

DOCUMENT FOR ccTLD WORKSHOP

Source: VeriSign, Inc, Designated .tv Representative

Title: .tv – A case study for public-private partnership in a developing nation

The Case Study

Located near Fiji in the South Pacific is a collection of nine atolls that make up the nation of Tuvalu. Having gained its independence in 1978 and joined the United Nations in 2000, Tuvalu has no measurable natural resources, other than fish, that can be developed to support education, health care, or the development and provision of basic utilities and services. With limited infrastructure or services to attract tourism, the nation has historically attracted fewer than 1,000 visitors each year. Tuvalu's major source of income has come through the licensing of fishing rights, primarily to companies from Asia, Australia and the United States. Indeed, the Lonely Planet travel guide once hailed Tuvalu as a place to "sit under a palm tree and never be bothered by anyone."

With the advent of the Internet, Tuvalu's outlook for economic development improved significantly thanks to the nation's partnership with the .TV Corporation (currently a part of VeriSign) for the development of the .tv top level domain. This public-private partnership has produced startling results that have had a far reaching impact on the Tuvaluan community. Among other things, this partnership has:

- Allowed the Tuvaluan government to extend basic electrical services to the outer islands of Tuvalu where thousands of individuals live.
- Provided the government with the means to build and pave roadways, and to develop other parts of the nation's infrastructure
- Provided the community with the means to extend airport facilities in the capital city of Funafuti
- Allowed the government to study and develop plans to deal with waste and refuse problems on the islands
- Provided the government with the means to improve health care facilities, staffing for those facilities and services for all residents

Contact: Bart P. Mackay
VeriSign, Inc, and designated .tu
Representative

Email Bmackay@verisign.com

Attention: This is not a publication made available to the public, but an **internal ITU-T Document** intended only for use by the Member States of the ITU, by ITU-T Sector Members and Associates, and their respective staff and collaborators in their ITU related work. It shall not be made available to, and used by, any other persons or entities without the prior written consent of the ITU-T.

- Funded significant improvements to schools and the quality of education among Tuvalu's children
- Given individuals the opportunity to study abroad for better high school and college educations
- Provided internship opportunities to young Tuvaluans to gain first hand technical and business experience at the .TV-VeriSign Corporation headquarters
- Brought Internet access to the islands and made it available for use by Tuvalu's citizens

While the most visible impact of the partnership between the Tuvalu government and VeriSign has been economic, it has produced significant other, less tangible benefits for the community as well. Hope and optimism have characterized Tuvalu's outlook even while it faces the prospect of rising oceans that threaten the nation. In this regard, the plight of Tuvalu has also generated tremendous international attention to the consequences of global warming.

To effect its partnership, Tuvaluan government officials serve in a consultative role and have established a .tv Oversight Board to undertake that responsibility. Consultation rather than regulation is a central principle for oversight of the top level domain. The VeriSign - .TV Corporation reports to the government on a quarterly basis, which reports include summaries of financial results, domain name sales numbers, a summary of industry trends, marketing and promotional plans, and other pertinent information.

However, the VeriSign - .TV Corporation, as the government's commercial partner, is left to make all relevant business decisions such as how to market .tv domain names, pricing and other strategic decisions. This carefully measured balance between government and private interests provides each party with appropriate incentives to maximize the value of the .TV name and brand, and provides a favorable environment for substantial private investment by the VeriSign in the partnership.

A Model for Other Developing Regions

In light of the results derived from the .tv public-private partnership, it appears that governments and the domain name industry itself should embrace this structure as a legitimate model to establish and boost country code top level domains in other developing nations as well. Many country code top level domain administrators, whether they be governmental entities or private enterprises, face many of same issues and challenges that confronted Tuvalu. Among them:

- Limited financial resources. Establishing, operating and promoting a country code top level domain requires significant initial capital investment, as well as sufficient cash flows from operations that can support ongoing operations, infrastructure and technological improvements, policy development activities, and other registry functions. Governments and educational institutions are constantly stretched fiscally and cannot be viewed as viable long-term solutions for capital investment.
- Limited size of internal markets domain names. Small populations and limited enterprise bases within many geographical areas having country code top level domain designations are insufficient to financially support the ongoing operations of a registry, thereby making it necessary to open domain name registrations at a minimum to additional geographical regions or even worldwide.
- Limited technical capabilities. In addition to fiscal limitations that challenge technical investment and resources, many geographical regions having country code top level domain designations are confronted with a limited pool of qualified, trained technical professionals to develop necessary registry technical systems, to staff and maintain mission critical

systems, as well as only fledgling technical training programs and educational opportunities to train prospective technical professionals. Out-dated networks and technical infrastructures within geographical regions contribute to system difficulties and impede development.

- Limited prospects for establishing critical mass to sustain registry operations. The critical mass limitation (i.e., establishing levels of domain name registrations needed to maintain registry operations and technical quality) is truly a function of the combination of the three limitations previously mentioned. The survival of a registry is dependent on achieving sufficient registration levels to allow a registry to be self-sustaining.

While outreach and training programs can provide valuable knowledge and familiarity with existing and developing DNS technology, as well as best practices and other tools that can be helpful in operating a registry, these programs do not address the basic limitations confronting many registry administrators in developing regions. The Tuvalu model, or some form of it, may be an appropriate answer for them. Partnership with a credible private, commercial enterprise may be the best “outreach” solution.

Conclusion

The Tuvalu model does not fit all ccTLD’s; nor does it fit all ccTLD’s from developing countries. But it has important lessons for how a public-private partnership in the DNS can contribute to economic growth and help close the digital divide. In most cases however, governments in developing regions can and should play an important role in promoting public-private cooperation by taking a page from the Tuvaluan government’s basic perspective. Under a well-defined agreement with a trustworthy partner, a government can use the DNS to promote economic growth. In doing so, it should avoid unnecessary regulations that are, in reality, barriers to private investment, and limit its role in the operation of a country code top level domain to that of consultant and advisor. Business and strategic decisions can be delegated to a reliable commercial partner, with the stated intention of maximizing the value of the country code top level domain and providing the best service possible for end users and consumers.

A true “win-win” scenario can be created.
