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Registry-registrar-registrant model

ATU ccTLD Workshop
17 – 19 March 2009
Mauritius




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Agenda


- Definitions
- History of registry-registrar model
- Current state
- The .za experience



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Definitions




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Definitions

- **Registry**: entity licensed/accredited to operate a domain – the monopoly, the top dog, got the keys!
- **Registrar**: entity licensed/accredited to liaise between registrant & registry – grows the DNS industry, effectively sells names to registrants
- **Registrant**: applicant for/holder of (.za ☺!) domain name – Gets taken for a ride sometimes!



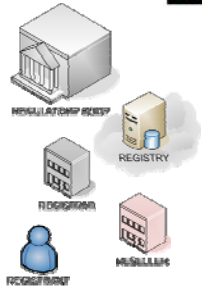
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Typical ry-rar-rant ccTLD context

Key players:

- Regulatory Body (.za DNA/tzNIC/ICTA)
- Registry Operator
- Registrar(s)
- Resellers
- Registrants



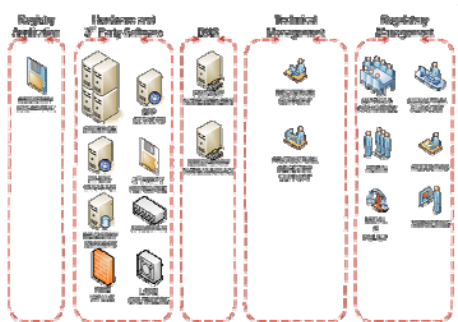
Source: AusRegistry; APTLD Kuala Lumpur, 2008




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What constitutes a registry?



Source: AusRegistry; APTLD Kuala Lumpur, 2008




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History of registry-registrar model

...ICANN has a lot say here!




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History

- Where does the ry-rar model come from?
 - First, rant is rant regardless of model
 - So, let's talk about a ry-rar model
- What is ry-rar model?
 - Functional separation of ry entity from rar entity (you just can't be both!)
 - Can be legal / ownership separation (*more to follow...*)




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ICANN & the gTLDs

Why a ry-rar model?

- ICANN's founding purpose was to foster competition, not monopoly, in ry & rar functions
- Initial approach: ry operator (NSI – com, org, net) was also a rar
- Resulting in:
 - Substantially high registration prices
 - Potential for discrimination by ry against rars
 - Potential for unfair business practices & monopoly




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ICANN & the gTLDs

1998 US DOC White Paper on DNS management:

- Identified 4 principles for ICANN's DNS role
 - Stability
 - Competition
 - Private, bottom-op coordination
 - Representation
- Earlier ry-rar integration not good experience for ICANN
 - So....



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ICANN & the gTLDs

So, how has the ry-rar model evolved?

ICANN's gradual approach to ry-rar model – main goal to promote competition: 1999:

- NSI to provide equal registry access (SRS) to registrars
 - Prohibition against using ry revenues for rar business
- To have operational firewall separating NSI ry from rar
- Incentives to NSI for ownership separation of ry & rar
 - NSI agreement to be extended if NSI sells rar




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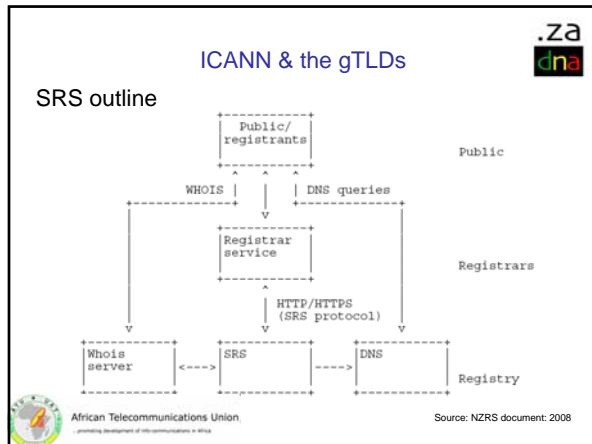
ICANN & the gTLDs

ICANN's gradual approach to introducing ry-rar model:

- April 1999: NSI began SRS test-bed using 5 registrars
 - Gave NSI period to resolve SRS technical problems
 - Gave ICANN chance to refine SRS procedures for rars
- 1999 end: ICANN accredited 93 rars
- Introduction ry-rar agreement to facilitate ry-rar interfacing
- SRS = shared registration system (*see below*)



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- ### ICANN & the gTLDs
- SRS key services:
- Creation, maintenance, querying of domain name & registrar details
 - Querying of domain name public details – Whois
 - Domain name transfers between registrars
 - Regular zone file creation for delegated domains to appear in DNS
 - Registrar account query & maintenance
 - Creation & cancellation of scheduled jobs (e.g. releasing & renewing domains)
 - Management & configuration of SRS by ry
 - Billing & accounting functions to work with ry's accounting system
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Source: NZRS document: 2008

- ### ICANN & the gTLDs
- 2000 round of new gTLDs:
- Competition promotion required, not separation
 - ugTLD (biz, info, name, pro) agreements required SRS
 - Only legal, not ownership, separation required
 - Caps on prices ry could charge rars
 - Ry operator not to act as rar within the same ry
 - Exceptions exist for ry to register not more than 5000 names
 - Limit to use such names for ry operation purposes
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- ### ICANN & the gTLDs
- 2000 round of new gTLDs:
- sgTLDs (aero, museum, coop) given exceptions
 - No price caps by ICANN, responsibility left to sponsor
 - Ry operator may set own rar terms subject to ICANN's approval
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- ### ICANN & the gTLDs
- 2001 .com registry agreement:
- Required only legal/structural (through subsidiary entity), not ownership, separation – why? ICANN felt that:
 - Rar competition had rapidly increased since 1999
 - Registration prices had fallen radically (affordable)
 - Verisign's total registrations share decreased by 50%
 - Proof that Verisign's rar business not discriminating against other rars
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- ### ICANN & the gTLDs
- 2005 new gTLD round:
- Ry not to act as rar in same TLD
 - Ry not to acquire more than 15% rar ownership
- 2006 older TLD agreement re-negotiation:
- Ownership separation extended to all older TLDs
 - 15% ownership limit applied across the board
 - Rys not to act as rars except in few smaller TLDs
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Current state




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Current state

- Separation of ry from rar prevalent
- 15% limit on ry owning rars
- Price caps on ugTLDs
- Rar competition keeps increasing (*see below*)
- Prices get cheaper
- But watch out: CRA Report on new gTLDs
 - Ry-rar separation may be relinquished
 - 15% limit may be no more




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Fastest Growing ICANN Registrars - Worldwide Between 02/16/2009 - 03/09/2009

Rank	Registrar Name	Country	Net Gain/Loss	Total Domains
1	GO DADDY	USA	613,154	28,147,550
2	UK2GROUP.COM	USA	145,706	145,706
3	TUCOWS	Canada	85,925	7,124,319
4	XINNET.COM	China	59,941	1,067,351
5	MONIKER	USA	49,253	2,674,290
6	PUBLIC DOMAIN REGISTRY	Hungary	48,101	2,149,196
7	ENOM	USA	44,482	8,611,116
8	FASTDOMAIN.COM	USA	30,609	724,073
9	OVH	France	30,475	705,828
10	WILD WEST DOMAINS	USA	23,165	3,110,771
11	SCHLUND+PARTNER	Germany	22,769	4,525,382
12	ASCIQ	Denmark	21,921	531,144
13	STRATO AG	Germany	21,657	939,324
14	DISCOUNT-DOMAIN.COM	Austria	16,947	561,621
15	REGISTER.IT	Italy	14,861	295,398


Source: <http://www.webhosting.info/>



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The .za experience




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Current scenario

- Too many SLDs
 - Too many dormant, private, restricted communities
 - Most SLDs have less than 1000 registrations
 - Most are moderated
- No standardised, across the board policies
 - Different customer experiences
 - Poorly defined registration processes




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Current scenario

- Absence of general policies means un-defined ry-rar model
- Absence of licensing regulations means rys are rars as well (no separation)
 - No ownership restrictions
 - No price caps
 - No SRS required
- But most .za rys are not-for-profit
 - UniForum (co.za), TENET (ac.za), SITA (gov.za), etc
 - IS – for-profit ICANN-accredited rar but operates as org.za ry not-for-profit




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Current scenario

Co.za remains a positive exception

- More than 460 000 registrations
- Better registration procedures & processes
- Better interfacing with "rars"
- Better customer experience
- .za's "flagship" domain
- But, UniForum (non-profit) also operates as rar on limited basis




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ECT Act Chapter X: .za DNA

- Requires licensing of rys & rars
- Assumes ry-rar separation model
- Price determination (we favour price caps!)
- Determination of technical & other requirements
- Commitment to single/centralized ry model
 - We'll do it gradually




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Co.za ry experience

- Open – no vetting
 - Simple technical requirements
 - Email based template process
- 'Easy' for start-ups
 - Little cash outlay
 - No licensing/permission
 - Just do it!




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Co.za ry experience

- No consumer protection
 - Some rars use own name as rant! **Scandalous!**
 - Fly-by-night / disappearing rars
- Legit registrations subsidise speculators and squatters
- Controlling access to systems is difficult




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Co.za ry experience: access to system

- No formal relationship between ry & rar
 - Means no contractual remedies for abuse
- Can't differentiate between de-facto rars & abusers
- Botnets & DOS threats
- Formal relationship allows higher level of access regulated by contract




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So, what's the solution to co.za challenges?

- Co.za rar accreditation process
 - Will serve as .za rar licensing pilot
 - Will regulate ry access through contractual agreements
 - Requires re-investment to co.za system to support ry-rar model
 - Introducing EPP interfacing crucial
 - To be gradually implemented



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And the advantages will be...

- Registrar advantages
 - Defined API
 - Clear channels & formal relationships
 - Business certainty
 - Improved service levels
- Registrant Advantages
 - Accredited Registrar (Code of Conduct)
- General
 - Adds to .za stability & brand



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What about resellers?



Reseller = entity re-selling services of a ra

- Typically not accredited/licensed
 - Has access to ry through rar
 - Rar is responsible for reseller's dealings in relation to ry
- Typically unable to make investment required to act as rar
- za approach: no different
 - ECT Act only requires ry & rar licensing
 - May be an opportunity for smaller entrepreneurs who can't comply with rar accreditation requirements



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Recommendations



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Key considerations for ry-rar model



- How big is your market?
 - If small, consider ry-rar integration
 - If growing, consider gradual ry-rar separation
 - Price caps aren't bad for the African market – affordability
- Where do you want to see competition within your TLD?
 - Multiple rars may not be viable for small/growing markets
 - Consider consolidating rars into a centralised ry
 - Competition between rars is proven as best (ICANN gTLDs)
 - Ry-rar separation has radically supported competition



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Thank you☺

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