



Ms. Fiona Alexander
Office of International Affairs
National Telecommunications and Information Administration
1401 Constitution Avenue, N.W.
Room 4701
Washington, DC 20230

:

19 July 2006

Dear Ms Alexander

Please find attached a response from BT Telecommunications PLC (BT) following the Notice of Inquiry from the U.S. Department of Commerce on the transition of the technical co-ordination and management of the Internet domain name and addressing system.

BT is a founding member of the ICANN GNSO Internet Service Provider and Connectivity Providers Constituency and views the Internet as a critical resource for global communications, culture and economic stability.

BT welcomes the opportunity to comment on this very important topic.

Yours sincerely

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on behalf of Matt Bross,
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British Telecommunications PLC

Response to the Notice of Inquiry from the U.S. Department of Commerce on the transition of the technical co-ordination and management of the Internet domain name and addressing system.

Executive Summary

British Telecommunications PLC offers continued support for the multi-stakeholder, bottom-up policy development process, based on the principles articulated within the DNS White paper. Whilst noting that full compliance with all of the core tasks and milestones set through the MoU has not been achieved, it is recognised that ICANN has made considerable process.

It is proposed that the MoU is renewed for a maximum period of two years to allow ICANN to transition to the private sector. A number of issues raised within this paper, require attention as part of that process.

British Telecommunications PLC (BT) is a founding member of the ICANN GNSO Internet Service Provider and Connectivity Providers Constituency and views the Internet as a critical resource for global communications, culture and economic stability.

BT thanks the Department of Commerce for the opportunity to comment on these important issues. The technical coordination of its core functions is even more important now than it was eight years ago when the White Paper considered the possibility of a transition of the management of those functions to the private sector.

The comments below refer to the specific questions raised within the Notice of Inquiry.

- 1) *The DNS White Paper articulated principles (i.e. stability; competition; private, bottom-up coordination; and representation) necessary for guiding the transition to private sector management of the Internet DNS. Are these principles still relevant? Should additional principles be considered in light of: the advance in Internet technology; the expanded global reach of the Internet; the experience gained over the eight years since the Department of Commerce issued the DNS White Paper; and the international dialogue, including the discussions related to Internet governance at the United Nations World Summit on the Information Society (WSIS)?***

BT believes that all the articulated principles remain relevant. Experience gained since ICANN's inception clearly shows that the multi-stakeholder, bottom-up policy development and implementation process is, and will remain, critical to the management of the DNS. The ICANN model has embodied those principles and radical surgery is not required. ICANN needs to continue its current approach of ongoing review and fine-tuning in order to address any evolving situations that may occur. The operational stability of the Internet must remain as the overriding objective.

The WSIS process concluded that core functions of the Internet, (management of IP addresses, Root Server operations etc) were being managed appropriately and fairly and did not require replacement by new entities. That conclusion is supported by BT. Additional regulation or governance, focusing on areas covered by ICANN's core mission is not required and any imposition of this is likely to stifle innovation and growth. Additional principles are not required.

2) *The DNS White Paper articulated a number of actions that should be taken in order for the U.S. Government to transition its Internet DNS technical coordination and management responsibilities to the private sector. These actions appear in the MoU as a series of core tasks and milestones. Has ICANN achieved sufficient progress in its tasks, as agreed in the MoU, for the transition to take place by September 30, 2006?*

Whilst recognizing that ICANN has not managed to achieve compliance with all the core tasks and milestones set through the MoU, recent indications are positive and it has shown a willingness and desire to adopt a positive approach that moves the organization forward.

In recent months, new staff appointments have greatly increased the pool of expertise, an essential element in having the resources needed to meet the goals of the MoU. In particular, we note the improved performance of the Internet Assigned Numbers Authority (IANA), which is largely due to getting experienced and competent staff into executive and operational management positions. Another example of ICANN's progress is agreement on the accountability framework for ccTLD operators, which recognizes the very diverse nature of ccTLD operations and the difficulties contractual obligations would pose for some ccTLD managers.

The core tasks detailed within the current MoU remain relevant and should continue to be monitored, but those specific requirements should not delay transition of the DNS technical and management responsibilities to the private sector. However there is a need for ICANN to improve both its transparency and accountability in order to fulfil the requirements necessary for it to transition to private sector management without oversight. Major decisions taken at Board level have to be documented and explained to the ICANN community. Currently this is subject to frequent criticism and an independent assessment, focusing on both transparency and accountability aspects should be undertaken prior to ICANN's transition.

Adhering to the original goal of transitioning by September 30, 2006 is now considered unrealistic. No detailed plan to facilitate that exists and there are a number of issues still to be addressed in order to ensure ICANN is ready and able to fulfil its role on the International stage. Attention should now focus on developing that plan in an open and transparent manner with a revised MoU bridging that gap, which should not be in excess of 2 years.

3) Are these core tasks and milestones still relevant to facilitate this transition and meet the goals outlined in the DNS White Paper? Should new or revised tasks/methods be considered in order for the transition to occur? And on what time frame and by what method should a transition occur?

Uncertainty and doubt over the intention of the US Government's timetable for transition has not helped ICANN in its mission to become an internationally accepted and robust organization. It's now imperative that a timetable for transition to private sector management be established, published and adhered to. The required transition strategy must be consistent with the output and conclusions of the WSIS process and support those existing recognized bodies that also form an integral part of the core coordination functions, such as the Regional Internet Registries.

BT supports the view that the detailed plan and timetable for transition should be developed in conjunction with all relevant ICANN stakeholders and show clear milestones and metrics by which progress can be evaluated. Progress on those core ICANN's tasks and milestones that were originally set must continue to be monitored but these should not be used as a reason to delay transition. Instead they should be subject to benchmarks within the revised MoU and if not completed when transition occurs, form part of the requirements placed on ICANN at that time.

One issue that does raise concern is the continued pressure on ICANN to increase the gTLD name space. The introduction of a limited number of gTLDs has in general not proved to be the success that was anticipated, with new registrations failing to meet expectations. Against that backdrop, caution is urged and the introduction of any new gTLD should be dependent upon a proven market need, not speculation. The metric by which ICANN is judged on this issue should focus on meeting proven need, not total volume.

The introduction of Internationalized Domain Names will raise critical issues for the future success and expansion of the Internet. ICANN should continue to address relevant issues through its existing committees and functions. Endorsement of that requirement should be included within the terms of a renewed MoU as well as being recognised as a key issue that ICANN must continue to address after transition occurs.

Comments made later within this response to questions 5 and 6 raise additional issues that need to be addressed as part of the plan for transition.

4) The DNS White Paper listed several key stakeholder groups whose meaningful participation is necessary for effective technical coordination and management of the Internet DNS. Are all of these groups involved effectively in the ICANN process? If not, how could their involvement be improved? Are there key stakeholder groups not listed in the DNS White

Paper, such as those with expertise in the area of Internet security or infrastructure technologies that could provide valuable input into the technical coordination and management of the Internet DNS? If so, how could their involvement be facilitated?

All key stakeholder groups are represented within the current structure. ICANN has already undergone major reform at its own behest and no further radical change is necessary at this time. However, recognizing the dynamic nature of the Internet and the likely emergence of new requirements to facilitate global connectivity, communication and commerce, an ongoing process of assessment and refinement is advocated where there is a clearly identified need.

Current issues of concern, related to the effectiveness of the current arrangements, which require attention as part of the ongoing assessment, are provided in response to Question 5.

5) The DNS White Paper listed principles and mechanisms for technical coordination and management of the Internet DNS to encourage meaningful participation and representation of key stakeholders. ICANN, in conjunction with many of these key stakeholders, has created various supporting organizations and committees to facilitate stakeholder participation in ICANN processes. Is participation in these organizations meeting the needs of key stakeholders and the Internet community? Are there ways to improve or expand participation in these organizations and committees?

ICANN needs to weigh the demands imposed by those parties with whom it has a contractual obligation, far more evenly with the views of other stakeholders. The recent decision taken by the ICANN Board over the 'dot com' renewal is a clear example where the outside world (and to some degree other ICANN Constituencies) consider ICANN to be captured by those who pay the largest portion of its annual revenue. In this particular case many of the concerns could have been avoided had there been greater transparency. If this situation persists it will challenge the very existence, legality and effectiveness of ICANN in the competitive arena, as well making it a target for regulatory authority and government action.

There are also other examples where it's perceived that undue power is given to those providing the greatest share of ICANNs budget e.g. allowing the Registry and Registrar Constituencies to have double votes within the GNSO (Generic Names Support Organisation) Council, which marginalises all other Constituencies. Weighted voting within the GNSO is a failed experiment (it was introduced as part of the ICANN reform process in order to achieve Registry and Registrar buy-in) and needs to be withdrawn. It seriously inhibits the ability to achieve consensus policy in an acceptable manner and argues against full stakeholder participation. Some parties feel particularly disenfranchised as they can fully participate in discussions on policy,

but when it comes to the vote their views count for half of those held by parties who have contracts with ICANN. This is not a good example of full stakeholder participation, or of a bottom-up policy development process.

The recent addition of nominating committee (NomCom) representatives to the GNSO also raises concerns. Whilst other Constituencies clearly represent readily defined stakeholder groups, NomCom members represent no clear interest groups and as such are seen to have 'individual' representation within the policy making process. This is of particular concern on issues where there is a clear difference of opinion between key stakeholder groups and they have the ability to dictate the direction policy takes with no direct accountability to any segment of the community.

Another area requiring attention is the need for enhanced cooperation and interaction between the various ICANN Support Organizations (GNSO/ccSO/NSO) on matters of common concern.

A major issue that has already been recognised within ICANN but not adequately resolved is the difficulty the GAC (Government Advisory Committee) has in keeping in step with the rest of the ICANN community. The importance of the GAC taking the lead on issues of public policy is acknowledged, but the world will not wait. A way forward must be found so that the GAC can keep pace with work being progressed within the ICANN Support Organisations and by the ICANN Board. To emphasise this requirement attention is drawn to the concerns raised by the GAC over the vote on WHOIS within the GNSO, and the approval of the .XXX domain, both of which occurred after the event.

ICANN should be encouraged to continue their program of workshops at ICANN meetings on topics that impact the wider community. IDNs, WHOIS and issues related to the domain name market place have all featured and should continue to do so. To maximize benefits such agenda items should be programmed and advertised well in advance. It is essential that the agenda for ICANN meetings is firmed up at least 1 month prior to each meeting. The current situation where the timetable is often still flexing as some people commence their travel to meetings is totally unacceptable.

BT supports the ICANN initiative to develop both a strategic and operational plan with the full participation of all stakeholders. It is proposed that the realization and tracking of that plan should become subject to an independent audit.

6) *What methods and/or processes should be considered to encourage greater efficiency and responsiveness to governments and ccTLD managers in processing root management requests to address public policy and sovereignty concerns? Please keep in mind the need to preserve the security and stability of the Internet DNS and the goal of decision-making at the local level. Are there new technology tools*

available that could improve this process, such as automation of request processing?

Recent changes in both IANA and ICANN have resulted in substantially improved relationships between ICANN and governments/ccTLD managers. Clarifying the process by which the re-delegation takes place was a particularly positive step. In addition recent changes in personal and procedures within IANA have already resulted in a significant improvement.

The adoption of new protocols and technology tools must take account of the sovereignty issues that are particularly pertinent to ccTLD operations.

The IANA function provides a measurable objective and continued improvement in this area remains essential. Firm requirements, goals and milestones should continue to form part of any MoU as well as being viewed as an ongoing requirement for ICANN. Therefore this should be incorporated within any published transition plan.

7) Many public and private organizations have various roles and responsibilities related to the Internet DNS, and more broadly, to Internet governance. How can information exchange, collaboration and enhanced cooperation among these organizations be achieved as called for by the WSIS?

BT offers full support for the need for enhanced cooperation involving all relevant stakeholders as set out in the Tunis Agenda. Information exchange and collaboration with other relevant organizations is essential. Outreach and information sharing should be progressed in conjunction with ICANNs broad membership e.g. by working closely with the RIRs, ISPs, business and standards organizations, and various other groupings represented within the ICANN community.

The Internet Governance Forum (IGF), which was created following the World Summit on the Information Society meeting in November 2005, is viewed as one of the principal forums for collaboration and enhanced cooperation. ICANN should both participate and encourage its stakeholders to play an active role in these debates. Funding support and the submission of material for that use should be considered by ICANN as part of their operational plan and budget and developed in conjunction with its members and Support Organisations.

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