

From: Dennis A. Smith
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1. I do NOT approve of the proposal to release the second level domain space because the costs and complexities of implementing the proposal far outweigh the few intangible benefits as presented to me thus far.
2. I DO however approve of opening the second level space substantially, both moderated and unmoderated.
3. Thus in response to Question 1 "Should the New Zealand domain name space be extended to allow registration at the second level, for example yourname.nz?" my recommendation is "No".
4. And to Question 3 "Should new second level domains be created to cater for particular interest groups, such as .wine.nz or .sport.nz?" my recommendation is "Yes".
5. Other topics such as any sunrise period, just and equitable allocation of contested names, dispute resolution and so on are secondary issues flowing from these two key discussion questions.
6. Should good reasons be furnished for the proposed change, I would be happy to revisit, or perhaps even alter my opinion, but I won't hold my breath.
7. I approve of the process of consultation (both in principle and thus far in practice) undertaken by InternetNZ and the office of the DNC regarding this proposal except for one glaring omission - more on that later.
8. I would also support the continued discussion of the proposal but encourage the board to make an early call and avoid further costs, time-wasting and insecurity in the marketplace.
9. The introductory comments in the consultation paper are accurate - the proposal definitely "has the potential to significantly alter New Zealand's domain name space".
10. I note that the consultation paper gives four reasons for this proposed major change
a. Some people from one business sector think it is a good idea (no reasons given) b. More people have intimated that they think it could be a good idea (no reasons given) c. The rest of the world has progressed with some new opportunities (no obvious direct correlation to the proposal presented) d. Other countries have implemented the same/similar policy.
11. Except for perhaps the last point (provocatively entitled "International best practice") where there may be international precedent for good yet unspecified reason, none of these are actual reasons for the proposed change. They ARE however good reasons to DISCUSS the proposal, and I approve of the discussion.
12. In regards to the first reason given (one business sector thinks [whatever]) a major change such as this will impact on much more than one sector of the business community. A good idea for one sector of business may not necessarily be good for another however if that one sector can sell the idea to others based on a win-win scenario, or with a cost-benefit argument, the proposal should certainly proceed.
13. The consultation paper should have given the core reasons for the proposal and has failed us in this regard. The small effort to summarise proponents' reasons for the proposal would have assisted many to be more constructive.
14. I do look forward to seeing this sector's detailed reasoning in due course.

15. In regards to the second suggested reason for visiting the proposal, I doubt that the questioning to gauge feedback has been thorough or professional market research. Surveys are notorious at divining low-level thought. If it was done professionally then I would want to see the methodology and questions asked in order to see how such a percentage of people agree. For example if I was asked out of the blue in the street if New Zealand should have my .nz name the same as Canada or Germany I would probably answer in the affirmative too, that is until I thought the issues through further and weighed the pros and cons. If I thought that I could get [myname].nz if I had missed out on [myname].co.nz then I would be even more positive about change.

16. In regards to the third possible justification of change, InternetNZ should consider opening up more moderated (or unmoderated) second level domains that would achieve marketing objectives maybe not in line technically, but in line strategically, without the costs, baggage and collateral of changing the core .nz structure. More on that later in this submission.

17. New Zealand has no need to follow others for the sake of following. If the issue is one of "International best practice" (which I actually doubt BTW), I would be asking the question "Well who has been on watch for the last ten or fifteen years, and why did InternetNZ not raise the issue way back when, before the entire New Zealand business community had invested in IP, marketing collateral and more?"

18. Internet NZ and its various predecessors set the regulatory and technical framework in which we all advised our clients for years.

Internet NZ in particular is well recognized as a leader. They surely cannot suggest that at this late stage that it is International best practice to create massive turmoil and acknowledge their lack of forethought, planning and wisdom thus far?

19. Nope. I approve of their consultation, and discussion but I now turn to the ramifications of the proposal itself.

20. I see no real benefit to the business community from the proposal, only increased costs and complexity.

21. A primary factor in my advice to reject the first part of the proposal is that the cost-benefit analysis is heavily weighted in favour of maintaining the status quo.

22. Others can do the numbers better than me, but just measuring the costs to businesses OUTSIDE of the IT industry causes me to shake my head in disbelief. I cannot think of any reason FOR change that will stack up when looking at the turmoil and costs that will inevitably occur.

23. Turmoil per se is not the issue for me. By way of example, I now live in Samoa which is the only country in the world that has changed the side of the road on which they drive in the last 30 years. The decision to switch generated the largest protest in the history of the country and caused massive upheaval, but the cost-benefit analysis was clear and has been proven to be right, as three years later and there are more than twice the number of cars on the road and massive social and economic benefit. A basic cost-benefit analysis (that includes both financial and other types of costs) is a normal business process.

24. The proposal fails woefully for me when I do this.

25. Should the proposal proceed, no matter the spin they out on it, Internet NZ and the IT industry will cop worthy flak for simply generating additional income from the business community for no tangible benefit to the business community.

26. Unless I see good reasons that I can present to my clients in all honesty that will benefit THEM (not me, nor the industry I have worked in for decades) then I too will hold that same view.

27. I also do not relish these potential conversations with clients attempting to sell additional expenditure in the current business climate!

28. The discussion document mentions and alludes to a rapidly changing business environment in regards to domains. We all know that change is painful but inevitable.

29. Bringing additional and unwelcome expenditure and complexities to many businesses in New Zealand "could" possibly be seen as a necessary evil by most (such as the IPV6 changes are seen) IF InternetNZ gave good reasons and guaranteed no further change would be required or enforced in next decade or so.

30. But they can't and wouldn't.

31. While bemused that some within one business sector want to tackle the issue and have "voiced some annoyance" and are "vocal" about it, Internet NZ should take a leadership role exercising management of the .nz domain space for the greater good, not necessarily pandering to any one sector - be it international or any one local interest group or sector.

32. But I do approve of any change in the .nz space that increases choice, creates opportunities and generates benefit.

33. I believe that the second level (moderated and unmoderated) is a badly under utilised resource and I certainly empathise with many who want to create opportunity to profit from positive changes in the .nz space.

34. I suggest that the 2LD space is the more logical place to "have fun" or be creative.

35. In my opinion, current InternetNZ policy in regards to the 2LD is rigid, "poofy" and perfectly worthy of the best bureaucrats in cold-war communist Russia.

36. I have been both delighted and dismayed at the difficulty that financial institutions have had at trying to process the 2LD .bank.nz.

On the one hand seeing bankers struggle to get something that they want has brought me a wry smile, yet on the other hand I cringe at the M\$ mentality I observe in regards to controlling the 2LD space when the Open Source mentality has proven benefits when structured well.

37. The advantages to the entire business community of opening this space are huge.

38. My advice is to leave the .nz space as it is (all potential problems from this proposal disappear) and open up the 2LD space, letting Registrars work niche markets the same way that Telcos competed in the phone market. Create 100x 2LDs or more if you have vision.

39. I prefer a lighter more hands-off approach to moderation of 2LDs, protecting only obvious causes of error or difficulties, such as .com.nz. There is NO WAY that you will ever be able to select a few, get them right, then open up the rest and forever have made the right decision in the long term. Keep your hands off and just set the direction. Free up more and let the market find names and ways to be creative. It's good open source thinking 101.

40. Declaration of Interests: I have been an active domain name investor and advisor to other Domainers since 1999, and have previously established and owned a Registrar company DNMSL - since deregistered.