

## Jason Johns - Nominet Scope Consultation response

I am not entirely convinced that current members would gain from Nominet being free to expand into some of the suggested new areas (although ENUM, for example, has obvious potential benefits). Say, for example, Nominet took over a foreign registry... Members could not benefit financially as Nominet are currently prohibited from sharing profits with members in any way except by reducing the price of registering or renewing .uk domains. Moreover, it is unlikely that any such price reductions would benefit members - especially smaller ones. Another risk is that, in the future, members' influence over Nominet could be diluted as new members join to utilise new services.

The risks of .uk being taken over by a competing register (if it fails to expand) are overstated. On the contrary, as Nominet starts to compete in new markets it's almost inevitable that, at some point, the main players in those markets will ask why they are not able to compete in Nominet's core market. The positive response from Verisign may indicate that other registries see Nominet's expansion as an opportunity, not a threat.

The stated benefits of agility and the ability to 'respond to market pressures' are similarly skewed. The industry relies on Nominet's stability and the consultation document fails to mention the inescapable fact that being more thrusting and entrepreneurial means accepting a greater degree of risk. Before Nominet expands its scope there needs to be a clear strategy to insulate the .uk registry from any additional risk.

I broadly support Option 3 but am concerned about specific clauses:

- 3.6 & 3.12                      An upper limit should be set, above which members are consulted.
- 3.13.1.2 -3, 3.13.2-5      Under what circumstances does Nominet envisage using these powers?
- 3.13.11-13                      Nominet should not be borrowing money to enter new areas of business.

One final note... Although it's nice that all the proposed Objects clauses state that the .uk registry will remain Nominet's core business, I do not understand how this can be monitored or enforced.