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Questions over who governs internet names

By Maija Palmer, Technology Correspondent

The future of internet governance is on a knife-edge as questions are asked whether a small Californian non-profit company, the Internet Corporation for Assigned Names and Numbers, should keep control of the web-naming system.

Icann rocked the business world last month with a decision to allow the creation of hundreds of new internet suffixes to rival .com and .net. From January, businesses and special interest groups will be able to create their own top-level domain names, for example .microsoft, .zulu or .news.

However, the cost of creating and running such a new domain is estimated to be about $500,000, an expense resented by many companies and poorer countries. "There are many challenges of most of the developing countries' participants to justify the expenditures," a representative of the Kenyan government told a recent Icann meeting.

It came as a shock to many that a private, 130-employee company in Marina del Rey, California, could present organisations around the world with big legal bills as they scramble to protect their trademarks in a new online structure.

Many governments also objected to Icann's decision in March to allow the creation of the .xxx internet domain for adult content. However, they were unable to overrule Icann's decision.

Founded in 1998, Icann has a contract with the US Department of Commerce to manage the Internet Assigned Numbers Authority, the database that holds all the world's domain names (there were 192m in December 2009).

Icann made revenues of slightly more than $65m last year, most of which comes from the 25 cent fee it is paid every time an internet name is registered. Any profit is kept in reserve to cover future legal costs because Icann faces frequent lawsuits.

"Icann is one of the world's oddest institutions," says Shawn Gunnarson, a partner at Kirton & McConkie, a law firm. "It is a Californian non-profit corporation but at the same time it exercises vast global powers through control of internet domains."

China and Kenya have repeatedly called for Icann's powers over the internet be handed to a UN organisation such as the International Telecoms Union.

"Every country has a problem with the [Icann] decision," says Alexander Ntoko, the ITU's head of corporate strategy. "You cannot have a corporation regulated in one country acting as a global co-ordinator of the internet."

"Member states could decide to do something different as an alternative. There are other options people are looking at," he says.

The US Department of Commerce, which wields the only direct power over Icann, however, favours the organisation continuing to manage internet names.

Icann
Revenues ($m)

Year	Revenue
2005	~15
2006	~27
2007	~42
2008	~48
2009	~57
2010	~63

Source: company

"The United States is most assuredly opposed to overturning the proven governance model," Larry Strickling, assistant secretary for communications and information at the Department of Commerce, told a recent conference.

However, Mr Strickling is putting pressure on Icann to do more to explain its decisions and make it easier for governments to take part in debates.

The Department of Commerce contract expires next March and Mr Strickling says that renewing the contract with Icann is not a given. The department would consider proposals from other organisations.

But what an alternative would look like is not easy to specify. "Some of the internet is dangerously cobbled together. But the fact it is such a mess . . . has enabled this remarkable openness," says Kieren McCarthy, an ex-Icann employee and journalist.

For all their gripes about recent decisions, many businesses and interest groups appreciate Icann's "multi-stakeholder" model, which allows them – and not just governments – to have a say in running the internet.

"I am not sure the Arab spring would ever have happened if governments controlled the internet," Mr Gunnarson points out. "To rephrase Churchill, Icann is the worst form of internet government except for all the others."