



PO Box 35
Shortland Street
Auckland 1140, New Zealand
Telephone (09) 306 3000
Freephone 0800 803 804
CX10087 Auckland DX Sort
asb.co.nz

31 July 2013

Domain Name Commission Ltd

By email: policies@dnc.org.nz

Dear Sir / Madam

Thank you for the opportunity to comment upon the revised proposal to open the .nz domain name space for registration at the second level ("the proposal").

ASB recognises that the proposal attempts to further balance the tension between community demand, the influence of new gTLDs and an international trend towards registrations being permitted at the second level on the one hand; and the potential for confusion between second and third level registrations and the costs that will inevitably be imposed on some existing .nz registrants on the other.

However, as with the initial proposal, (taken from our customers' and an online users' view) we remain concerned that the proposal contains insufficient protection for online users and existing registrants against the increased risk of phishing attempts or other frauds. Consideration must also be given to the costs associated with the wider education of the market that will be needed – costs that are likely to be borne largely by registrants wishing to build and maintain the confidence of their online customers.

The current three-level structure is well understood by the public and it provides value and meaning to their online interactions. Any change to this has to be well managed and widely understood to reduce the risk of confusion to the end user. At this stage, we remain unconvinced that the proposal does enough to address this.

That being said, we appreciate the desire to expand the second level domain name space for .nz in light of the factors mentioned above. We continue to believe that this expansion could and should be controlled through the Domain Name Commission Limited's ("DNCL") current approach of allowing second level domain registrations through the established "2LD" process.

We acknowledge the proposal's efforts to find an effective governance and oversight structure through the proposed extension of the dispute resolution service. What has been proposed will go some way to achieve this, should the proposal be adopted. However, we believe that more must be done to prevent conflicted registrations in the first place, rather than allow them to proceed and then have to go through the time and cost of the dispute resolution process.

Our views on this and on the other questions you have asked, assuming the proposal is adopted, are addressed in the attached appendix to this letter.

Please contact me if you have any questions or require additional information.

Yours sincerely

Michael Ramsay
Head of Web and Mobile, Digital Channels
Email: michael.ramsay@asb.co.nz

APPENDIX

Question 1: If you consider registering a .nz domain name in the future, would you like anyone.nz to be an option rather than a name under just the second levels, e.g. anyone.co.nz?

ASB's preference is for any second level registration to be controlled and managed progressively as is currently the case. A registrant with a genuine requirement for a second level name could therefore apply while the current, well-understood framework would be unaffected.

If the proposal is adopted, we believe that many registrants will be forced to register at both the third and second levels, regardless of their preference, to protect their brand from cyber-squatting and their customers from increased risk of security fraud.

Question 2: Would likely short term confusion over a transition period be an acceptable consequence for offering a long term option of allowing .nz registrations at the second level?

The short term confusion would only be an acceptable consequence if the benefits of allowing .nz registrations at the second level significantly outweighed the confusion and the attendant risks. We are not convinced that the benefits do outweigh the confusion and the attendant risks at this stage.

Question 3: Do you agree that existing .nz registrants should get a priority right in obtaining their name at the second level if this proposal proceeds?

Yes.

Question 4: Do you agree with the approach in the draft amended policies if we proceed with this? What, if anything, would you change?

We agree that the revised proposal mitigates some of the risks and concerns we raised during the initial consultation. However, we remain concerned that the confusion for end users and the increased risk of them becoming victims of security fraud has not been given sufficient weight nor been adequately balanced against the needs of registrants.

If the proposal was adopted, we would also like to see more provision for actively preventing conflicted registrations from proceeding rather than having to rely on the dispute resolution service after the 2LD name has already hit the market.

The proposal is reliant upon the registrars enforcing the criteria for a 2LD. This could result in a fragmented or inconsistent approach to the application of the criteria. Added to this, the 5-day window for cancellation of the 2LD may be too short to adequately capture those 2LD that may fail to meet the requirements.

Question 5: Do you support the proposal that a current registrant of a .nz name at the third level should be able to reserve that name at the second level for no cost if they wish to block others from registering it but not actually utilise it themselves?

Yes.

Question 6: Is two years an appropriate time to wait before reviewing policy to allow a reservation at no cost? Should this time frame be longer?

Two years is an appropriate time.

Question 7: Is two years an appropriate time to wait before reviewing the policy to extend the Dispute Resolution Service to sub-domains of second level registrations? Should this time frame be longer?

Yes, two years is an appropriate time to wait. It should also be reviewed on a continued basis.

Question 8: Do you see any benefits from allowing registrations at the second level which have not been covered in this paper?

No.

Question 9: Do you see any detrimental effects from allowing registrations at the second level which have not been covered in this paper?

As noted above, we believe the proposal will result in confusion and uncertainty for end users and increase the risk of end users becoming victims of internet fraud.

The proposal will also introduce costs for registrants in the form of:

- additional registrations being needed and maintained to protect brand propositions; and
- wider education of the market being needed to build and maintain the confidence of the registrants' online customers.