

.nz Second Level Domains

Background Paper

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Introduction

The current .nz Second Level Domains (2LD) policy is based on the policy that has been in place since 1996. Since that time there have been only four applications for the creation of new 2LDs: the two unsuccessful .bank.nz applications, and the successful .maori.nz and .geek.nz applications.

Given the length of time the policy has been in place, and public concern with wider aspects of 2LD administration in .nz, the time has come to review the policy in its entirety. The .nz Oversight Committee of InternetNZ has set up a Second Level Domains Working Group, not only to examine the process for 2LD applications but to look at the whole status of 2LDs in the .nz space.

This background paper provides additional information and context for the current review of the 2LD Policy. It summarises the existing policy framework, and then works through the three key areas of discussion: the relationships between and maintenance of the open second level domains; the principles and process for creating new 2LDs; and whether and how direct registrations could be allowed at the second level.

All aspects of the Policy are being reviewed, but the discussion here focuses on the key issues. The paper finishes with some specific questions which could be usefully addressed by submitters, as mentioned in the Call for Public Comment.

The Current Policy Framework

The current Second Level Domains policy can be found at:
http://dnc.org.nz/content/second_level_domains.pdf

The key areas covered by the current policy are the structure and current communities of interest for the existing 2LDs, the moderation of existing 2LDs, and the creation of new 2LDs.

Current Second Level Domains

The .nz space currently contains twelve Second Level Domains, of which eight are open and four (.cri, .govt, .iwi and .mil) are closed/moderated. Their communities of interest are as follows:

2LD	Community of Interest
.ac	Tertiary educational institutions and related organisations
.co	Organisations pursuing commercial aims and purposes
.cri	Crown Research Institutes
.geek	For people who are concentrative, technically skilled and imaginative who are generally adept with computers
.gen	Individuals and other organisations not covered elsewhere
.govt	National, regional and local government organisations operating with statutory powers
.iwi	Traditional Maori Iwi, Hapu or taura here Iwi group operating with the permission of the main Iwi
.maori	Maori people, groups, and organisations
.mil	Military organisations of the NZ Government
.net	Organisations and service providers directly related to the NZ Internet
.org	Not-for-profit organisations
.school	Primary, secondary and pre-schools and related organisations

Though each second level domain has an identified community of interest, no checks are undertaken to ensure that they are met by registrants. There are no restrictions; anyone can register in any of the open 2LDs.

Moderation of Second Level Domains

.cri, .govt, .iwi and .mil are the four moderated 2LDs. Moderation is agreed between InternetNZ and another entity if there is a well defined set of organisations in the 2LD with a strong community of interest; if there are acceptable policies developed for the 2LD; and if the entity applying for the 2LD to be moderated provides a designated 'moderator' to implement the moderation policy.

The essence of moderation is that registrants need to prove their compliance with the relevant policy framework before they are able to register domain names in the 2LD. The moderator considers the application's suitability according to the published policy, and allows or forbids the registration. Registrations are made through registrars nominated by the moderator.

The moderation criteria include the type of entity applying; the suitability of the actual name; and other rules which can be agreed from time to time by the moderator in discussion with the community of interest and the Domain Name Commissioner.

Creation of new Second Level Domains

This part of the policy outlines the process for the creation of new Second Level domains.

The current policy notes that some changes over time will be required in the 2LD structure, but that these are a serious matter as existing or new 2LDs are never likely to be removed. The policy for creating new ones is therefore self-described as “conservative” and proceeds as follows:

- Any individual or organisation can initiate the process of creating a new 2LD by application to the Domain Name Commissioner.
- Applications must meet a number of criteria centred around:
 - justifying the existence of a community of interest for the new 2LD;
 - choosing an appropriate 2LD extension; and
 - showing that the new 2LD minimises any ambiguity with existing 2LDs.
- Once the application is accepted, there is a 60-90 day public discussion period during which notice of the application is publicised and discussion about it is encouraged.
- The discussion period is followed by a public straw poll to indicate community support for, or opposition to, the 2LD. If carried by more than 70% of those voting, the application will proceed, and the applicant is required to pay a \$1000 non-refundable application fee. If support is lower than 70% or fewer than 200 votes are cast, the application is rejected.
- There follows a 30-60 day period for submissions on the application;
- the InternetNZ Council will then make an interim decision;
- further submissions are called for; and
- the Council makes a final decision at its next meeting.

Reviewing the Current Framework

The existing framework is deficient mainly in the process for creating new Second Level domains. The criteria involved in the process are not clearly spelled out; there are concerns about the nature of community involvement and the balance of decision-making in the process. The three sections which follow focus on the issues the Working Group believes most important in the review of the policy. They are followed by some questions the Working Group hopes will spur discussion and debate for feedback.

Issue 1: Existing Second Level Domains

The majority of the existing set of twelve 2LDs have been in place since InternetNZ assumed responsibility for the .nz domain name space, with the most recent additions being .maori.nz in September 2002, and .geek.nz in August 2003. There have been debates in the past as to whether the established structure is adequate or not, whether existing 2LDs have been used more broadly than by their intended community of interest, and indeed whether they play any sort of indicative role with the rise of search engines.

In addition to this, some of the existing 2LDs are very small, as the following registration figures for the 2LDs show:

2LD	Current registrations at 31 August 2003	Percent of total registrations	Current registrations at 31 August 2002	Percent of total registrations
.mil	15	0.01%	17	0.01%
.cri	27	0.02%	28	0.02%
.iwi	45	0.03%	31	0.03%
.maori	428	0.32%	---	---
.geek	492	0.36%	---	---
.govt	679	0.50%	612	0.54%
.ac	784	0.58%	580	0.51%
.gen	828	0.61%	755	0.67%
.school	2,031	1.5%	1,764	1.6%
.net	7,549	5.6%	6,597	5.8%
.org	7,762	5.7%	6,315	5.6%
.co	114,429	84.7%	96,659	85.3%
Total:	135,069		113,358	

It is evident from the above that of the five smallest 2LDs, three are the moderated ones. The small number of registrations may be perfectly reasonable (for example, the low .mil.nz registrations reflect the small size of New Zealand's military) or it may raise questions about the rationale for maintaining the 2LD into the future (for example, is .cri still a significant enough community of interest to maintain a distinct type of 2LD for?). It is also clear that .co.nz is by far the largest 2LD, and that it is the first choice of most registrants, regardless of its stated community of interest.

The kinds of questions which arise when considering the existing 2LDs surround the ongoing relevance and retention of the existing 2LDs, and whether any of the existing 2LDs (moderated or unmoderated) are redundant and should be removed.

Issue 2: 2LD creation process

This is split into two sections: the principles and criteria on which decisions about the addition of new 2LDs should be based, and the actual process by which new 2LDs are created.

Principles and Criteria for 2LD creation

If the review decides to retain a system of relatively few 2LDs with public registrations at the third level, the question of the basis upon which new 2LDs should be created becomes important.

The existing policy framework outlines formal, procedural requirements for 2LD creation. There should be a clearly defined community of interest for the 2LD; no crossover with existing 2LD communities of interest; and a justification for why the defined community of interest actually needs a new 2LD.

The policy does not indicate any objective criteria by which the requirements above can (or should) be evaluated. The extent to which applications fulfil the requirements has an ambiguous impact on the eventual decision made about the 2LD. Under the current policy, any application which at least meets the requirements set out in the policy faces no hurdles

to being created other than the straw poll of public support, the tenor of public submissions, and the decision of the InternetNZ Council.

Therefore, as they stand, the requirements offer no guidance for the public or for the Council as to whether a new 2LD should be brought into existence, as they do not offer clear standards against which to judge applications. There are no substantive criteria laid down to assist in deciding what interests should be considered.

Questions like the appropriateness of the proposed 2LD, demonstration of a viable market for new registrations or the utility of the 2LD structure as a “directory” device are not addressed by the current requirements. Nor is there any distinction between the creation process for moderated and unmoderated 2LDs: should there be? Other questions include whether any entities should be able to block the creation of new 2LDs; and how to devise a useful test around “what is a community of interest” among others.

The Creation Process

The existing process for the creation of a new Second Level Domain is discussed above. The essential steps (where an application passes the straw poll) were outlined above (page 3), but can be summarised as follows:

- Receipt of an application
- 60-90 day discussion period
- Straw Poll
- Application Fee paid
- 30 day submission period
- Interim Council Decision
- Second submission period
- Final Council decision

Applications are processed by the Office of the Domain Name Commissioner, which manages submissions, administers the straw poll, and makes all announcements relating to the application. The application fee of \$1000.00, payable if the straw poll succeeds, is an arbitrary figure. It is not designed to fully cover costs but to partially cover them, as well as to create a barrier to frivolous applications.

Experience with the existing process has indicated that it contains some shortcomings. Apart from the issues of requirements and criteria discussed above, the process is seen by some as overly drawn out. Some people believe there is not enough thorough consideration of applications involved; some believe the InternetNZ Council is not an appropriate body to make the final decision; some believe the second submission period (which is usually short) is an unnecessary duplication of the first; other forms of public input may be more relevant or useful in making a decision.

If a decision is made to retain public registrations at the second level, the issues outlined above will need to be addressed. Developing a more explicitly principled or standard-based basis for the acceptance of new 2LDs, as well as developing a more robust (and potentially simpler) process for their creation, would effectively be a tweaking of the existing model. It does not involve opening the second level to direct registrations by the public, the subject of the next section.

Issue 3: Direct registrations at the Second Level

A major focus for debate is the opening of the Second Level for public registrations.

There are a variety of different approaches taken by different TLDs (Top Level Domains) around the world. The gTLDs - .com, .org etc – all simply accept direct registrations at the second level. These domains have many more registrations than .nz is ever likely to have. Many ccTLDs with large numbers of registrations, for example, .ca, .de and .se, also accept direct registrations at the second and third levels.

Currently .nz only accepts public registrations at the third level: for example, in the domain name **internetnz.net.nz** the **internetnz** section is the part registered (where any combination of letters, numbers and an embedded hyphen up to 63 characters in length can be used). The only second level domains (the **net** part in internetnz.net.nz) people can choose for registration are the agreed second level domains, listed in the table on page 4.

There are no technical barriers that prevent .nz from adopting a model that permits registrations at both the second and third levels.

The question to be considered is whether such a change is desirable and if suitable transition arrangements could be put in place to facilitate the change. Discussion about which of these options is suitable for .nz, why and how any changes would be implemented, is what the Working Group is seeking.

Conclusion

This paper provides background to the current consultation on a new Second Level Domains policy, outlined in the accompanying Call for Public Comment which is available on the review page, at <http://dnc.org.nz/story/30136-35-1.html>. The Call for Public Comment indicates the key areas on which feedback is sought, but more detailed responses addressing the questions in the Appendix – and, indeed, any other feedback – would be appreciated.

An online feedback form is also available from the [review page](#). The form allows for input on the questions outlined in the Appendix, as well as general feedback for the review. You are free to use the form, or to generate your own response to the Review.

Please send comments by email to policies@dnc.org.nz, by fax to +64 4 495 2115 or by post to the Office of the Domain Name Commissioner, PO Box 11-881, Wellington, New Zealand.

All feedback is due by **10 November 2003**.

Notice of all comments will be published on the DNC website, and generally speaking comments will be published on the site in PDF format. Confidential comments can be made on application; people wishing to make a confidential comment should forward a request with reasons to the submission address above.

In addition, there is a public discussion list for the 2LD policy review. You can subscribe by sending a blank email to nz-review-subscribe@internetnz.net.nz, or by subscribing at <http://listserver.internetnz.net.nz/mailman/listinfo/nz-review>

Appendix 1: Discussion Questions

The questions below are for your consideration. They provide some specific ideas which the Working Group would like feedback on. Submissions are not bound to follow the lines of thinking they suggest; they are simply here as an additional prompt.

Issue 1: Existing Second Level Domains

1. Are the twelve second level domains still appropriate for their communities of interest?
2. Should any of the open 2LDs be moderated? (.ac, .co, .gen, .geek, .maori, .net, .org, .school) If so, why?
3. Is there any need for the rationalisation of the current 2LDs?
 - 3.1 If so, what process should be used for the removal or closing of existing 2LDs?
 - 3.2 Should any such process be included in the 2LD policy?

Issue 2: 2LD creation process

4. What criteria (types of criteria and specific examples) should be applied to the creation of new 2LDs?
5. Is the current process for creating new 2LDs too simple, too complex or about right?
6. How much, if anything, should an application for the creation of a new 2LD cost?
7. Who, if anyone, should be able to block the creation of new 2LDs? If so, why and how?
8. Should there be different criteria or processes for the creation of moderated as opposed to open Second Level Domains?
9. Is the level of public input in the process adequate; excessive; or inadequate?
10. Are the methods currently used to seek public input (submissions; discussion period; straw poll) the best available, or would you suggest other/additional methods?

Issue 3: Direct registrations at the Second Level

11. Do you think direct public registrations should be accepted at the second level? Why? What are the advantages or disadvantages of such an approach?
12. If direct registrations are allowed at the second level, what kinds of transition arrangements would need to be put in place for existing third level registrants?

13. What is the best way to deal with any conflicts between existing third level registrants if the second level is opened?
14. Should registration fees be different (higher/lower) for Second Level domain registrations if they are opened directly to the public?
15. Are there other options around the future of the Second Level that the working group should consider?

General Feedback

16. Are there any other issues you think the Working Group needs to consider in the course of the review?