

A STUDY ON THE INTERNET CORPORATION OF ASSIGNED NAMES AND NUMBERS

EXECUTIVE SUMMARY

The study commissioned by the European Commission deals with the Internet Corporation for Assigned Names and Numbers (hereinafter: ICANN), which forms part, and is charged with some aspects of the oversight, of a network of bodies, entities and organisations that are involved in the management of arrangements designed to allow the global Internet system of unique identifiers to function properly.

Part I dealing with ICANN's status, mission, functioning and decision-making process, assesses ICANN's performance so far and the likelihood that the reform of ICANN will be implemented successfully, and examines other changes that might be necessary. In difficult circumstances ICANN managed to reform itself. It created a rather stable environment, which inter alia allowed a RIR to be set up in Latin America, adopted rules for "sponsored" gTLDs and generally achieved greater support by the governments for the way in which it performs the tasks assigned to it. It is still seen as bureaucratic, difficult and non-transparent by most constituencies. The IANA service is frequently criticised for its low performance. The at-large participation does not appear to be arranged satisfactorily.

Part II carries out an economic analysis of the various components. It concludes that the current allocation procedure for IP addresses is essentially satisfactory, while the situation with regard to the domain name industry is more contrasted. The market for registration services in gTLDs and in many ccTLDs is increasingly competitive. Profits in the market for registry services are significant. Being natural monopolies, registry operators must be properly regulated.

Part III deals with a number of legal aspects. From the point of view of accountability, representativeness and transparency, the reform process led to substantial improvements. ICANN's structure and decision-making process are still too complex and opaque and the oversight of ICANN's public policy functions remains inadequate.

Part IV sets out five main conclusions and puts forward five recommendations. Recommendation 1 deals with the structure of ICANN under its current bylaws and proposes amendments. Recommendation 2 elaborates more in detail those functions where government involvement should be enhanced. Recommendation 3 deals with an enhanced role of the Government Advisory Committee. Recommendations 4 and 5 offer possible scenarios for increased internationalisation of ICANN.

The opinions expressed in this study are those of the authors and do not necessarily reflect the views of the European Commission, nor does the Commission accept responsibility for the accuracy of the information contained therein.