

Nominet has operational experience in running a registry well and it would seem inappropriate to waste this resource if it can be of use in other areas. It is however important to note that Nominet has gained a great deal of goodwill from maintaining a neutral position by encouraging a flourishing competitive market within its members who provide a number of value added services.

With this in mind, Option 1 would be too restrictive. Whilst Option 2 deals with the issue of ENUM it doesn't provide much flexibility for Nominet without seeking large scale support from its members. Nominet's membership develops rapidly and reacting to needs is important. It does however have some key safeguards.

Option 3 provides Nominet with far more scope, and whilst at first this seems a key advantage, Nominet should be very careful to define the process through which it considers expanding into other areas. For example, some ICANN-accredited registrars (ignoring for the time being the fact Nominet is really a registry) offer non-domain services such as DNS hosting, etc. It would be inappropriate for Nominet to expand into this type of area, although I am not convinced the M&A are the best vehicle to restrict this too strictly without other negative costs. Nominet should however consider consulting very carefully on such matters, and I would suggest it needs to get *strong* support for new business areas. Option 4 is clearly an extreme option not suitable for a company in such a unique position as Nominet.

I note a comment made by Sam Kington and referred to by Hazel Pegg regarding the wording of section 3.

As such, I would recommend a solution which encompasses aspects from Option 2 and Option 3 with respect to M&A changes, although I would enforce the need to consult members in doing so when extending beyond Option 2 type items. Also, Nominet should be required to consider the impact on its membership in general of such changes. For example if Nominet was to operate a ccTLD for another country, if membership of Nominet was an effective requirement of registering such names, it would be appropriate to run such a business through a subsidiary to ensure Nominet's own governance was not in conflict between potentially divergent interest groups. This may not be necessary if Nominet merely provides technical services to another organisation.

Nothing Nominet proposes should in any way limit or change its commitment to the .uk namespace.

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