this initiative is the Digital Britain Report and the aim of the Report is to create a framework and an action plan that will put the UK at the forefront of innovation, investment and quality in the digital and communications industries. There will be an interim report in January. The full Digital Britain Report will be published next Spring.

The project will look at how to maximise the coverage and service levels in this generation and next generation Broadband; it will propose how to accelerate a fully-functioning, liberalised market in wireless spectrum. It will also look at promoting UK originated content and look at the impact of convergence and new media on business models, public service content and in particular news and radio. In his maiden speech to the House of Lords on 5 November, Stephen gave us some insight into what he is thinking. Let me read you some of it:

“Broadband for everyone is, in a non-partisan sense of the word, a progressive objective. It is about inclusion rather than exclusivity; it is about access to information rather than control of information; and it is about participation. Therefore, practically rather than just rhetorically, broadband is a democratic activity. For businesses, broadband is about efficient distribution, lower costs and lower carbon consumption as we move to an economy that increasingly moves bits and bytes rather than people and goods.

“However much has been achieved in broadband Britain over the past eight years, we must all recognise that we are still considerably further advanced and, frankly, more concerned, as a broadcast nation than we are as a

broadband nation. We have as a nation consciously embedded—and, in part, publicly funded—universal access to digital broadcasting, but we have not yet embedded or publicly funded universal access to broadband, however defined. If Lord Reith was right, as in many things he certainly was, in his assertion that the broadcasting system of a nation should be a mirror of that nation’s conscience, surely our ambition should be for the broadband system of the nation to be the engine of the nation’s mind.”

What is particularly interesting in this to me is that the Minister for Broadcasting, normally that area of highest political and public policy aspirations, is saying here that universal broadband may be more important to the UK than universal broadcasting. As an engineer I have no difficulty in subscribing to that theory because to me it is a no-brainer that broadband networks have the capability theoretically to deliver anything that we currently use TV or radio transmitters to do. And as an engineer I see radio spectrum as better used to deliver personal mobility than television programmes. Of course today’s broadband networks could only partly do this because we don’t have 100% availability of broadband that works, we don’t have 100% availability of broadband which is reliably fast and we are a very long way off having 100% take up of what broadband is there. But these are areas we want to look at in the Digital Britain Report.

Francesco Caio recently carried out an independent review for us into high speed fibre broadband or Next Generation Access as the jargon has it. His conclusions were that this would be important for the country in due course, but it wasn’t important yet because no-one had the applications that needed it and that Government intervention now could mean we end up with stranded assets of an interim technology in all the wrong places. But he did warn us to think ahead to when intervention may be necessary to prepare what we might do then, and he set out a number of barriers to investment, many of them of a regulatory nature. We will be looking to see how we can take these forward in the Digital Britain Report too.

The Report will also look at issues like Internet security, safety and content standards, intellectual property rights, and how competitive our IT education and skills systems are when compared to other countries. I am very glad that Tanya Byron has agreed to be a member of the Steering Board for the project, where incidentally the civil servants are well outnumbered by people from the world outside Whitehall and is all the better for that.

The issue of trust and confidence is going up the political agenda. Probably all of you will be aware that the House of Lords Select Committee on Science and Technology produced a report on Internet safety last Summer which – while we could not accept all of the recommendations – provided a valuable analysis of the problems from the user perspective and how all those involved in the provision of the Internet product to consumers had a role to play. I think this has to be seen alongside the concerns on content addressed most notably by Tanya but also others that are emerging on what seems like a daily basis.

I think that many users do not distinguish between phishing, spam and bad content – these are all Internet problems and they think someone should do something about it. Although many Internet users think the Government should keep out of the Internet, I suggest to you that most ordinary people who just use the Internet like they use the banking system or the trains think that the Government should make sure it all works properly for them and that bad things get stopped from happening. The point that the House of Lords made that we could agree with one hundred per cent was that this is a distributed responsibility and everyone has to make a contribution.

That, of course, includes the domain name sector. If all of those with a responsibility do not get involved, we risk a serious downturn in confidence. Trust is another example of something which is a mile wide and an inch deep, hard to put in place but easily lost. But in this regard, I think that in many ways there is a good story to tell. Nominet as a company have taken a

responsible and imaginative approach to the issue of Internet governance and have demonstrated leadership on several levels.

An example of this is in the recent statement of Nominet's mission, "to make a positive difference to UK Internet users and to shape the development of the Internet." I see it as immensely positive that, under the leadership of Lesley Cowley and Bob Gilbert, Nominet has taken such a stand: one that clearly recognises that industry self-regulation is all about doing things better and making a difference for the end users.

Nominet have been one of the prime movers in the Internet Governance Forum – I am very appreciative of the personal commitment shown by Emily Taylor in being the voice of reason within the management of the process – and the creation of a UK forum to contribute to the global process and the best practice challenge are all good and strong contributions. And let us be clear about this. I mean the voice of reason for Internet users not the voice of reason for government. She is all the more influential because we don't have the means to tell her what to do or what line to take. Nominet have also dealt with ICANN so that the interests of UK users are well understood by that organisation – this is not an easy job and again Nominet has done it well.

Let us be clear too about the significance of the Internet Governance Forum. Some of you present here today may have followed an earlier set of reports in the Register, which mentioned me from time to time, on the preparation for the World Summit on the Information Society in Tunis in 2005. The significance of this was that the first part of the Summit, held in Geneva in 2003 stalled because there was no agreement between the West and the developing countries about Internet governance. The preparation for the Tunis phase included work by the UN Secretary General's Working Group on Internet Governance which met in late 2004 and during the first half of 2005. I was a member of this group of about 40 people, from all sorts of backgrounds, academic, business, civil society and governmental from 25 or so countries. I was struck that the discussion on Internet governance basically homed in on one issue above all others. That was, who controlled the Domain Name

System. At the time the answer was widely seen as being the US Government and quite a number of countries didn't like that. They were determined to get a change which the US didn't want and another stalemate loomed. The UK Government was very concerned that intergovernmental interference could stifle Internet innovation and we wanted to avoid that.

The UK happened to hold the Presidency of the European Union during the second half of 2005 and so I found myself as the EU's chief negotiator in the final run up to the Summit. It was in that context that I was a prime mover in brokering wording which left ICANN in the private sector and with the expectation of increasing independence from US Government interference and at the same time free of the UN oversight that countries like China and Brazil wanted. An important part of the compromise we proposed was the establishment of the Internet Governance Forum which was to provide a multi-lateral forum for representatives of all different stakeholder groups to meet on an equal basis to discuss issues of common concern. A very significant consequence is that the international demand to bring ICANN under international governmental control has greatly diminished. But we are half way through the mandated period and there is a new danger ahead of us in a couple of years time. If the IGF is not judged as successful, then the calls for fundamental change to the governance of the DNS will undoubtedly bubble to the surface again.

My purpose for mentioning this is that whether all of you in this room understand the significance or not, Nominet generally and Emily Taylor in particular has represented all your interests excellently in the preparations for IGFs. The influence she wields on UK's behalf and on behalf of all UK Internet users derives as much as anything from the high regard in which Nominet is held by the international community.

I know this is a long way from the coal face for most of you but it is important that Nominet should take this long view as the company is more than simply a

registry for .uk but also a regulator – in the sense of self-regulation – for the domain name activity in the UK. Again, I recognise that Nominet takes this role seriously and I know that there are discussions about the standards of behaviour that the industry should adopt. I applaud that and I am glad to hear that the recent discussions between Nominet's Policy Advisory Body and APACS, the banking payments industry association about how the banking sector and domain name sector can work together to make life more difficult for those who run phishing sites. No-one expects domain name companies to act as a police force but if there is something that can be done to minimise the availability of domain names to criminals, then you should be looking to do it. As we have found in relation to closing down access to child abuse images, there comes a time when Society can expect business to stand up and be counted.

There is also a bigger picture. I am well aware that the company seriously take the fact that the process of resolving domain names is part of the national infrastructure. We see this in their discussions with Government about issues such as the development and adoption of DNSSEC. But an issue for us in Government is that we put a huge amount of effort into understanding the vulnerabilities of the national systems that define life in the UK – finance, energy, water, transport, communications and so on. It is hard to find another example like the DNS where such a vital aspect of the critical national infrastructure is left in the hands of a private company which is unlicensed and unregulated. I have to say that my searchlight has swept round to Nominet because I am not certain that my previous confidence in the way the Board runs the company will continue to be well founded in the future.

I expect many of you are wondering when I am going to mention the letter that I wrote to Bob Gilbert asking questions about the governance of the company. I hope what I have said so far indicates how important we regard the effective management of the domain name system and that the company has a wider responsibility to the society in which it operates. That means that the

company has to show that it is run in a way that will guarantee that that all stakeholder interests are taken into account. That is not some Whitehall code for doing what Government says. I am glad that Jeremy Beale from the CBI is here today and I am sure that he will eloquently support the idea that the vast majority of private sector companies want the domain name system to work for them rather than against them. This is a key point: whom should Nominet serve? Its members' interests –essentially that of the domain name supply chain? Or those of the wider community that depend on domain names: the “consumers”? Is there an acceptable framework for setting policies that impact on the rights and interests of the customers of this supply chain?

Again let's be clear: while reducing prices is generally a “good thing”, I have concerns when the people and organisations making the decision stand to benefit significantly from the decision. While this might benefit individual business models, has there been serious thought given to the wider impact that this might have on the end user?

Similarly, continued attacks on the dispute resolution service – a mechanism put in place to protect rights holders from abusive practices in the industry, and in itself a pretty limited effort to show the industry cares about consumer protection – reflect badly on the industry self-governance model.

Diversity in the boardroom is an important feature of good governance. Running the .uk domain should not be seen as the petty fiefdom of a clique of members, and the dominant membership voice on the Board raises immediate concerns about how effective the Board can be in ensuring that Nominet fulfils its public-service mandate, rather than serving the interests of the few. Recent press coverage of the battles in the boardroom appear to me to support my concern, that there is a lack of understanding of this wider role among some of the Board members.

I wasn't surprised at the vehement reaction my letter caused in some of the comments posted on the on-line media coverage, because I have come to learn that there are always people who say or write outrageous things out of ignorance or self-interest. But I was surprised there seems to be some sort of accepted wisdom emerging that the result of my letter will be that the Government will put someone on the Board of the Nominet. This is certainly not what I am thinking. My sincere hope is that Bob Gilbert will tell me that any problems can be resolved by the company for the company. The evidence for that will be in how the company responds to the independent review of its corporate governance. If there is a real problem in the company meeting its wider obligations to all of its members and its stakeholders, taking into account the wider consumer interests then we may have to take action. As of today, I cannot tell you what that action might be, nor do I particularly want to speculate.

I have to say that on-line media coverage of events since the issue of my letter have only confirmed in my mind that I was right to ask Bob Gilbert and his team to talk me through the governance issue and that I should have followed up that discussion with a formal letter. I have to confess to being sceptical about the value domaining brings to the industry or the country as a whole. The whole activity seems predestined to push at the boundaries of what is acceptable in acquiring domain names that will be of legitimate interest to a body or private individual. It seems patently obvious to me that Nominet should be taking a strong position as the regulator of such activity and if that regulation is dominated by practitioners of domaining, then I think we have a serious problem. This is a clear example of my concerns about whether Nominet's governance model is adequate. But I hope – sincerely – that the review will identify how best the company should reflect the interests of all parties.

But, in the end, I will be suggesting to Ministers that we want the domain name system in the UK to work for ordinary Internet users and not be tilted

towards the interests of a small set of people who seek to make money by buying, sitting on and subsequently selling domain names.

In conclusion, I think that, returning to our theme, Nominet has made a positive impact on the Internet community. It has a standing internationally that is almost without parallel. It is demonstrating to UK stakeholders that it can identify activities where it can promote best practice in the industry to the benefit of all stakeholders. The challenge now is to ensure that the governance of the company allows the company to maintain and develop its leadership role in relation to the Internet industry. I hope that this is not seen as a power struggle but as an opportunity for all stakeholders to reconsider what they want out of the company in terms of the core business and the wider promotion of the UK Internet industry. I hope that we can build on Nominet's strengths and look forward to creating a firm foundation for an even greater positive impact going forward. Thank you for listening to me.

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