

ITU Domain Name Workshop 2004

**Private Sector Investment:
A Driving Force of the Internet**

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Chairman



If it works, Don't fix it!

- Internet is now a mature component of our lives (89.1% worldwide growth between 2000 and 2003)
- E-Commerce is real: \$6.8 trillions in 2004
- The DNS is acknowledged as a benchmark of excellence throughout the world.
- Be careful what you ask for as it may happen – then it is YOUR problem! – possibly better to leave well alone until specific problems have been identified..

Freedom of Entrepreneurship

- Deregulation is happening in every sector
 - Airlines, telecommunications...
- Private companies demonstrate they can do better than the public sector
 - GSM covers 72% of cell phone users
- Today's Internet exists thanks to private investment
 - NSFNet was replaced by private backbones, web browsers commercialised by Microsoft and AOL...

Benefits of the Private Sector are visible all around the world

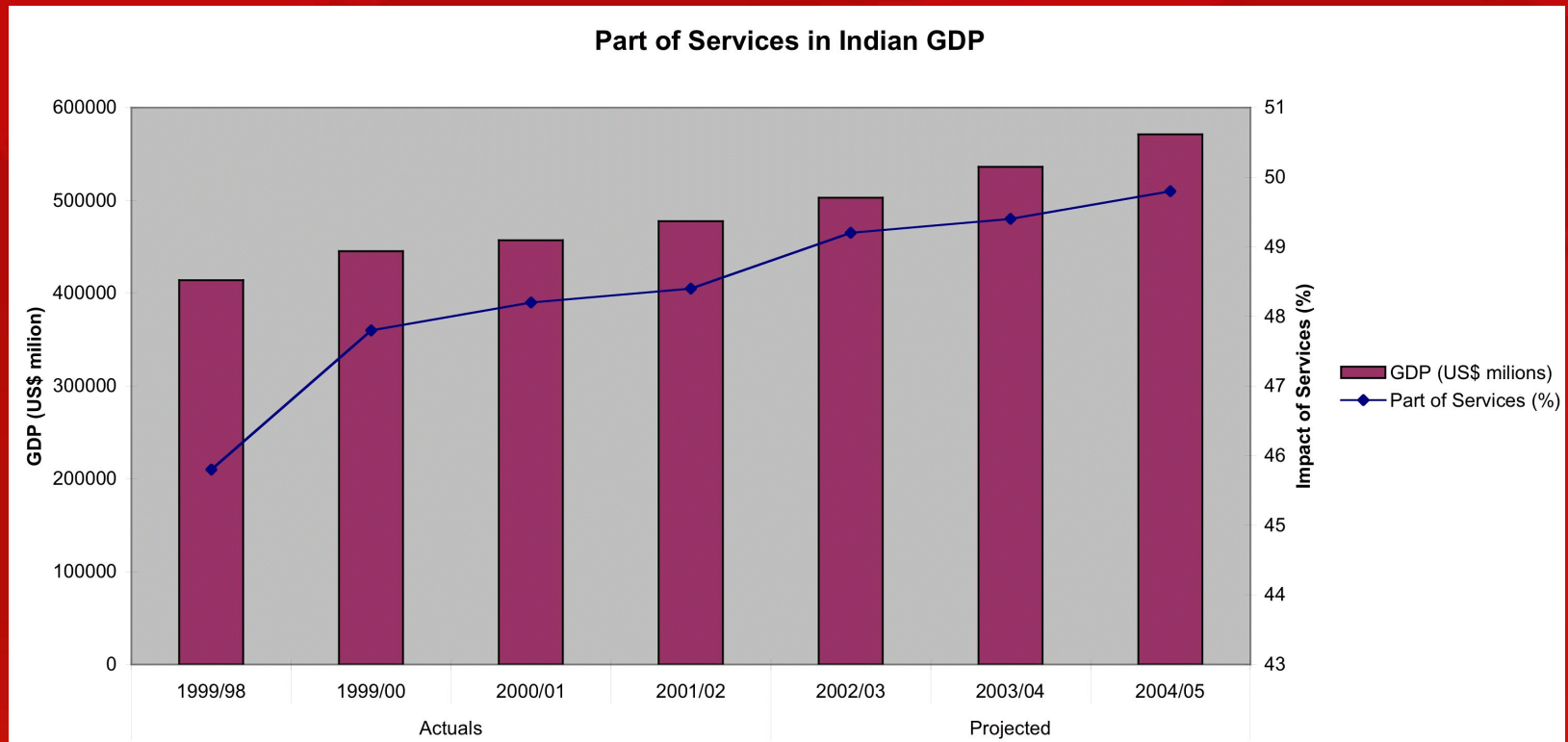
- Chile has the highest penetration of Web-enabled phones in Latin America
 - Real alternative to fixed infrastructures thanks to competition between mobile carriers.
 - 41 % mobile penetration
 - Projected revenue of \$1.3 bn. In 2007
- India's high-tech sector is growing 30% a year
 - Exports should reach \$12 bn in March of this year.
 - Thousands of jobs created by inward investment

Positive Effects of Deregulation: The Example of India



Source: The World Bank

Positive Effects of Deregulation: The Example of India

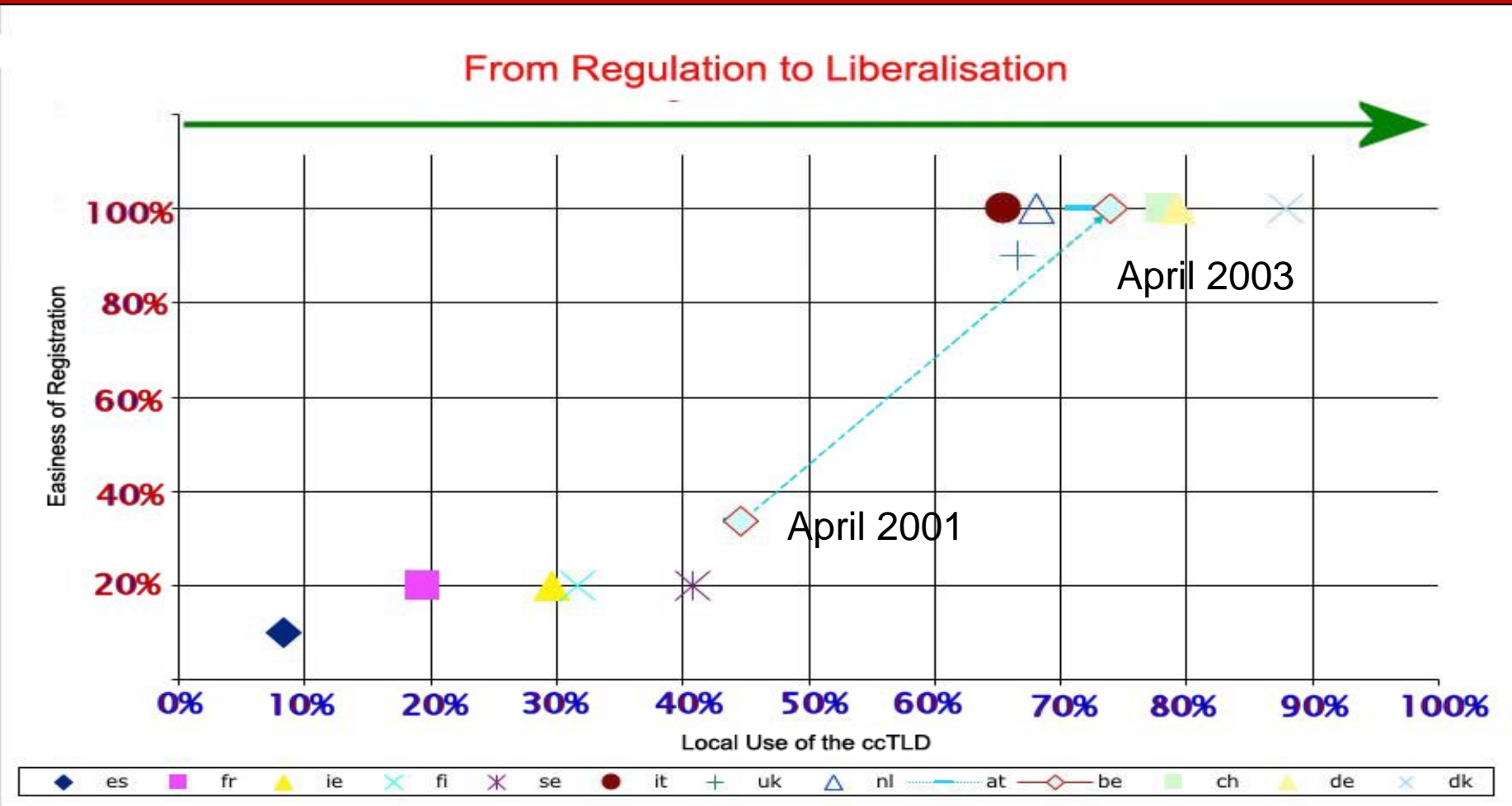


Source: The World Bank

ccTLDs and the Private Sector

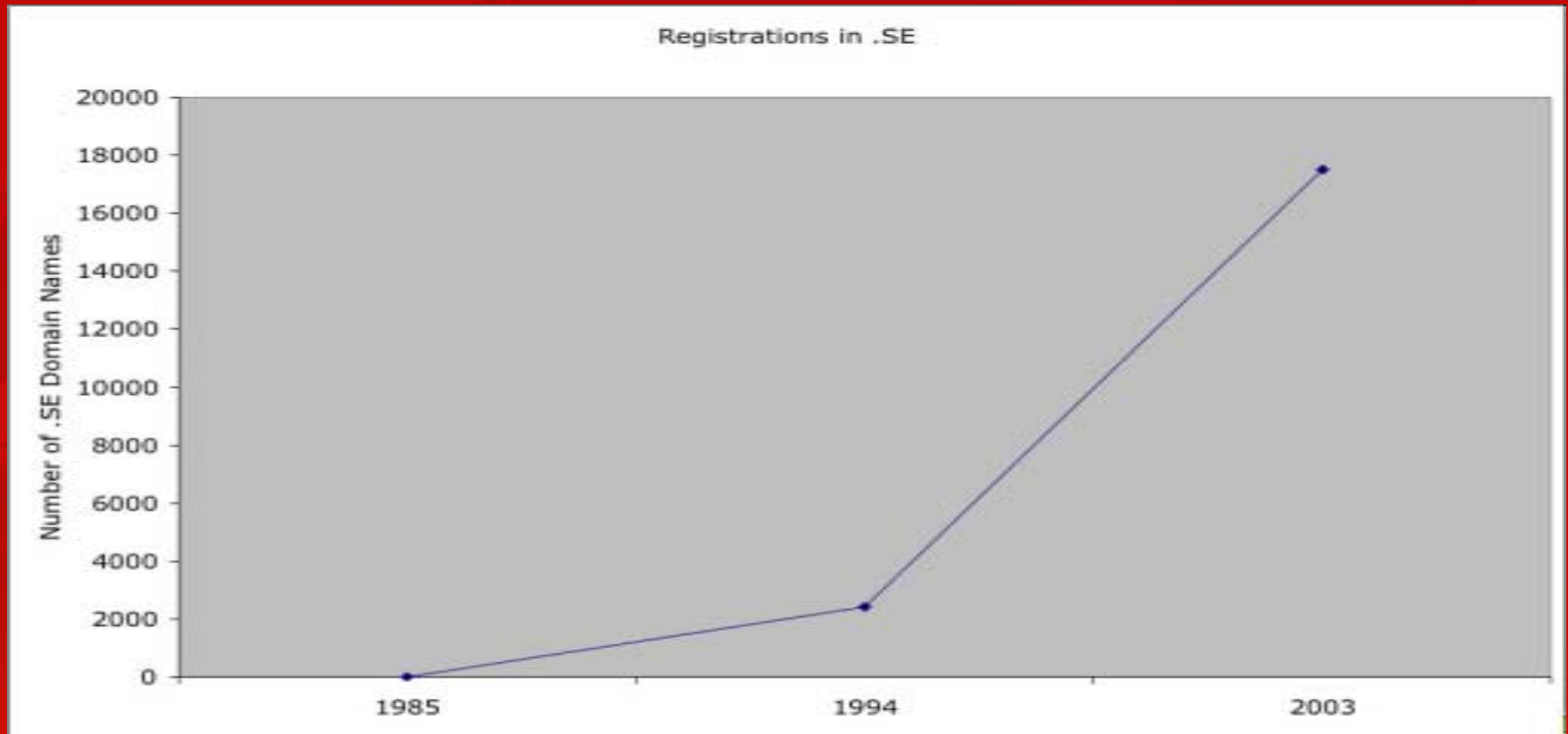
- Country Code Top Level Domains come from the private sector:
 - For the most part they were born as Universities or Research projects
 - Then transformed into private entities to cope with the growth of the 90's.
- Governments have not been willing to regulate
 - Regulations prevent the Community to benefit from the growth of the Internet and make the user use other services
- Self-Regulation is a valid and working concept
 - CENTR

Impact of Strict Regulations on ccTLD usage



Source: Market Trends Research™ - January 2003

Positive Effects of Deregulation: The Example of Sweden



Self Regulation: CENTR

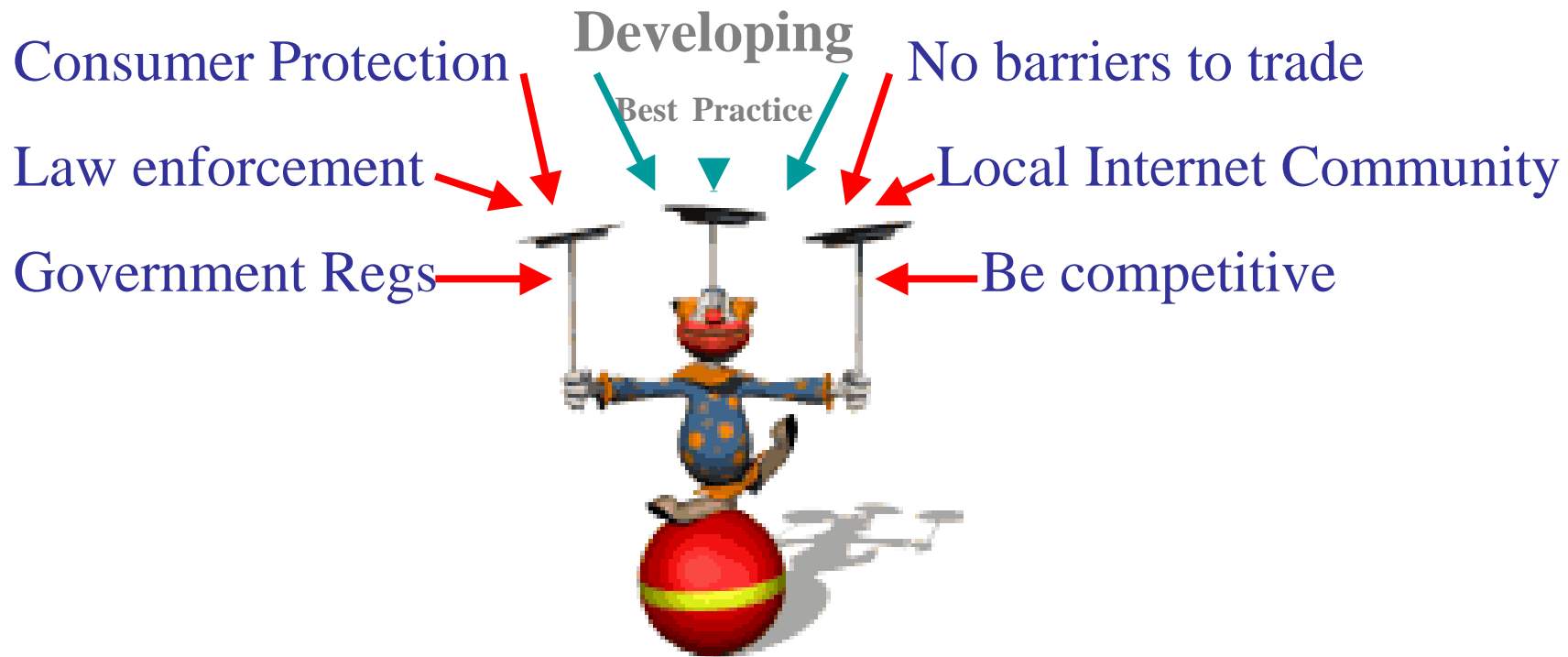
- *Council of European National Top-Level Domain Registries*
- 40 members, far beyond European scope
- Working together on Policy and Technical issues
- “Best Practices” recognized by the whole community



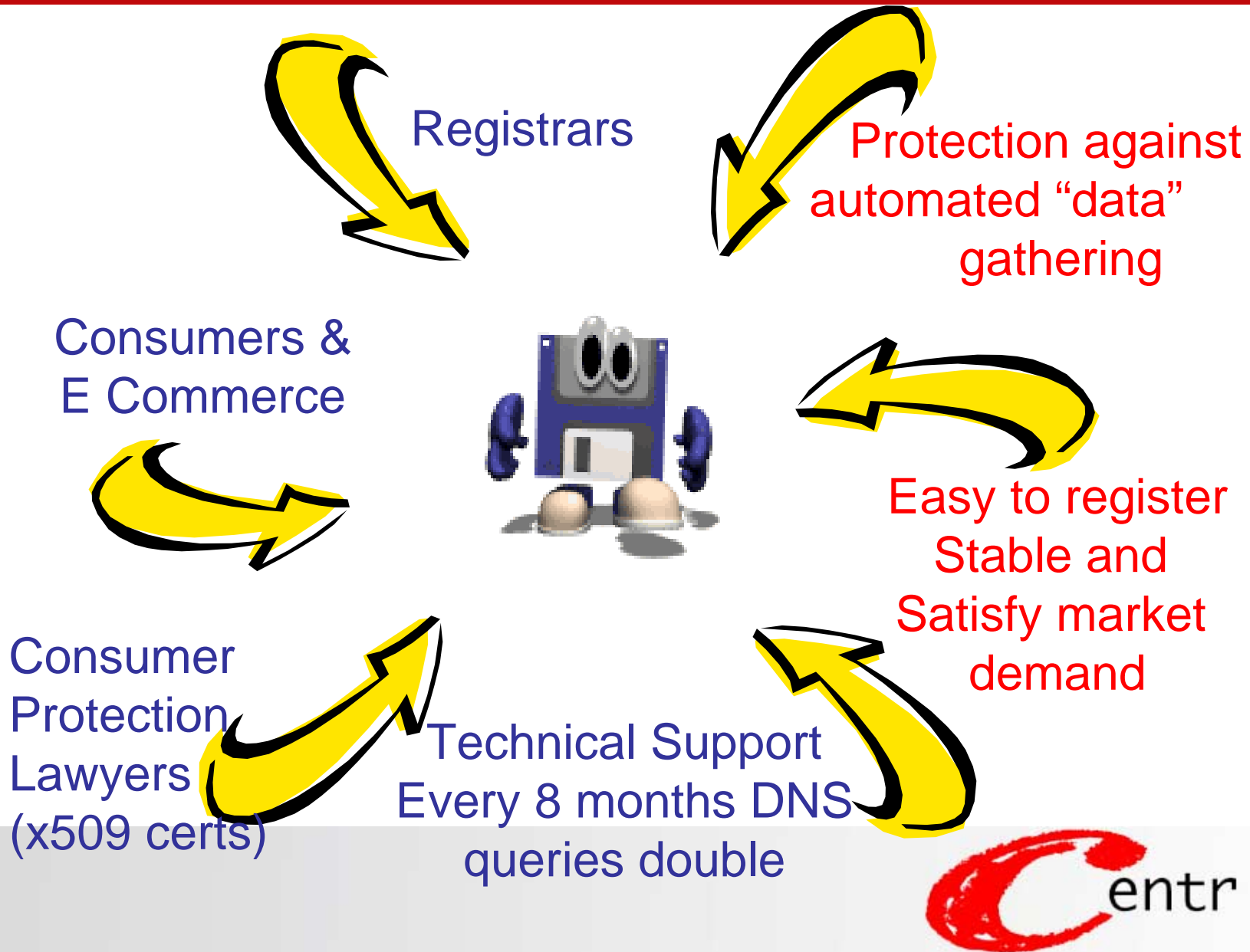
Involvement of the Governments

- Majority of European Governments are happy with the way ccTLDs are run because they have no complaints from users
- Governmental Advisory Committee of ICANN is a way to involve governments in the DNS process.
- European Commission supports self-regulation

For all Top Level Domain Registries National Law is always applicable



Some of the aspects of running a Registry



European Commission and Self Regulation

- European Directives provide a necessary framework
 - 1995/46/EC on Data Privacy (WHOIS)
 - 2000/31/EC on e-Commerce
- But wishes to let the private sector do its job
 - *“Putting governments in charge of the Internet isn't the solution, we have to keep the Internet running and secure”* (Erkki Liikanen)
- European Commission is an observer member to CENTR

Conclusion

- Governance of the Internet is currently in the hands of those who have made the investment to set up and operate its infrastructure.
- Unnecessary inter-governmental organisation would lead to the politicisation of the market place .
- Until specific problems are identified – guesswork risks destabilising the efficient service culture.
- Internet is dynamic and changing rapidly – attempts to capture the Internet will frustrate development – dialogue is essential to eradicate the digital divide.

Thank You

*The success (or failure) of the Internet in your country
is in YOUR regulatory hands;*

*Too late to regulate,
Now time to liberate and stimulate.*

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