

DOCUMENT FOR ccTLD WORKSHOP

Source: InternetNZ (The Internet Society of New Zealand Inc)

Title: Management of .nz

Overview of .nz Structure

The Internet Society of New Zealand, Inc (InternetNZ) has responsibility within New Zealand for the .nz domain name space. InternetNZ is a non-profit incorporated society, with membership open to all. Current membership of InternetNZ is representative of the range of sectors utilising the Internet,

Recent changes to the management of .nz have resulted in:

- a shared registry system (SRS) being implemented
- the position of Domain Name Commissioner (DNC) being established
- a committee being formed that has formal oversight of .nz matters. The DNC reports to the Chair of this committee.
- the establishment of a new registry company, trading as .nz Registry Services (NZRS), to operate the register
- a process to authorise registrars to enable them to connect to the SRS and offer registration and management services for .nz domains
- detailed .nz policies and procedures that establish rules and standards for how the .nz space will operate, with a clear reference to sanctions being taken should those be breached
- formal agreements being developed between key entities in the SRS
- more competition in the .nz market, and greater choice for registrants

InternetNZ

InternetNZ was established in 1995 to foster co-ordinated and co-operative development of the Internet in New Zealand. InternetNZ is an independent body that is not allied to any particular section of the industry.

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The objects of InternetNZ are published in its constitution¹ and include:

- to promote the competitive provision of Internet access, services and facilities in an open and uncapturable environment
- to develop, maintain, evolve and disseminate standards for the Internet and its inter-networking technologies and applications
- to co-ordinate activities at a national level pertaining to good management of centralised systems and resources which facilitate the development of the Internet, including but not limited to the Domain Name System

Relationship with the New Zealand Government

Operation of the .nz domain name space is not governed by any statute. The New Zealand Government acknowledges InternetNZ's responsibility in respect of .nz and the role it takes in ensuring its effectiveness. As such, the Government has not sought to introduce sector specific regulations, or control mechanisms in relation to the Internet in New Zealand.

The Government's general policies for the development of the Internet may be summarised as:²

- The private sector should lead the development of the Internet
- The expansion of the Internet should be market and technology driven
- The Government supports the presence of a competitive, predictable, minimalist, consistent and technology-neutral legal and regulatory environment for the Internet
- There is an international dimension to many Internet issues such as jurisdiction and intellectual property rights that may need to be subject to international agreements.

Implementation of the SRS

Prior to 14 October 2002, the .nz registry was operated by Domainz, a company owned by InternetNZ. Domainz also provided registrar services, not only to resellers utilising their systems but also directly to retail customers.

Following a review of the registry structure of .nz³, InternetNZ agreed to implement a SRS for .nz, enabling authorised registrars to register and manage domains through a single register. Under the SRS environment, registrars are responsible for managing their relationships with registrants. There is no communication or relationship between the registry and registrants, allowing the registry to operate a purely wholesale market with registrars, leaving registrars to retail directly with registrants, or operate their own wholesale services with resellers.

Stage One of this new structure was implemented on 14 October 2002. On that date, NZRS took over responsibility for operating the .nz register and Domainz took on the role of Stabilising Registrar.⁴

¹ InternetNZ constitution
<http://www.internetnz.net.nz/about-us/articles01.html>

² NZ Government policy
<http://www.med.govt.nz/pbt/infotech/internet/index.html#TopOfPage>

³ Review of Registry Structure of the .nz ccTLD, Final Report
<http://www.internetnz.net.nz/public/working-group-reports/wg-domainz-model-review/dmrwg001020report-final.html>

⁴ Agreement for Transfer of Registry Functions and Appointment of Domainz as Stabilising Registrar

Organisations were able to apply for authorisation as a .nz registrar from that date, with the first competitive registrars connecting to the system when Stage Two was implemented on 7 December 2002. As at 21 February 2003, there were 23 authorised registrars, with 14 of those having already connected to the SRS.⁵

Key features of the .nz SRS

In the absence of any statutory control, the .nz domain name space is operated through a series of Agreements combined with published .nz policies and procedures⁶. The Agreements involved are:

1. Authorisation Agreement⁷ - between InternetNZ and authorised registrars
2. Connection Agreement⁸ - between NZRS and authorised registrars
3. Terms and Conditions Agreement⁹ - between authorised registrars and registrants
4. Service Level Agreement - between InternetNZ and NZRS

The .nz SRS has been specifically designed to try and protect the rights of registrants. To try and ensure registrants are protected, the SRS environment:

- Operates on an 'automatic renew' basis. At the 'billed until' date, the domain name is automatically renewed for the term designated as the billing period.
- Only allows a domain name to be cancelled by a registrar upon receiving a specific request from the registrant, or where they have given 14 days notice of cancellation due to non-payment of charges.
- Creates a Unique Domain Authentication ID (UDAI) that is used solely to enable the domain to be transferred to another registrar. The UDAI must be provided to the registrant when a domain is registered, and must also be available upon request. No charge is allowed to be made to provide a UDAI, and it must be disclosed in all situations even if the registrant still owes the registrar money. Therefore, there is no barrier to transfer.
- Requires the registrar to register the domain name for the full term the registrant has paid for. The .nz register allows registrations for any period from a minimum of one month, up to a maximum of 120 months. If a registrant has paid for 5 years, then a 60 month term should be shown on the register and full payment made to NZRS at that time.
- Allows for sanctions to be taken against registrars who breach the .nz policies and procedures

http://dnc.org.nz/content/stabilising_contract.pdf

⁵ Summary list of all authorised registrars
<http://www.dnc.org.nz/story/30056-28-1.html>

⁶ List of all .nz policies and procedures
<http://www.dnc.org.nz/story/30037-35-1.html>

⁷ Authorisation Agreement
http://dnc.org.nz/content/registrar_authorisation_agreement.pdf

⁸ Connection Agreement
http://dnc.org.nz/content/registrar_connection_agreement.pdf

⁹ Registrant Agreement Core Terms and Conditions
http://dnc.org.nz/content/registrar_core_terms_and_conditions.pdf

- Makes registrars responsible for the actions of any resellers that they allow to use their connection. Registrars have to ensure that resellers comply with the standards as set out in the .nz policies and procedures.
- Allows a 90 day 'pending release' period following cancellation. The registrant is able to reinstate their domain name within that 90 day period.
- Requires registrars to register domain names in the name of the person or organisation requesting the registration. They are not permitted to register domain names in their own name as they could potentially prevent the true registrant from effectively managing that domain and trap them into future services.
- The Terms and Conditions agreements that registrants are required to sign up to by registrars must be approved by the DNC, and must meet the core requirements specified.¹⁰
- Prevents organisations from contacting registrants in a manner that may be conceived as being a renewal notice for their domain name, where they are not the registrar for that domain.

There are also protections for registrars. These include:

- Registrars are not required to accept transfers if they do not want the registrant as a customer
- The billing term automatically resets to one month after a transaction. This means that if the automatic renewal function is applied without any other intervention by the registrar, the domain name would be renewed for one month only thereby minimising the cost to the registrar of not cancelling a domain name in time.
- There is a five day registration grace period, applying from the date and time of registration, and a five day renewal grace period, applying from the date and time the domain name was billed until. Cancellations within the grace period mean no charge is generated.
- Standards and expectations for registrants to meet are also defined to ensure the integrity of the register.
- Professional Liability Insurance, covering the activities of all .nz authorised registrars has been taken out, and paid for, by InternetNZ.

Domain Name Commissioner

The DNC is responsible for the day to day oversight of the operation of the .nz domain name registration and management system.¹¹ This includes authorising registrars, monitoring registrar activities and monitoring compliance with the .nz policies and procedures.

Where required, the DNC will intervene to ensure compliance with the .nz policies. As an example, if a registrar refuses to supply the UDAI to a registrant, the registrant can make their case to the DNC and the DNC will issue a directive to the registrar to supply the UDAI. Should the UDAI still not be released to the registrant, the DNC will direct NZRS to transfer the affected domain name to

¹⁰ Registrant Agreement Core Terms and Conditions
http://dnc.org.nz/content/registrar_core_terms_and_conditions.pdf

¹¹ DNC Role description
http://dnc.org.nz/content/dnc_role_description.html

the new registrar. Steps would then be taken to address the breach of policy with the initial registrar.

The DNC reports through to the .nz Oversight Committee (NZOC), which is a sub-committee of InternetNZ.

.nz Oversight Committee

NZOC is a sub-committee of InternetNZ. Their overall objective is the effective stewardship of the .nz domain name space.¹² Representation on the NZOC is broad and includes the Chief Executive of the New Zealand Consumers Institute, representatives from Government, academia and the Internet business groups.

Though NZOC have been delegated full responsibility for .nz matters by the InternetNZ Council, InternetNZ remains the overall decision making body.

Registry

The .nz register is operated by New Zealand Domain Name Registry Limited, trading as .nz Registry Services (NZRS). NZRS is fully owned by InternetNZ.

A Service Level Agreement (SLA) between InternetNZ and NZRS is close to being finalised. This will be administered by the DNC and NZOC, on InternetNZ's behalf, with NZRS reporting monthly to the DNC against the standards specified in the SLA.

NZRS retains the reporting line directly to InternetNZ on all governance matters.

Next steps

Competition at the registrar level for .nz has now been in place since 7 December 2002.

Applications for authorisation as a registrar are still being received, and connections to the SRS are still ongoing. It is anticipated that there will be in excess of 30 authorised registrars connected to the SRS by the middle of 2003.

At this time, InternetNZ still owns Domainz, the previous .nz registry. Domainz is currently operating as the Stabilising Registrar. InternetNZ has stated that they do not want to own a competitive registrar and so will be divesting of Domainz.

As Stabilising Registrar, Domainz is responsible for those domain names that aren't formally allocated to any other party, ie those names where Domainz has been in direct contact (billing) with the registrant. Given Domainz obtained that relationship with registrants largely due to its role as operating the registry, the DNC will be contacting the registrants of those domain names and asking them to select a registrar. Domainz will be one of the choices on that list, along with all other authorised registrars who have connected to the SRS. Domainz will remain the default registrar where the registrant does not actively select a registrar.

This process allows registrants an active choice of registrar in a newly competitive environment. It will also allow for the number of domain names held by Domainz to be reduced to a level where they are not holding the majority of the market, though it is expect they will remain the largest registrar for at least a year or two.

¹² NZOC Terms of Reference
http://dnc.org.nz/content/dnzoc_council_paper_19_feb_2002.html

Through the implementation of the new .nz SRS environment, InternetNZ has sought to ensure an open, competitive environment for the .nz domain name space. The structure, agreements and policies developed set the standards for the new regime, and the response so far from those involved in the industry indicate that the steps taken by InternetNZ to restructure the .nz domain name space are widely supported.
