

POLICY ADVISORY BOARD REPORT  
PORTMAN SQUARE, LONDON, W1  
6 October 2004  
MEETING 34

Those present:

Tom Adams	Appointed Member - Cabinet Office (e-Government Unit)
Jeremy Beale	Appointed Member - CBI
Denesh Bhabuta	Elected Member
Alex Bligh	Appointed Member - Council of Management
Iain Bourne	Appointed Member - Office of Information Commissioner
James Cronin	Elected Member
Gordon Dick	Appointed Member - Council of Management
Michael Duggan	Appointed Member - DTI
Clive Feather	Elected Member
Peter Gradwell	Elected Member
Sebastien Lahtinen	Elected Member (Chair)
Mark Lewis	Appointed Member - Companies House
Alex Kells	Elected Member
Hazel Pegg	Elected Member
Brian White MP	Appointed Member - All Parliamentary Internet Group

From Nominet by invitation of the PAB:

Willie Black, Executive Chairman  
Gareth Cook, Communications Executive  
Lesley Cowley, Managing Director

1. Apologies

Apologies were received from James Conaghan and Eric Ramage.

Brian White MP, Chairman of the All Parliamentary Internet Group (APIG) and Gordon Dick from Nominet's Board were welcomed to their first PAB meeting.

2. Approval of August meeting report

The August meeting report was approved unanimously.

3. Feedback from CoM on PAB recommendations

Sebastien Lahtinen summarised the feedback from the Board on the PAB's recommendations from the August meeting.

Discussion of the latest version of the Status Report on PAB and CoM issues and actions was deferred to the December PAB meeting.

#### 4. Working Groups Update

Peter Gradwell reported that the Registration Periods Working Group had almost achieved a consensus on the registration periods they would recommend Nominet adopting, and expected to have their report available for the December PAB meeting.

Clive Feather stated that he felt he needed to do more work to generate further discussion from the Internationalised Domain Names Working Group.

James Cronin reported that he was finding it difficult to recruit people with an interest in the Lock State Working Group.

It was suggested that the Working Groups should be advertised outside of Nominet (through news websites such as TheRegister and via external mailing lists) to encourage more participation. Gareth Cook invited PAB members to send a list of suggested contacts to Nominet's Communications Department.

#### Resolution

The PAB resolved to confirm the WGSC's interim approval of the Registration Period Working Group and Peter Gradwell's appointment as the chair, and designate the working group as having full approval.

The PAB resolved to request the Council of Management to enhance as soon as possible the advertising of Working Groups beyond the usual PAB participants, and especially to the stakeholder community at large.

#### 5. Governance Review Update

##### Options and scenarios for the Nominet Board

Willie Black introduced his paper about the composition of the Nominet Board, and explained that some aspects (the voting structure, the relationship between members and tag holders and the question of whether Nominet should be a thick or thin registry) had not been examined in any depth and these issues would need to be dealt with separately.

Sebastien Lahtinen asked what would happen to the corporate governance review after Willie Black has left Nominet in December. Willie replied that he presumed the new Chair would take up the responsibility for the remainder of the review. Alex Bligh stated that the Board was putting in place the recruitment process for a new Chair as quickly as possible but were keen to ensure that the process was open and transparent. It was envisaged that the new Chair would be in place by the time Willie Black leaves in December.

There was a discussion about what effect changing the voting structure and mechanisms would have on the proposed changes to the composition of the Board. Willie Black explained that this had not really been covered in the review as the Board had not yet been able to achieve a consensus on the issue. It was assumed that the membership would still have a large say in the election of any elected candidates to the Board.

Clive Feather suggested that having one election candidate rather than two under the new proposals could play into the hands of the big power blocs of members with greater voting strength. He suggested that research should be conducted into the voting mechanisms in order to eliminate some of these potential problems. Several PAB members felt that the voting structure needed to be looked into more clearly as it was closely linked to the proposed changes to the Board composition. Some felt that the consultation on the Board composition should not even take place before a review of the voting structure had been carried out.

Brian White warned that if it appeared to stakeholders that Nominet's position could be threatened by the election process it could undermine the trust in Nominet as a company. Alex Bligh pointed out that the changes in Board composition seemed significant to Nominet but would be viewed externally as simply a tweak to the existing structure.

Alex Bligh urged the PAB to put the governance review out to consultation as it stands rather than wait for the conclusion of the voting structure review. He argued that if it became clear from the consultation that people believed the voting structure should also change, then implementation of the structural changes to the Board could be delayed until the voting structure has also been agreed.

It was suggested that although the question of whether Nominet should follow a thick or thin registry model was important it should not delay the current consultation and could form part of a further review at a later stage if necessary.

It was felt to be important that Nominet proceeds with the consultation on the governance issue as soon as possible as otherwise many members would view the delay as an excuse to ignore this important matter.

#### Resolution

The PAB resolved to recommend to the Council of Management that they put the issues raised in the 2004 Governance Review out to consultation. The PAB resolved to accept in principle the recommendations for increased size of the board, the combination of both appointed and elected members, the extension of terms to three years, and the principle of term limits for appointed members.

The PAB further resolved that in its opinion, the issues raised within the paper were strongly linked to the issues of voting rights and membership structure, and therefore recommended that the Council of Management should not proceed with any of the changes recommended within the paper until these issues have also been consulted upon, and until consensus has been reached on all issues.

The PAB further recommended that the issue of thick/thin registry structure should be considered separately to the governance review and its implementation, even though this might itself generate a requirement for a further review of governance; and that the streams of the governance review other than thick/thin registry structure should proceed on the assumption that no change would be made in this area.

## Review of the Policy Advisory Board

Willie Black outlined the suggested resolutions and recommendations included in this paper. The PAB agreed with the first six recommendations outlined in the paper.

With relation to the tenure of the PAB Chair and elected members, the PAB agreed to recommend a term of no more than three years for the Chair. It was felt that there did not need to be a tenure limit for elected members as there seemed to be a healthy turnover rate of candidates at present. Alex Bligh suggested that having a tenure limit for elected members could restrict the number of candidates coming forward. Jeremy Beale suggested that not having a limit could weight the balance in favour of current members as new candidates may be reluctant to put themselves forward because they felt they had less experience than those who had been on the PAB for some time. Lesley Cowley stated that discussions at Nominet Lunches had already resulted in two members being willing to stand as candidates in the next election.

Alex Bligh left the meeting at this stage for another appointment and Peter Gradwell took over recording the PAB resolutions.

The options for the role of the Board's representatives on the PAB were discussed in detail. Some members felt that the Board representatives should not take part in the debate as they could dominate the debate and influence the opinion of the appointed PAB members in a formal vote. However, several of the appointed members stated that they greatly appreciated the contribution of the non-executive directors. Some agreed that it was important the PAB remained independent so if possible it would be good for the Chairman to ensure that they did not dominate the debate. A number of people were in favour of the Board representatives attending PAB meetings and taking part in the debate but not voting, but the PAB did not reach a consensus on this issue.

Denesh Bhabuta questioned why the Board had made a distinction between paying the PAB Chair and not paying the elected PAB members. Lesley Cowley responded that the payment was to reflect the considerable additional time and effort made by the Chair and the fact that future development of the role was likely to require increased commitment. Denesh will submit a paper to the December PAB meeting on this topic.

## Resolution

With regard to the PAB Governance Recommendations, the PAB resolved to accept recommendations 1 - 6 (inclusive). The PAB resolved that its rules should be amended such that the PAB chair's term should be limited to three years, but that there should remain no limit on the term of elected members. The PAB resolved to recommend to the Council of Management that they should encourage as many candidates to stand for the PAB as possible.

## 6. Positive Renewals - Correction of Errors

It was decided to defer this paper from James Cronin until the December PAB meeting, due to time constraints in this meeting.

## 7. SLD Panel Chair Recruitment Subcommittee Report

The Subcommittee had met on 29 September to discuss the short list of candidates recommended for the position of Chair of the SLD Panel and had submitted their report to the PAB.

### Resolution

The PAB resolved to accept the report of the SLD Chair Selection Committee, and to recommend it to the Council of Management.

## 8. Terms and Conditions Review

It was noted that the terms and conditions paper was sent to the PAB for information following consultation.

Michael Duggan reported that he had been contacted by the Bona Vacantia Department of the Treasury Solicitor regarding the final version of Nominet's revised Terms and Conditions. They were unhappy with the fact that under the new terms a domain name registered to a company that had been dissolved, e.g. post liquidation, would be cancelled automatically and that this was a major change to the version put out to consultation and discussed by the PAB in February. Lesley Cowley responded that there had been several communications between Nominet and the Treasury Solicitor on this issue. They had been informed of the suggested changes regarding the cancellation of domain names and invited to make a submission to the PAB meeting, but had failed to do so. The PAB noted the concerns of the Treasury Solicitor on the matter.

Lesley Cowley advised the PAB that the new Terms and Conditions had been approved by the Plain English Campaign and had achieved their Crystal Mark for clarity.

### Resolution

The PAB resolved to note the CoM's proposal to implement the new terms and conditions and that they will be published in accordance with the CoM's proposal.

## 9. Child Pornography and the .uk Top Level Domain

During the consultation on the proposed changes to the Terms and Conditions Nominet received two responses requesting that the contract should provide for certain steps to be taken if it is brought to Nominet's attention that a domain name is being used in connection with child pornography.

Lesley Cowley explained that Nominet had discussed this topic with the Internet Watch Foundation some time ago and had recently obtained legal advice on the matter. Lesley stated that the Board would prefer Nominet to have the right to cancel such domain names but recognise that this would not meet everyone's needs. Lesley also explained that they are currently no domain names registered in .uk that would require such action.

A lengthy debate followed in which a variety of differing viewpoints were expressed. It was noted that there is growing pressure for regulation on the internet and Nominet needs to address this issue carefully even if it is not in the best place to do so. Brian White suggested that Nominet needs a policy in place that is publicly defensible and others agreed it was important to ensure the IWF and public see that we are taking this issue seriously. Tom Adams mentioned that a new Child Safety Group was being set up by the Secretary of State for Education that would be chaired by Becta and involve the IWF. He will pass on the details for Nominet to consider contacting the group.

Some members warned against Nominet taking any action that could result in effectively managing a 'dirty words' list and that the cancelling of names was the thin end of a very thick wedge. It was suggested that there were many legitimate uses for names that could imply a different meaning in this context and therefore action based on the domain name itself was very difficult to balance.

Sebastien Lahtinen suggested that Nominet should perhaps talk to the IWF in more detail before making any policy decisions on the issue raised. Brian White stated that there is the opportunity for Nominet to talk with regulatory authorities such as the IWF, the DTI and the Police. He suggested that in the past Nominet have not been seen to take part in such debates.

#### Resolution

The PAB noted that it was undecided as to whether or not the CoM should alter the terms and conditions such that Nominet has a general right to cancel domain names which are likely to lead to criminal liability for Nominet and it proposed to debate the issue further at the December PAB meeting.

Further, the PAB recommended that the CoM should continue it's program of liaison about the domain name system with the IWF, Government and other appropriate bodies.

#### 10. DRS Policy & Procedure Review

The PAB was advised that the DRS Policy and Procedure consultation was complete.

#### Resolution

The PAB resolved to note the CoM's proposal to implement the new dispute resolution policy and procedure and that they will be published in accordance with the CoM's proposal.

#### 11. Matters arising from nom-steer and pab-suggest

There were no matters arising from nom-steer and pab-suggest.

#### 12. Urgent Business

There was no urgent business.

#### 13. Date of next meeting (1st December)

The next meeting will be held on Wednesday 1 December 2004 at the Regus centre in Berkeley Square and will be followed by the PAB Christmas Lunch.

