

ITU Domain Name Workshop 2004

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

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## 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

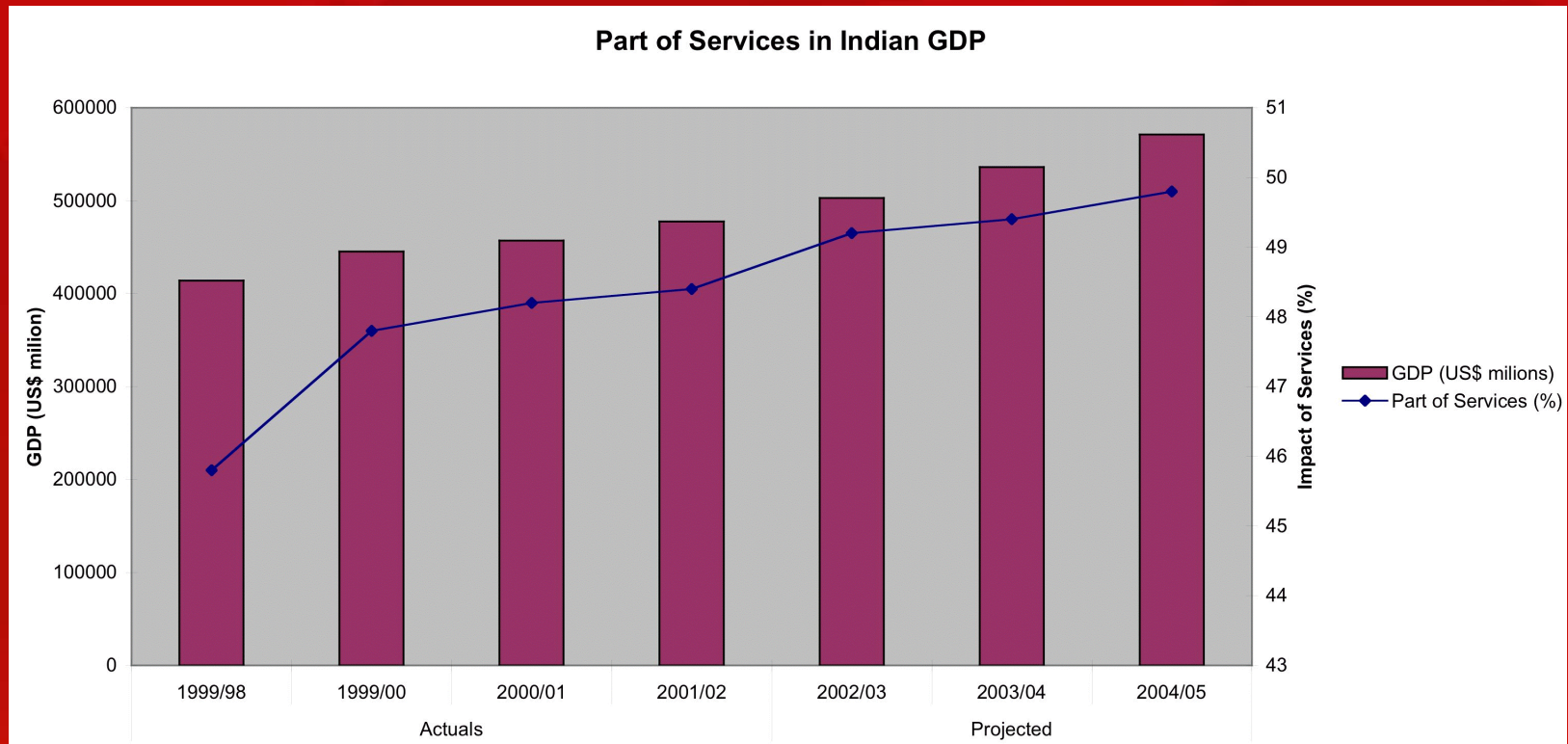


# Positive Effects of Deregulation: The Example of India



*Source: The World Bank*

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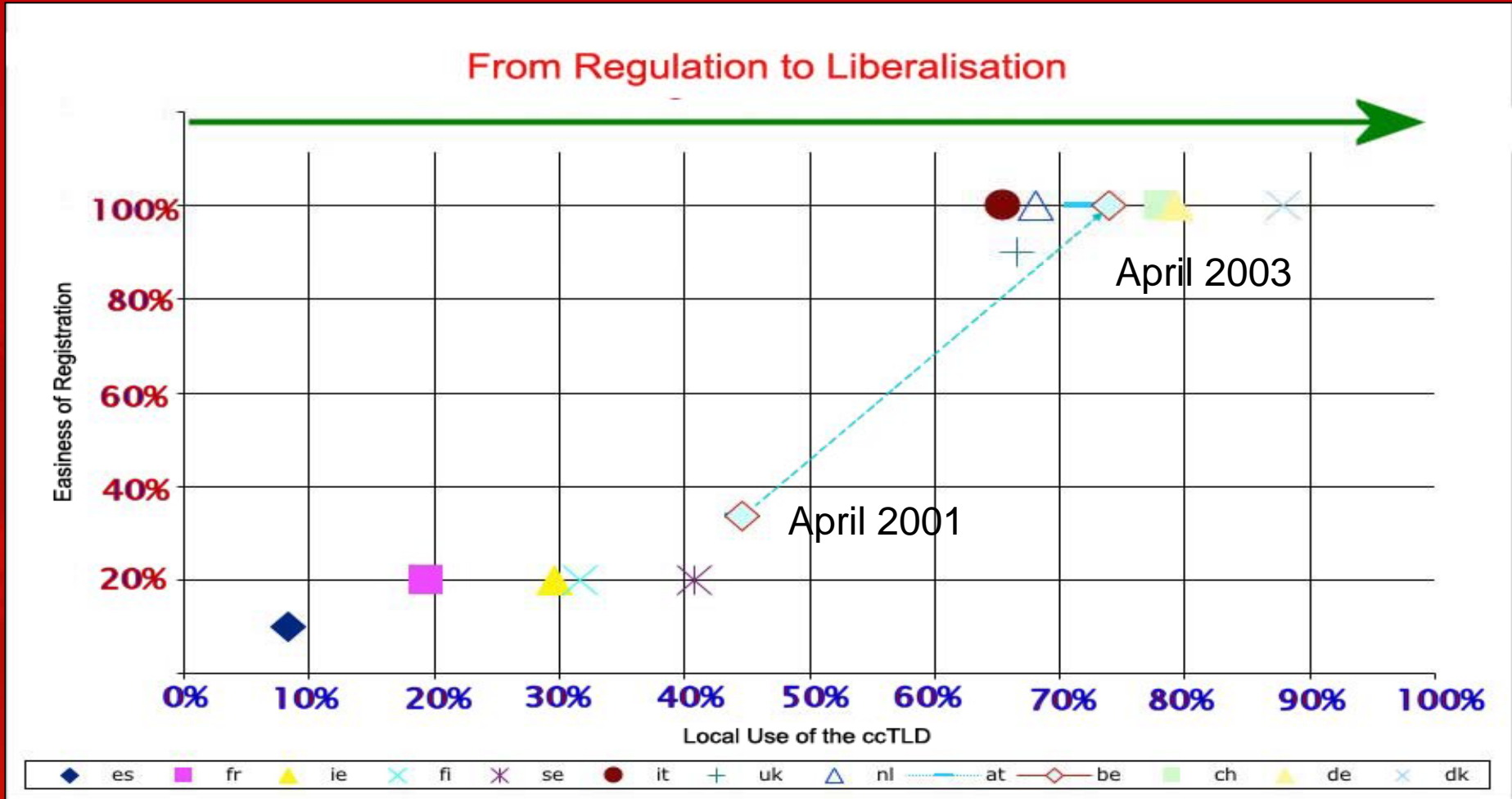
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# ccTLDs and the Private Sector

- 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

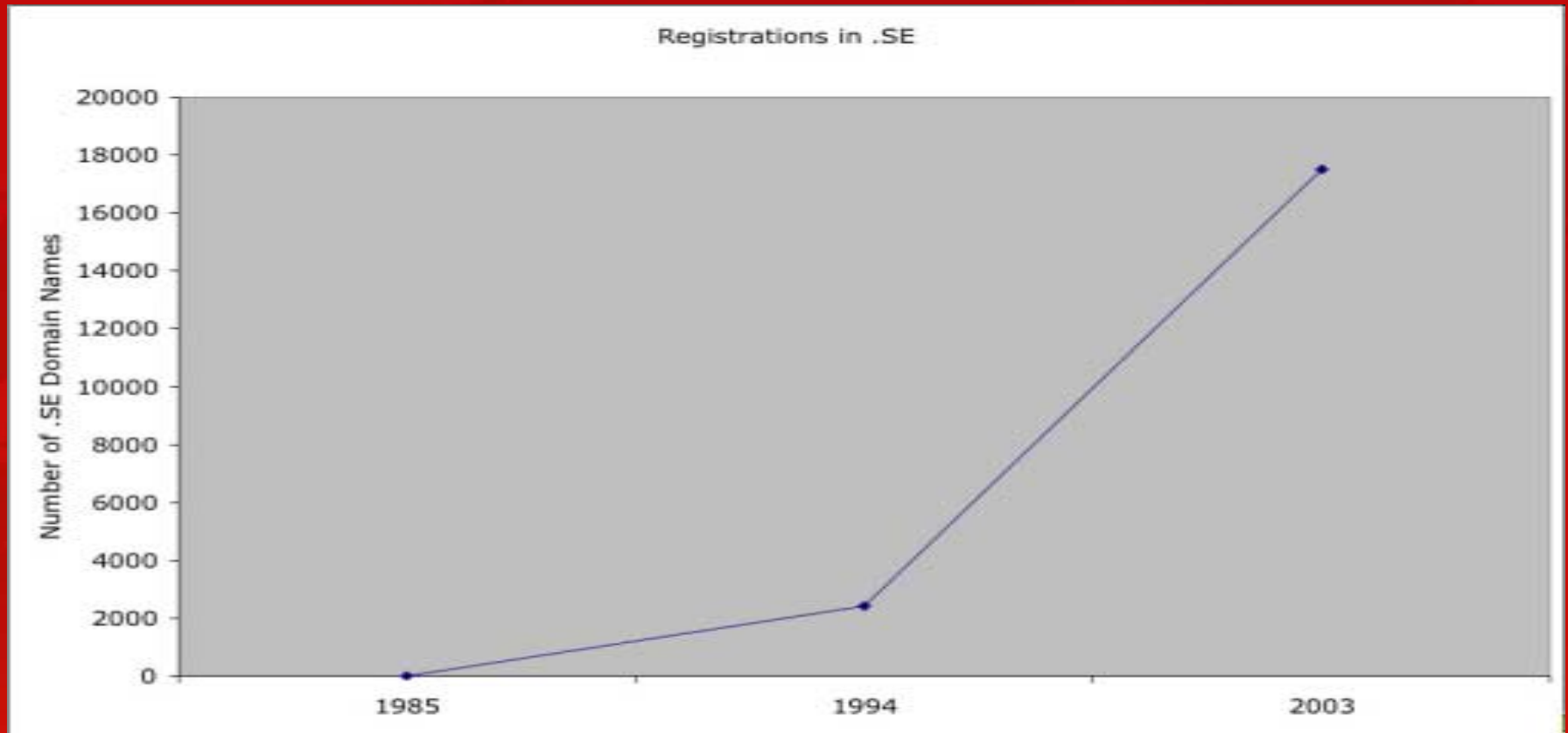


# Impact of Strict Regulations on ccTLD usage



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



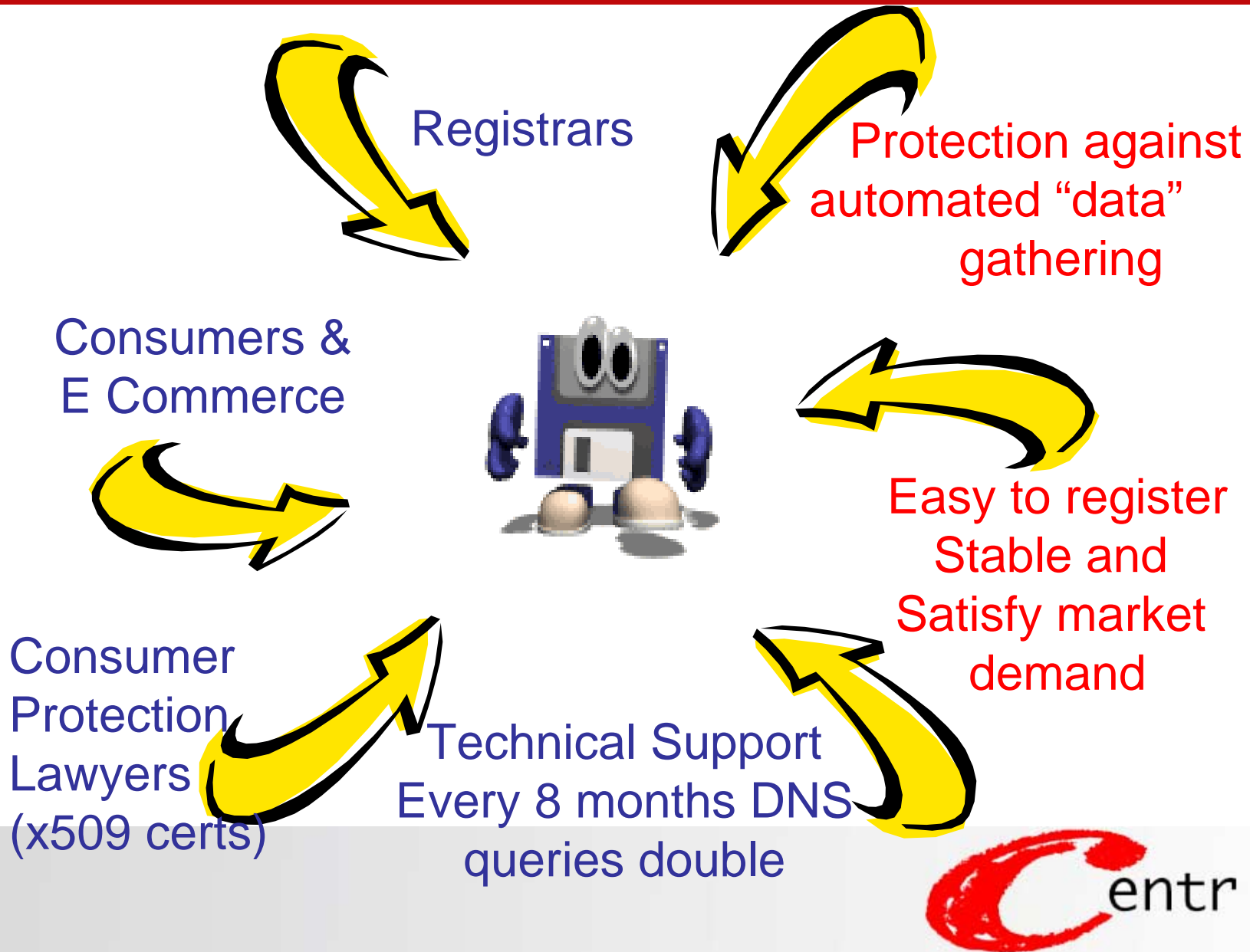
# Involvement of the Governments

- 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”* (Erkii Likanen)
- 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.*

*Paul.Kane@nic.ac*

