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# 2012 IAP Meeting - 19 April 2012

## Second Meeting

19 April 2012, 2.00-5.00pm

auDA

Present:

Stuart Benjamin, James Deck, Brett Fenton, Paul Fong, Angelo Giuffrida, Robert Gregory, Erhan Karabardak, Jerry Leeson, Bruce Matthews, Graham McDonald, Peter Nettlefold (via teleconference), Craig Ng (Chair), Ned O'Meara, George Pongas, Matthew Proctor, Holly Raiche, Miguel Wood

Jo Lim, Paul Szyndler (auDA Staff)

Apologies:

David Cranston (ACCC), Bruce Tonkin, Paul Levins, Dwayne Varey

Actions:

- auDA staff to update draft Issues Paper to reflect panel discussions and preliminary positions.

Discussion:

1. Welcome and previous action items

Craig Ng opened the meeting. Jo Lim provided an update on action items from the last meeting:

- JL and PS to circulate presentation materials (.au history / policies) - Done
- CN to circulate previous registry tender documentation - Done
- Paul Levins to circulate additional material and economic analyses from ICANN's experiences – Done.

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- JL to circulate indicative tender process costings and Code of Practice complaints statistics.

Jo explained that she had reviewed the costings for the 2001 and 2005 RFT processes. 2001 figures were not immediately relevant, as it was a “greenfields” exercise, incurring disproportionately large legal and technical costs. Costs for the 2005 RFT were estimated at \$100,000, excluding staff costs (2-3 months of Jo’s time).

Jo also explained that auDA’s complaints system did not tag which complaints were COP-related and she could therefore not provide detailed statistics. It was estimated that COP complaints represent less than 1% of the total complaints received and most concerned advertising and contacting of former clients. Jo advised that a tag to identify which complaints are COP-related would be added.

## 2. Panel Terms of Reference – general discussion of policies and issues

Based upon a draft Issues Paper developed by auDA staff, the Panel undertook detailed discussions on each of its Terms of Reference.

### 2.1 The method of 2LD registry operator selection / appointment post-2014.

CN contextualised this discussion as an effort to both derive the best value from registry operation and doing so in a cost-effective, timely manner.

Issues discussed included:

Single vs multiple registries:

- The utility of the obligation on the current registry provider to support all current 2LDs and any new additions
- The cost and market-size limitations upon new registry entrants, including the commercial sustainability of supporting the smaller .au 2LDs
- The positive (improved redundancy) and negative (confusion in marketplace / stability issues) aspects of maintaining a multiple registry model
- The likelihood of viable competitors entering the .au marketplace
- Effects on competition from either bundling or separating the .au 2LDs in a tender specification document
- Irrespective of the future model, the importance of ensuring that the “closed” 2LDs (edu.au/gov.au/csiro.au) can be catered for – either by a requirement or option for the registry operator(s) to include these domains.
- The panel agreed to recommend, in its draft Issues Paper, that the process for registry selection in 2014 should solicit a single registry provider, though retain the possibility of multiple registries in future selection processes.

Mechanism for registry selection / appointment in 2014:

- Priorities are competition, consumer value and cost-effectiveness for industry stakeholders.
- The utility of various approaches –

1. full RFT - open, though costly and may yield limited returns
2. EOI – a poor response may limit auDA negotiating power, unless current registry provider is approached for a sealed offer, in advance

3. Renegotiation – less open though cost-effective and efficient
4. Renegotiation for 2014, with a stated commitment to go to market in 2018.

- The Chair undertook a tour de table to ascertain panellists' views. There was no consensus reached.
- The panel agreed to remain non-committal regarding a mechanism for registry selection in its draft Issues Paper. The paper should canvass the benefits and drawbacks of each approach and solicit stakeholder feedback. It should also note that the panel believes there is no pent-up demand for registry competition in .au, and seek commentary on this view. The paper should also actively invite potential registry competitors to express their informal interest.

## 2.2 The policy and process for registrar accreditation

Issues discussed included:

- The appropriateness of existing accreditation fees and processes.
- The cost of .au accreditation in comparison with other ccTLDs.
- The possibility of increasing fees to cost recovery or “cost-recovery +” levels, commensurate with the quality of the accreditation process and the capability expected of registrars in a well-established marketplace.
- Whether manipulating the quantum of accreditation fees is an effective tool for ensuring quality in registrar applications and accreditations.
- Alternatively, would other tools, such as the security standard currently under development, or expectations regarding registrar insurance, be more effective?
- The panel agreed to raise these matters in its Issues Paper, without a draft recommendation, and seek stakeholder feedback.

Other issues discussed included:

- The need for ensuring consistency in accreditation processes by charging overseas-based registrars, on a cost-recovery basis, for site visits.
- The issue of second and subsequent registry connections (either through accreditation or market consolidation) - does this create an uneven “playing field”?
- The appropriateness of creating an artificial constraint on registry access (a maximum number or maximum bandwidth), in the absence of a technical constraint
- Whether it is appropriate to formally recognise the existence of drop-catchers and their utilisation of registry connections through dedicated policy and fee structures.
- Would this aid market transparency and encourage openness and honesty in business practices?
  
- The panel agreed to raise these matters in its Issues Paper, without a draft recommendation, and seek stakeholder feedback.

The Panel also discussed the appropriateness of the need for prospective registrars to act as a reseller for 6 months or show “equivalent experience”. No panellists expressed objections to the retention of this current provision.

## 2.3 Registrar security

Discussion on this ToR was deferred until a sub-group of registrars have concluded their deliberations on the relevance of, and model for, a registrar security standard.

## 2.4 The status and regulation of resellers

Issues discussed by the panel included:

- The need for resellers to be able to manage their own client portfolios, particularly in cases of registrar failure (data escrow)
- The appropriateness of resellers being able to manage names without explicit client consent
- The continuing relevance of the regulatory model – currently resellers are regulated through agreements with a registrar / registrars. Is this a restraint-of-trade and should resellers be viewed as “mobile” rather than subordinate?
- The possible modification of WHOIS as a mechanism to formalise this recognition of resellers – plus associated costs and policy complications (e.g formal recognition / verification through WHOIS may require a form of accreditation).
- Whether additional WHOIS fields could be free-form or regulated / limited to entities reported to, or recognised by, auDA
- The benefits and limitations of resellers being directly recognised by auDA
  - o Administrative burden upon auDA
  - o Integrity associated with “accreditation”
  - o Mechanism – self-identification or mandatory?
  - o Mechanism – for verification of resellers’ assertions / identification
  - o Standardisation of identification and “clean” / “accurate” data.
- The panel agreed to raise these matters regarding the status of resellers in its Issues Paper and seek stakeholder feedback. Panellists agreed to ask stakeholders broadly about the value and appropriateness of the current regulatory structure and also specifically canvass views on the concept of including resellers in WHOIS, and the policy and procedural implications of such a change.

Next Meeting:

Thursday 24 May 2012, Melbourne

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