AFNIC

Activity report 2007

AFNIC

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It's already 10 years!

On 3 December 2007 AFNIC celebrated its 10th anniversary

What a long way covered since 1997 with just two chairmen and two chief executive officers!

An interesting idea for this Editorial could have been to list all the decisions - the good and the bad - taken concerning registration policy for *.fr* following its appointment by IANA in September 1986... In summary, that would provide:

- From 1996 to 1998: creation of a large number of public domains (*.tm.fr*, *.gouv.fr*...) and sector-based ones (*notaires.fr*, *pharmacien.fr*, etc.)
- 1999: creation of the last public domains *.nom.fr* and *.com.fr* and the first relaxations of the naming charter (concerning the number of domain names per owner and rights to a name)
- June 2000: creation of the list of reserved names, further flexibility in the charter concerning the number of domain names per owner
- November 2001: removal of the limit on the number of domain names per owner
- May 2004: removal of "rights to a name" for institutions and companies
- 2005: strengthening the protection of the names of French localities
- June 2006: opening up of .fr to individuals

But that exercise is just too long and tedious...

One thing, however, is certain: AFNIC has reached the Age of Reason, it has mastered technical skills, is more in line with users' needs and is very much open to the outside; in a nutshell, it has matured.

On the brink of the million domain names mark (just over 991,000 at 31 December) and awaiting its official appointment by the minister responsible for electronic communications, AFNIC is serene. It knows the efforts invested to reach this point and what will have to be provided in order to continue down this road and keep on improving.

If 2007 clearly marks the end of the "major works" of *.fr*, it also represents a year of thinking about the future, both in terms of development of the information system and modernisation of practices. AFNIC's ambitions for tomorrow must be defined today and shared with the largest number of directors, members, employees and customers.

With the "call for candidates" to run the national top level domains that should be launched in 2008 by the minister for electronic communications, redesign of AFNIC's strategy has started. This process goes far beyond a simple bid; it will need to define what targets our association should set and to already consider the various means for achieving them, in human, technical and of course financial terms.

A great challenge to be met by all the managers, members and staff.

Mathieu Weill

Chief Executive Officer

Jean-Claude Gorichon

Chairman of the Board of Directors

1 Structural changes

1.1 Changes in the composition of the Board of Directors

AFNIC's Board of Directors was substantially overhauled with the arrival of six new representatives between April and June 2007.

Founding members **INRIA** and the **minister for Research** appointed two new representatives, respectively:

- Mr. **Jean-Pierre Verjus**, Deputy Managing Director of INRIA, to replace Mr. Guy Aubert,
- Mr. **Dany Vandromme**, from strategy department at the Research and Innovation Directorate, replacing Mr. Frédéric Gruet.
- The **minister for electronic communications** must also make a new appointment, following the departure of Mr. Nicolas Touré.

Further, the Ordinary General Assembly held in June 2007 was the occasion for the three-yearly renewal of the members elected to the Board of Directors.

For the Registrars:

- **INDOM** was re-elected, represented by Mr. **Stéphane Van Gelder**, founder and Associate Director,
- **Netnames**, represented by Mr. **Peter Cousyn**, France Country Manager, has replaced Nordnet, which had completed its two successive terms.

For Users, two newly elected members who replace the Paris CCI and ACSEL, who did not stand for re-election, are:

- The **French Chambers of Commerce and Industry** (ACFCI), represented by Mr. **Jean-François Bernardin**, who quickly passed on his appointment to Mr. Philippe Clerc
- **ISOC France**, represented by Mr. **Philippe Batreau.**

Lastly, for International College, NIC Senegal was replaced by:

- The **Polytechnic Institute of the University of Conakry** (Guinea), represented by Mr. **Abdoulaye Diakité**.

New composition of Board of Directors in December 2007

5 appointed members:

For INRIA	For INRIA	For the Minister for Research	For the Minister for Industry	For the Minister for Electronic Communications
President				
Renewed in 2007 **Jean-Claude Gorichon**	Appointed in 2007 **Jean-Pierre Verjus**	Appointed in 2007 **Dany Vandromme**	Appointed in 1998 **Vincent Théry**	Awaiting appointment

5 elected members in 2007:

For the Registrars Committee INDOM	For the Registrars Committee NetNames	For the Users Committee ACFCI	For the Users Committee ISOC France	For the International Section Polytechnic Institute, University of Conakry
(re-elected) **Stéphane Van Gelder**	(elected) **Peter Cousyn**	(elected) **Philippe Clerc**	(elected) **Philippe Batreau**	(elected) **Abdoulaye Diakité**

Mr. **Perica Sucevic**
remains the government's commissioner,
appointed by the minister for electronic
communications.

In parallel with the major changes in the composition of the Board of Directors, 2007 was also the year of the vote on AFNIC's new Articles of Association. Following 10 years of operations, it was deemed necessary that there should be a reconsideration of the place of the various actors in the association and an overhaul of the operating documentation.

There were three main objectives:

● **To make a clear distinction between members of the association, customers and partners.**

Under the 1901 Associations Law, AFNIC, ever since its creation, required that all relationships be within the framework of membership. Members were a mix of registrars with whom there was a commercial relationship, users that took part in the life of the association, and partners who could offer adjunct services such as alternative procedures for resolving disputes (ADR) concerning the *.fr*.

To clarify its relationships with the various parties, AFNIC has defined three categories:

• With its **members** (registrars, users or the International College), it has an exchange and coordination relationship concerning everything that affects technical, legal, marketing or financial choices. Membership costs are intentionally affordable by all:

Members	Registrars	Users		International College	Founders, Honour
		Organisa-tions	Persons		
Annual membership costs	€ 300 exclusive of VAT	€ 150 exclusive of VAT	€ 50 exclusive of VAT	€ 50 exclusive of VAT	Free

• With its **clients**, since the registrars have a registration business of domain names in *.fr* or *.re*, it has a commercial relationship, stipulated in the service contract that binds the two parties. Each client can choose from one out of two options: an annual fixed fee of € 1,450 excl. VAT and services billed at € 4.80 per unit (Option 1), or an annual fixed fee of € 450 with services billed at € 5.8 per unit (Option 2);

• Lastly, with its various **partners** (who could be members or clients), AFNIC has partnership arrangements covering alternative procedures for resolving disputes or the development of joint ventures, and the provision of value-added services from the list of *.fr* domain names shortly to be offered.

● **Separate business activity from governance of the association.**

As already stated above, up until 2007 the registrars had to belong to AFNIC in order to be able to run a domains name registration business. Depending upon their number of annual registrations (less or greater than 1,000), a membership fee was set, which was directly related to the right to take part or not in the life of the association and thereby to influence the association's decisions.

This link between the cost of membership and participation in the consultative committees had the undesired effect of making it financially uninteresting to take part in the life of the association except for registrars whose business model benefited the number of registrations. For the others, only a real wish to take part in the consultative forums justified paying an ad hoc membership fee.

From mow on, with the new Articles, the cost of membership is no longer tied to the volume of registrations: for € 300 exclusive of VAT annually, any registration bureau can choose to take part in the association, whatever its volume of activity is.

● **Provide all members of the association with the possibility to express themselves in the consultative forums.**

The last objective sought in the reworking of the Articles of Association was equality of access to the consultative bodies by all members of the association, whether large or small registrars, users whether organisations or persons, or members of the International College.

As of 1st January 2008, just through regular membership any member can give his opinion to the committees of his section, or to take part in any online forum. Based on the sections, participation in technical, legal, or marketing and communications working groups will also be offered.

This simpler, more transparent and fairer method of operation came into force on 1st January 2008. It should facilitate better involvement of all members of the association in its development choices.

2

Further development of our services

2006 was the year of the "revolution" with the opening up of .fr to individuals, while 2007 was a year of consolidation of the efforts in the development of ways of operating and in the provision of new services, both technical and legal.

In parallel with the opening of new operational services for domain name registration professionals, AFNIC spent 2007 strengthening the infrastructure of its network, especially by increasing access to its *.fr* servers, and sought to set up a long-term, fair policy for the publication of and access to its data.

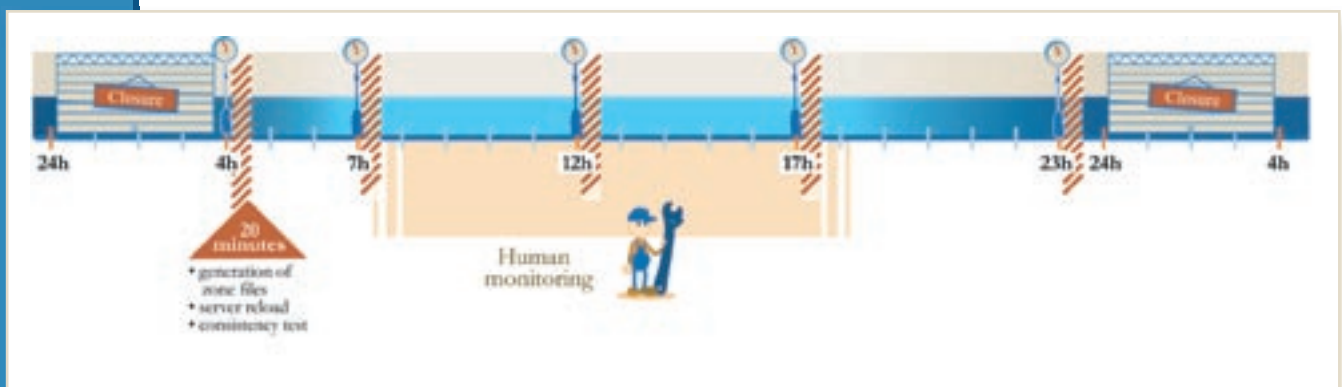## 2.1 New operational services for registrars

The registration system for domain names lies at the heart of AFNIC's business and is in a state of constant development. In addition to the continuous improvements in the registration chain since 2004, three important new services for registrars were offered in 2007.

- **Enlargement of the range of domain name registrations times**

  The first and most visible service was a major opening up of the registration ranges of *.fr* and *.re*. Since October 2007 a domain name can be registered 24 hours a day, 7 days a week. The frequency with which registered domain names are published has also been increased. The area is from now on reloaded five times a day, instead of once at 6.30pm before.

  On average, a properly installed domain name can now on become operational within a few hours, as against a few days just a short while ago.

  The following drawing shows the continuous range of registration times from 4am until midnight as well as the times of reloading the DNS database, which makes the newly registered names visible and active.

  This new service, which became indispensable in 2007, required a lot of prior work to update the running of the registration chain.

Each module that makes up the registration chain (receipt of application and validation against the chart, sending the ticketing system, management of the ticketing system, technical verification, domain name installation, DNS publication) must be capable of being handled independently of the other modules, 24 hours a day in order to facilitate virtually continuous registration.

A technical operating team whose main task is maintenance, supervision and development of the IT systems was accordingly formed in June 2007. This team, which should be strengthened in the coming months, will form an "operations" unit within the new organisational chart at the beginning of 2008.

● Permanent testbed

A few weeks prior to opening up to individuals in 2006, a temporary testbed had been offered to registrars to let them test their system in the registration chain that had been newly developed. This testbed remained active for a few weeks and was then closed down in anticipation of a new, more permanent test tool.

As of April 2007 the matter has been achieved. All testing of existing operations can be carried out in full scale on AFNIC's registration chain, with all the chain's modules being deployed on the permanent testbed and available to all professionals.

This service will be complete in 2008 with a dedicated website area that lets you create test objects and data specific to the bench.

● Set up of an operational communications website

Lastly, another notable operational service was made available to registrars in 2007, the communication website: **http://www.afnic.fr/operations/** Available in real time on this new web area are news on operations, the status of services offered by AFNIC and project schedules.

This site also facilitates subscription to RSS or Atom feeds that thus let registrars receive all the news without having to go to the website or calling AFNIC's Support.

2.2 Setting up a zones hosting policy

The availability of new services and the ongoing improvement to the registration chain would not have been possible without a lot of necessary work on managing the DNS and zones hosting (or Top Level Domains) that is AFNIC's responsibility.

In fact, even though much less visible, this AFNIC activity is indispensable to ensure good visibility and to offer the best possible level of security and stability, not just for areas where it is responsible (.*fr* and .*re*) but also for those it hosts in a "secondary DNS" – more than twenty in 2007: .*es* (Spain), .*hu* (Hungary), .*mr* (Mauritania), .*pt* (Portugal), .*ru* (Russia), .sn (Senegal) and more.

In 2007 the already old policy of zone hosting was formalised (specifically for country codes or "ccTLD", and special resources could be committed to this type of service.

Two major, technical developments need to be mentioned:

- Zone configurations were reviewed in order to **reduce reloading delays**: the size of the zones file was considerably reduced, using a technique known as "zone flattening", and its management was simplified.

- Services were redistributed (hosting and machines) in order to optimise **the performance of the zones managed**. The .*fr* zone has been separated from the other zones to make managing it more flexible and independent.

On the other hand, AFNIC has installed a new set of servers that use anycast technology to render DNS service more robust and of higher quality, for which it is responsible.

Anycast is an addressing and routing technology that lets you redirect the data to the "nearest" or "most effective" DNS server according to the defined routing policy.

Using this technique for the DNS service offers two advantages: it facilitates gradual improvement of the geographical extension of the service, and the quality of the DNS service not just in terms of response time but also in robustness, since it offers better protection against denial of service (DoS) attacks.

The implementation of this zone hosting policy is continuing in 2008, especially in implementation techniques. Supervision of the DNS is provided by an independent body (RIPE-NCC) and by a company, Witbe, which will assist if required in redirecting the policy used in order to achieve the declared objective of a more reliable and secure zone hosting policy.

2.3 Review of the publication and access policy for information about registrations in *.fr*

Ever since its creation AFNIC has offered the public a "Whois" enquiry service that facilitates looking up data in this database in accordance with generally admited rules governing general interest[1] .

One of the main challenges in managing this database is to preserve the balance between the protection of the personal data of the owners of *.fr* domain names and the legitimate need to have access to information about the contacts provided for these self same domain names.

To do this, during 2007 AFNIC implemented the required protections to frame the manner of using this data in a fair and non-discriminatory way, and commensurate with the purposes of the database as described in particular in the Naming Charter of *.fr*.

- **Type of data of the Whois database**

  The data in the Whois database is as follows: domain name, information about owners, administrative and technical contacts, registrars, DNS servers and the dates of creation, renewal or last modification of the domain names.
  This data is collected at time of registration and updated by the registrars; it is regularly checked by AFNIC.

- **Protection provided**

  A confidentiality policy that was started at the opening of *.fr* to individuals in June 2006 and completed in 2007, has been implemented in order to apply the Law of 6 January 1978 on information technology, files and civic freedoms: personal information about the individual owners (name, first name, address etc) are protected and are not published. This process known as restricted publication is used automatically unless there is a request to the contrary by the owner.

  Conditions for disclosing this personal data (or lifting anonymity) have, however, been defined. In the first instance they are limited solely to applications arising from court processes or extra-judicial processes with a duly authorised body, or following a decision in ex parte proceedings for lifting anonymity.

  Then, prior to a significant increase in disputes and following the example of the EURID European registry, AFNIC defined a procedure for an individual disclosure request for personal data, using a form whereby the applicant must state the reasons for the request and make undertakings concerning the use of the information sought. Based upon the status and purpose sought by the applicant, AFNIC reserves the right to refuse this individual application for lifting anonymity.

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[1] cf «summary of discussions on WHOIS», Governmental Advisory Committee, ICANN, 18 August 2006 GAC

● Searching the Whois database

The conditions for online searching of the Whois database have also been considered internally, together with AFNIC members. More restrictive rules have been defined.

Two free access modes have been retained:

- The first, open to all and using the interface of the website; this access mode cannot be automated;

- The second is called "port 43", used mainly by registrars, with the number of daily requests being limited.

Using a transparent policy for adjusting the limitations parameters, AFNIC ensures both the one-off user and professionals a quality service and is better placed to prevent possible abuse when personal information is used. At any time, AFNIC can also filter access to its services if there is suspicion of malicious use.

● Other services

Lastly, two additional access services have been defined for access to the data of the registry:

- the first is for registrars: unlimited access to their own portfolio of domain names through the use of several application modules has been available since July 2007. Extending the number of requests to the entire database by accessing through "port 43" will only be available at the beginning of 2008;

- the second, called "Qualified Access Service to Whois" or "SQUAW" was voted on by the Board in 2007 and will also come into effect in 2008. AFNIC has to offer to bodies that have applied, to supply under certain conditions the list of domain names registered every day in *.fr* together with the names of the registrars that processed these registrations. A subscriber to this service for payment must not only provide added value to the information provided by AFNIC, but must also supply guarantees concerning the use of this information.

3 Development of supervision and of economic and technological transfer

Keeping an eye on scientific developments has always been one of AFNIC's concerns, carried out more or less consistently over the years, whereas instituting a so-called "economic" watch to know what are the main market trends in domain names arises from a more recent requirement.
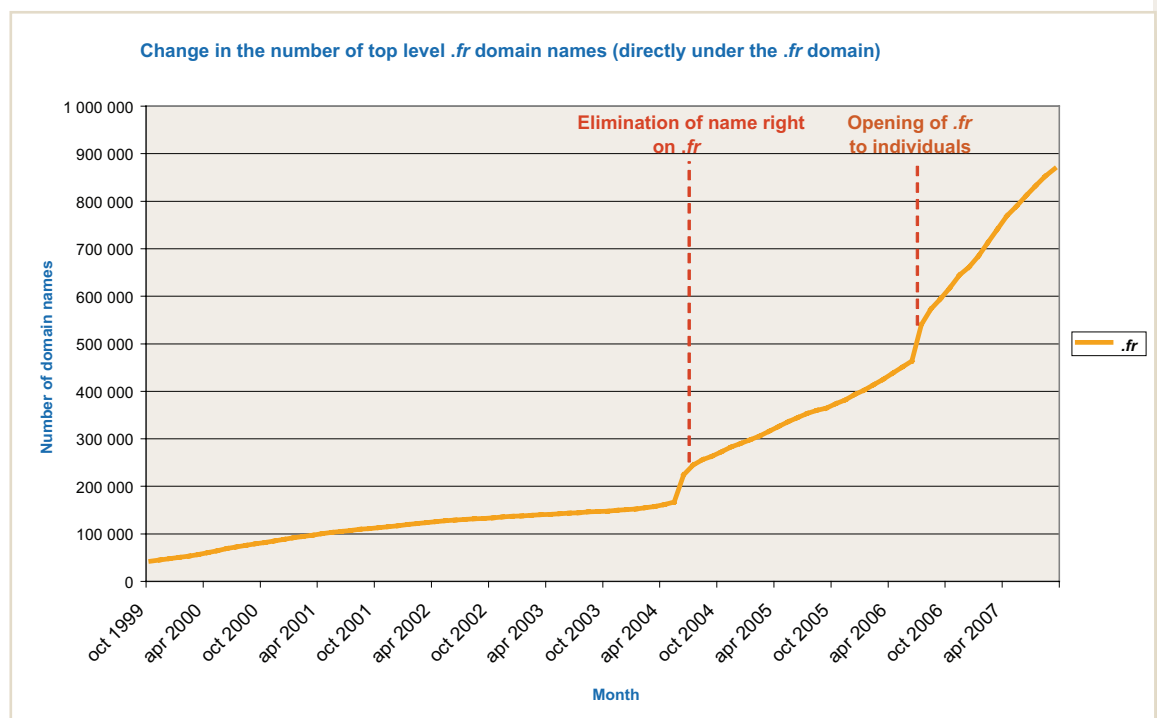
3.1 Report on French domain names industry - first edition

2007, together with INT Evry, a first edition of "Report on French domain names industry". This is part of a desire to provide players in this market as well as third parties with an overall view of the main trends and the factors behind them[2].

The report deals with such varied subjects as the context of market development in France, the development of *.fr* and profiles of owners. It also analyses in detail the uses to which *.fr* is put and the business players (registrars).

● **A background of sharp growth**

In October 2007 the French top level domain included more than 900,000 domain names, most directly registered under *.fr*. The two changes to the AFNIC Charter in 2004 and 2006 markedly increased demand, moving the annual growth rate up from 12% to 44% in just a few years. If individuals control only a third of all the names, they do contribute notably to the growth of the French market by registering one name in two using the national domain.

Change in the number of top level *.fr* domain names (directly under the *.fr* domain)

[2] Cf. : http://www.afnic.fr/data/actu/public/2007/afnic-french-domain-name-report-2007.pdf

An analysis of registered names shows that the *.fr* domain is currently less saturated than the generic top level domains. While it is noted that 70% of the most common names are already registered under the national extension, only 23% of names of localities and 60% of names of businesses of the major French firms have been registered in *.fr*.

The geographic distribution of owners of *.fr* domain namesshows up large disparities between departments. Logically, the most populous departments come first: as an example, the Paris Region (Ile de France) has 40% of domain names registered in France by individuals or businesses.

Number of *.fr* domain names registered by individuals per 1,000 inhabitants (Metropolitan France)

on June 30th, 2007

Number of domain names per 1,000 inhabitants
less than 1.6
1.6 to 2.1
2.1 to 2.8
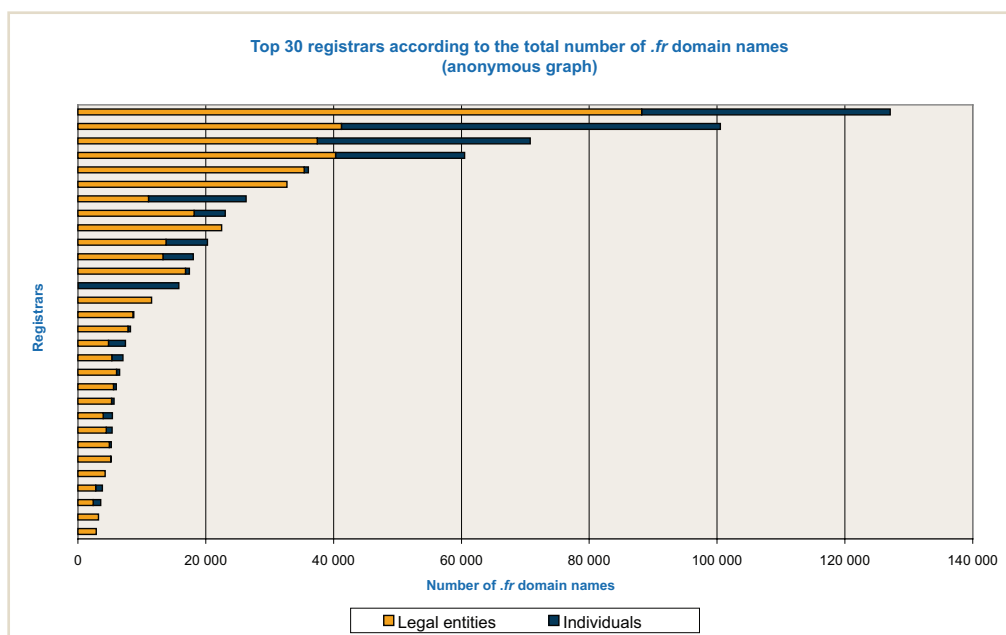more than 2.8

source
AFNIC

The age pyramid for individual holders of *.fr* domain names shows an average age of 35. Significantly lower than that of the general population, due to less use of the Internet by the elderly and an over-preponderance among the young.

● A registrar market that is in the process of becoming structured

In mid-2007 there were about 1,000 registrars for *.fr* domain names that were members of AFNIC. Following sharp growth until 2001, and then more limited growth with the abandonment of the right to a name in 2004, the market now appears to be in the process of becoming structured.

A survey of the 30 leading *.fr* domain nameregistrars has shown up the most frequently offered services for sale (just name or package including web hosting), as well as the range of tariffs employed. The range discovered (from € 6 to € 110) matches the differences observed in the market (individuals, SMBs or large companies), and added value services (legal and listing services etc), while as interesting is that the rates of AFNIC for *.fr* are similar to those of most comparable extensions.
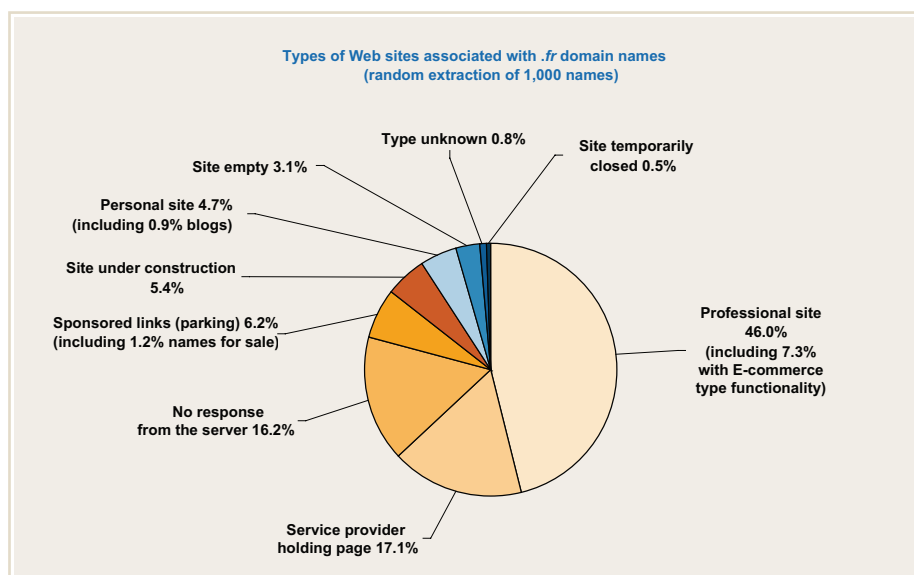
The market of *.fr* domain names registrars does not appear to be at all concentrated in the business and organisational sector, with the leading player holding only a 15% market share. It is much more concentrated in the individuals market (25% for the leading player). Most registrars have a mainly professional clientele. On the other hand, the clientele of some of the largest registrars are entirely individuals.

Top 30 registrars according to the total number of *.fr* domain names (anonymous graph)

Registrars

Number of *.fr* domain names

☐ Legal entities ■ Individuals

It is interesting to note that the "secondary market" is increasingly dynamic, a phenomenon still emerging in France, but of which people are becoming more aware of the intrinsic value of certain domain names that can be considered as part of their owners' assets.

● **Mainly professional uses**

A survey based on a random sample of 1,000 *.fr* domain names has shown up the use to which names are put in the Internet. Websites with French domain names are mainly professional (one out of two), while personal sites are ten times less numerous, on account of the more recent opening up to individuals. Some names also relate to waiting pages (17%) or to sponsored links pages (6%), also know as "parking pages".

Types of Web sites associated with *.fr* domain names (random extraction of 1,000 names)

Type unknown 0.8%

Site temporarily closed 0.5%

Site empty 3.1%

Personal site 4.7% (including 0.9% blogs)

Site under construction 5.4%

Sponsored links (parking) 6.2% (including 1.2% names for sale)

No response from the server 16.2%

Professional site 46.0% (including 7.3% with E-commerce type functionality)

Service provider holding page 17.1%

The *.fr* appears to be very well placed in terms of actual usage as compared with other extensions such as *.eu* (60% of active websites of which 5.6% are personal sites using *.fr* as against 54% of which 2.8% are personal with *.eu*).

In terms of perceptions of domain names, opinion surveys carried out on behalf of AFNIC have shown up a range of main points. The *.fr* still has a strong attraction for French citizens. They feel it retains a strong link to the homeland and its underlying value, they associate it with French language culture and appreciate the security provided by the jurisdiction of French courts in the event of disputes.

● **Perspectives**

Even though the domains name market in France overall is rather less developed than in other countries, the trend appears to be towards much growth in the coming years, from which *.fr* should benefit on account of its high standing among French Internet users. This trend should in fact grow further due to the price increases of generic extension registers (2007 - 2012) that will provide .fr with a built-in competitive advantage in prices, which it has not enjoyed much up until now.

3.2 Setting up of a dedicated R&D team

In any organisation, Research and Development comes to meet two requirements: on the one hand to anticipate the next developments and thereby to consolidate internal practice, and on the other hand to take part in internal or external projects to transfer knowledge or to perfect what is known in order to transfer them at a later stage.

The R&D division, which was created in 2007, with on the one hand dedicated engineers and on the other the input of engineers from other departments (the operational teams), has this double ambition.

In terms of inter-departmental cooperation, the R&D division is often asked to analyse the impact of various new techniques on AFNIC's IT system; for each request, a report is always submitted, which might lead to the implementation of the technique analysed. In 2007 research concentrated on the following topics: Anycast, setting up a real time registry, IDN and the impact of deploying them under *.fr*, setting up EPP in AFNIC's registration system, and the possibility of opening a ENUM.

 In terms of external cooperation, mention should be made of IPv6 training provided at ENSAM in Paris as part of the ATHENS Course and at the University of Marrakech as part of the TNICE-EP conference. Through its International College AFNIC has also continued to train IT teachers - Level 2 - by holding a session in 2007 in Mauritania. During the JRES conference it gave lectures on "digital identities" and on IETF standards and operations.

In addition to its ongoing surveillance and contributing to IETF standards, AFNIC has been thinking about various sized projects in which it wishes to participate; four were identified in 2007, and initial contacts have been made: "pair to pair systems", "digital identities", "Very High Speed Digital Subscriber Lines" (VDSL), and the "Internet of objects", seen from the "ONS/RFID" angle.

For this latter project, better known by the name "ONS French root", AFNIC has approached GS1 France to see how cooperation on this topic might take place in the medium term.

But the key event of 2007 in terms of the organisation and structuring of R&D activity remains the setting up and launch of the **AFNIC Technical Advisory Committee**. This consultative body for thinking and making proposals to the AFNIC Board of Directors is involved in supporting and evaluating AFNIC's R&D. Thanks to its distance and independence, the Technical Advisory Committee can help AFNIC to develop its R&D programmes as openly as possible and evaluate them objectively. Its mission is to contribute to AFNIC's R&D direction, to prepare opinions about the R&D projects and activities, and last but not least to create synergies between AFNIC and the national and international scientific community.

At the beginning of November the AFNIC Board elected the members making up the Technical Advisory Committee, following the call for candidates made on 17 July 2007. These are scientists from French and foreign academic and industrial circles, personally based on their fields of expertise, to cover as broad a scope as possible of AFNIC's R&D activities:

AFNIC's Technical Advisory Committee:

Patrick Cocquet	Cap Digital, France
Francis Dupont	ISC, France
Jean-Paul Figer	Capgemini, France
Niall O'Reilly	University College Dublin, Irlande
Philippe Regnauld	Catpipe ApS, Danemark
Pierre Sens	INRIA / LIP6, France
Laurent Toutain	ENST-Bretagne / GET, France
Bernard Tuy	Renater, France

4

Promotion and cooperation at the national and international levels

AFNIC has always committed both human and financial resources to developing external relations, through partnerships, institutional communications, press releases or active participation in conferences and professional working groups.

Having been more focussed in recent years on the national scene on account of developments in its registrations policy, AFNIC has been less active on the international scene.

In 2007 it re-established its presence, taking up again dialogue and an exchange of experiences at the international level.

4.1 Enhanced marketing campaigns

Following heavy, targeted campaigns in 2004 and 2006 linked to the two openings of *.fr*, in 2007 AFNIC created a more in-depth communications policy, publishing background information and developing long-term relations with both the press and business players.

- AFNIC has continued its joint operations programme together with the registrars, with a view to promoting *.fr*. Through its Marketing and Communications Working Group, relations with the registrars have facilitated sharing information about both current and planned activities.

- It has also increased its investment in awareness activities, whether with IPNI, the Tour de France, good digital practice, or seeking to develop partnerships with players in the world of the Internet.

- In press relations, AFNIC has continued its efforts with specialist journalists in the TIC as well as with press material for the general public. This effort especially takes the form of organising thematic, journalist workshops, the first a general presentation of domain names and their challenges, the second an analysis of the Secondary Market and the financial valuation of domain names, while the third was at the launch of the Report on French domain name industry.

- These actions were expressed in two communications campaigns, the first, in the spring, intended for a corporate audience, and the second, in the autumn, targeting individuals. The second campaign in particular was a great success, with a noticeable impact on the number of *.fr* registrations.

4.2 AFNIC more present and more proactive on the international scene

The bolstering of AFNIC's presence and communications in major events has been seen at both the national and international level.

Its teams have taken part in a large number of activities throughout 2007.

- Promotion of the Codev-NIC project - software for open, modular registry management - has been continued, new countries have expressed an interest and two new partners are officially interested, Albania and Mauritius.

- AFNIC and its International College have actively participated in the Internet Governance Forum in Rio de Janeiro on 12-15 November 2007 as part of the French delegation. As part of the continuation of the work initiated at the World Summit on the Information Society (WSIS) in 2003 - 2005, the purpose of the Rio IGF was to organise consideration at the international level of the main challenges of the Internet today and tomorrow: management of the domain names and IP addresses system as well as the fight against the digital divide and against spam, and the protection of personal data...

  AFNIC attended a workshop about Codev-NIC (a demonstration of the operation of the Ivory Coast was given by Souleymane Oumtanaga of NIC Ivory Coast, a member of the International College), and through CENTR with a presentation on DNS management and a survey of good practice in the management of ccTLD registries.

- 2007 was also the year of vigorous participation in all the meetings of CENTR. AFNIC was not just very much present at the administrative, technical and legal workshops, but also organised the 34th General Assembly of CENTR in Paris on 8-10 October 2007, with a record number of attendees. AFNIC also carried out two surveys among CENTR members, with an excellent response rate. One was on the use of the EPP protocol by ccTLDs, and the other was on aspects of "real time registration".

- 2007 also saw a strengthening of collaboration with ICANN, particularly to help the development of African ccTLDs.

  Olivier Guillard, on behalf of AFNIC, sits on the ccNSO committee and chairs the IANA working group, which seeks to improve the services provided by IANA to the ccTLD. In this connection, AFNIC played a leading role in the following issues: internationalisation of DNS, coordination of ccNSO activities with governments (through GAC), and DNS security.

- In 2007 AFNIC wanted to start a series of meetings with its European opposite numbers to discuss practices. There were meetings with three registries: DENIC for *.de*, EURID for *.eu*, and SIDN for *.nl*.

- Lastly, AFNIC is still an active participant in standardisation. Its presence in IETF is mainly reflected in participation in the LTRU (Language Tag Registry Update) working group, which seeks to define standard formats to tag languages on the Internet. In particular, AFNIC developed and hosted the official page http://www.langtag.net/.

5 FOCUS

5.1 Consequences of the Decree dated 6 February 2007

Timeline:

- **9 July 2004:** Law No. 2004-669 about electronic communication and audiovisual communications services - 1st Title - Article 24 - Art. L. 45
- **6 February 2007:** Decree No. 2007-162 concerning the allocation and management of Internet domain names, modifying the Postal and Electronic Communications Code
- **1st half 2008:** Launch of public enquiry by the Minister for electronic communications concerning management of the *.fr* register and other national extensions
- **Coming:** Analysis of the enquiry, call for candidates for management of *.fr* and other national extensions, submission of candidatures and designation of registers by the Minister for electronic communications

5.2 Political and legal developments concerning domain names in France

The interest in domain names has grown considerably in France in a few years; if prior to 2004 there were hardly any lawsuits about domain names in France and if they attracted very little political attention, that is not at all the case today.

Prior to the sharp growth of the domain names market and the frequent abuse of intellectual property rights on the Internet, the authorities wanted to regulate this sector not just by defining a strict legal framework for the terms of registering domain names under national extensions, but also by making the entire chain of players assume responsibility.

The result was the publication of the Decree of 6 February 2007. The protection of assignees was significantly strengthened, especially those of localities. The main assignment principles for domain names from the AFNIC Naming Charter were reaffirmed, however, new responsibilities were placed on the registration administrations in charge of managing national extensions, which thus applied to AFNIC in respect of managing *.fr*, *.re* and *.tf* - putting into question the "neutrality principle" that had been supported in law up until then.

At time of writing a public enquiry is about to start to let Internet professionals and users express their wishes about the management of national extensions. A call for candidates to manage the various national extensions will follow, however, its timetable is not yet known.

5.3 Setting up the Strategy Committee

This enquiry by the authorities concerning the management model for domain names in France has hardly left AFNIC indifferent. Following publication of the decree it decided that out strategic thinking should be carried out by its board of directors, which is the body responsible to its members and in law.

What are the current strengths and weaknesses of AFNIC, in terms both of good registration practices and its governance model? What steps should be taken to create a favourable climate for AFNIC's candidature? How can AFNIC diversify in the coming years in order to adapt to market developments?

To consider theses issues carefully and to prepare answers, a strategy committee was set up, combining members of the board and persons from outside. It is chaired by Mr. Jean-Michel Planche, Chief Executive of Witbe.

Following several meetings and discussions, the initial suggestions for strengthening what AFNIC has to offer for *.fr* have been defined:

- To make the *.fr* extension state of the art, particularly in terms of security, stability and conformity with the standards.

- To promote the use of *.fr* amongst all sectors and to contribute to growing the registration market in France.

- To protect the intellectual property of companies and local authorities by implementing effective and accessible management mechanisms while remaining faithful to basic democratic principles.

- To ensure the association for all parties who take part in management of the extension.

At the end of 2007 AFNIC was ready to respond to the public enquiry and then to the call for candidates that the Minister for electronic communications was meant to release in 2008.

5.4 Three questions to the Chairman of the Strategy Committee

— Why does AFNIC have a strategy committee?

— The creation of a strategy committee within an organisation is a sign of maturity, and shows the need to plan its activity forward several years. For AFNIC, the publication February 2007 of the decree governing its work was the catalyst to speed things up, formalising thinking that was already underway about its medium- and long-term strategy.

The committee has two objectives: to feed AFNIC's strategic thinking and to draft recommendations for the board of directors in the light of the decree's requirements.

Jean-Michel Planche,
Chief Executive of Witbe

— What is the current status of thinking?

— Following a necessary «sharing of knowledge» among all the participants, fifteen development areas were identified that could lead to different scenarios, from "continuous improvement" to register activity, to enlargement of activities beyond AFNIC's traditional sphere of activity.

 If it is difficult at this stage to identify a precise scenario, some points of convergence are clear: strengthening AFNIC in its core competencies appears to be a first stage clear to all, and it was deemed necessary to take into consideration the extension of France's overseas departments and territories. Other directions are under consideration, such as AFNIC's positioning on the international scene and the development of further activities, such as digital identity and "the Internet of Objects".

— Does this call for candidates mean that *.fr* might no longer be managed by AFNIC?

— When there is a call for candidates it places a question mark over the legitimacy of AFNIC to provide a critical service, which it has handled for 10 years and is accordingly a risk for it and its forty or so staff. That is why AFNIC decided firstly to clarify the constraints and obligations involved in this work, which I repeat is critical. It is also a great opportunity to think again about various processes, improve the underlying IT system to aim for even greater operating excellence, and to pursue a cost-based pricing policy.

AFNIC has unique experience and now manages over one million domain names and tens of thousands of transactions per month. This cannot be improvised and this experience is a fundamental asset, which is difficult to learn from zero. However, we see this challenge as an amazing opportunity to go further, as usage developments require. Management of shared resources is a true profession, requiring a long-term structure that inspires confidence.

6 Outlook

Following every year of major changes, consolidation took place at various levels during 2007. This Activity Report retraces all the developments of AFNIC operations, from the vote on new Articles of Association, to become applicable in 2008, to the provision of new technical, legal or statistical services. It is also putting the emphasis on structuring its Research and Development activity, and AFNIC's return in force to the international stage.

In 2008 it should be possible to continue in the same direction, with, however, a major event that will take up a lot of energy: the launch of the call for candidates to manage the national extensions by the ministry for electronic communications. If AFNIC is confident of its appointment as the *.fr* registry, it must address the other national ccTLDs, and be convincing about its ability to manage extensions in a simple and modular fashion.

That is why during 2008 AFNIC will be investing a great deal in strengthening its quality of service. By consolidating its teams, it can commit up to six employees to its main operations; it also intends to enhance both internal and external visibility of its performance and strengthen the DNS infrastructure. In registrations AFNIC will continue to develop its procedures, particularly with the set up of a redemption period and consideration of the ZoneCheck tool. New applications will also be considered for the possibility of an entirely real time registration.

Further, the entire administrative IT system, which started to evolve in 2007 with the installation of new accounting software, will undergo significant change. A new CRM (customer relations management) system is being developed, which will impact on the current billing system. Methods of payment should also be addressed. Internal tools for management of purchases, time management and workflow management will also make their appearance in 2008.

This investment in more powerful tools, started in 2007, will be largely complete in 2008 and will let AFNIC position itself fully as a professional, competitive registry in the management of DNS databases.

7.1 Members and staff of AFNIC in 2007

AFNIC was set up in 1997, as a non-profit making association (law of 1901), and is the only body authorised to allocate *.fr* (France), *.re* (Reunion) and *.tf* (French Antarctic Territories) domain names.
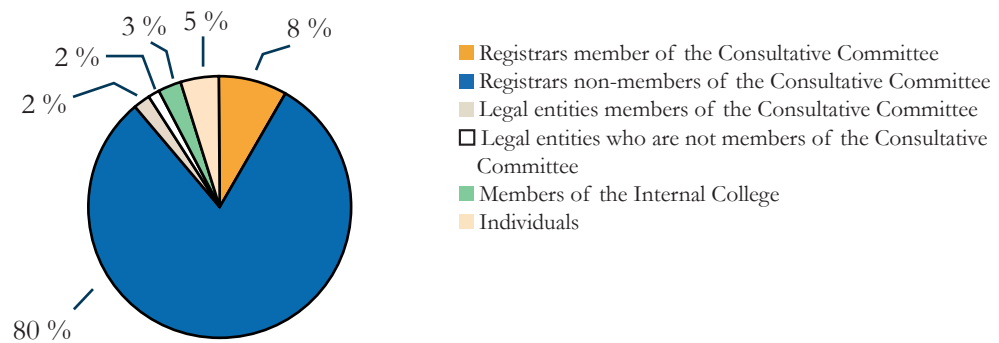
For 10 years it has made its best efforts to:
- offer quality registration services within the French space on the Internet,
- be an engine for governance of services offered by AFNIC by fully involving the local Internet community,
- and to contribute to the development of the information society in France and abroad.
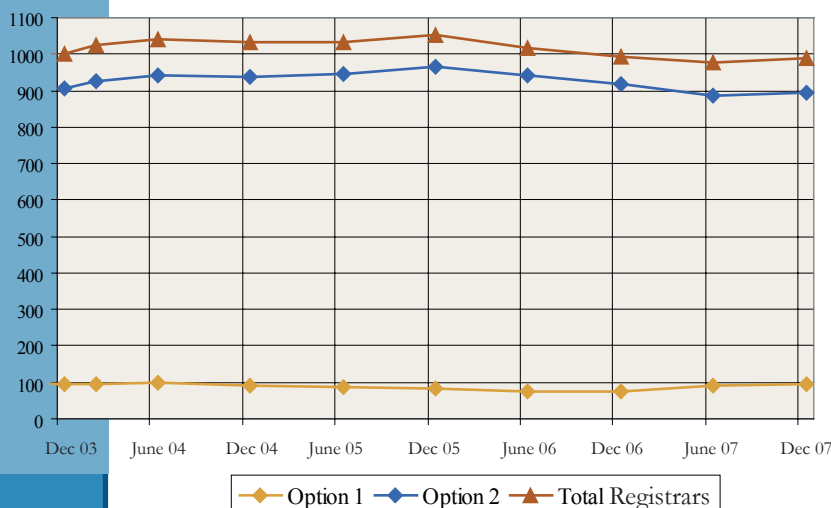
Its members

AFNIC is mainly made up of three broad categories of members: Internet service providers or registrars, institutional and individual users, and the international section.

At 31 December 2007, the 1,112 members of AFNIC were broken down as follows:

- Registrars member of the Consultative Committee
- Registrars non-members of the Consultative Committee
- Legal entities members of the Consultative Committee
- Legal entities who are not members of the Consultative Committee
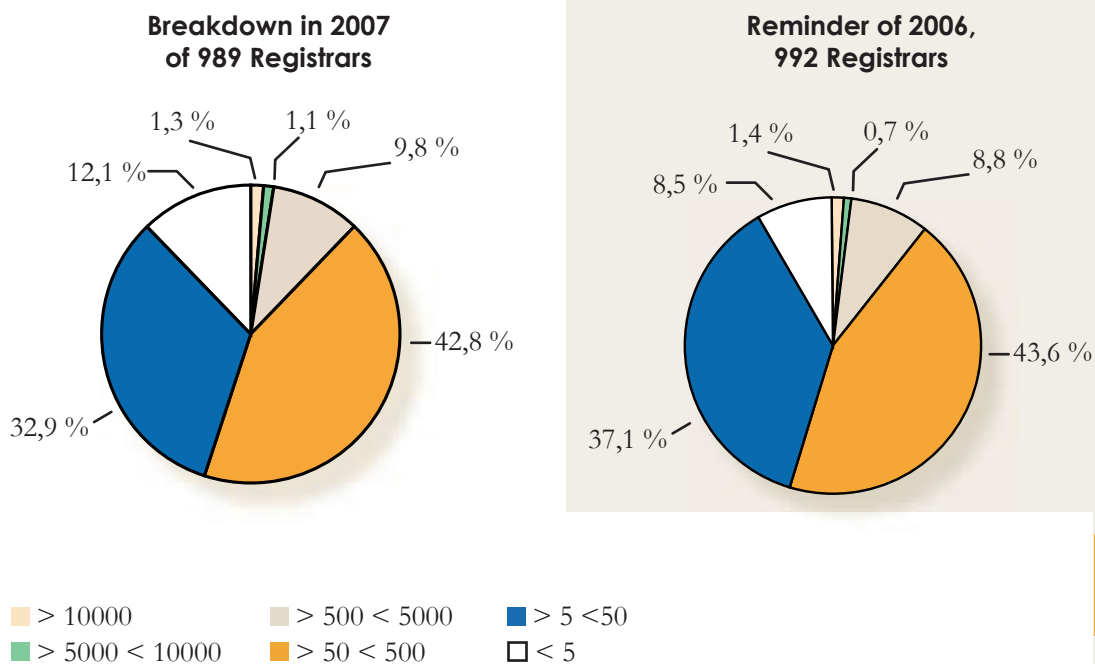- Members of the Internal College
- Individuals

Number of registrars members of AFNIC, 2003-2007

Up to today mainly made up of registrars members, and its composition has been relatively stable for several years. This breakdown will, however, undergo a major development from 2008, with membership of AFNIC no longer being a prior condition for any *.fr* domain names registration activity.

Breakdown of registrars by number of domains in the portfolio:

**Breakdown in 2007
of 989 Registrars**

1,3 %   1,1 %
12,1 %   9,8 %
42,8 %
32,9 %

**Reminder of 2006,
992 Registrars**

1,4 %   0,7 %
8,5 %   8,8 %
43,6 %
37,1 %

- ■ > 10000
- ■ > 5000 < 10000
- ■ > 500 < 5000
- ■ > 50 < 500
- ■ > 5 <50
- □ < 5

The breakdown of registrars by the portfolio of domain names also displays relative stability of the various business models for registrars between 2006 and 2007. Only the number of very small registrars is sharply up (several dozen), being certainly bodies that wish to directly manage their own domain name.
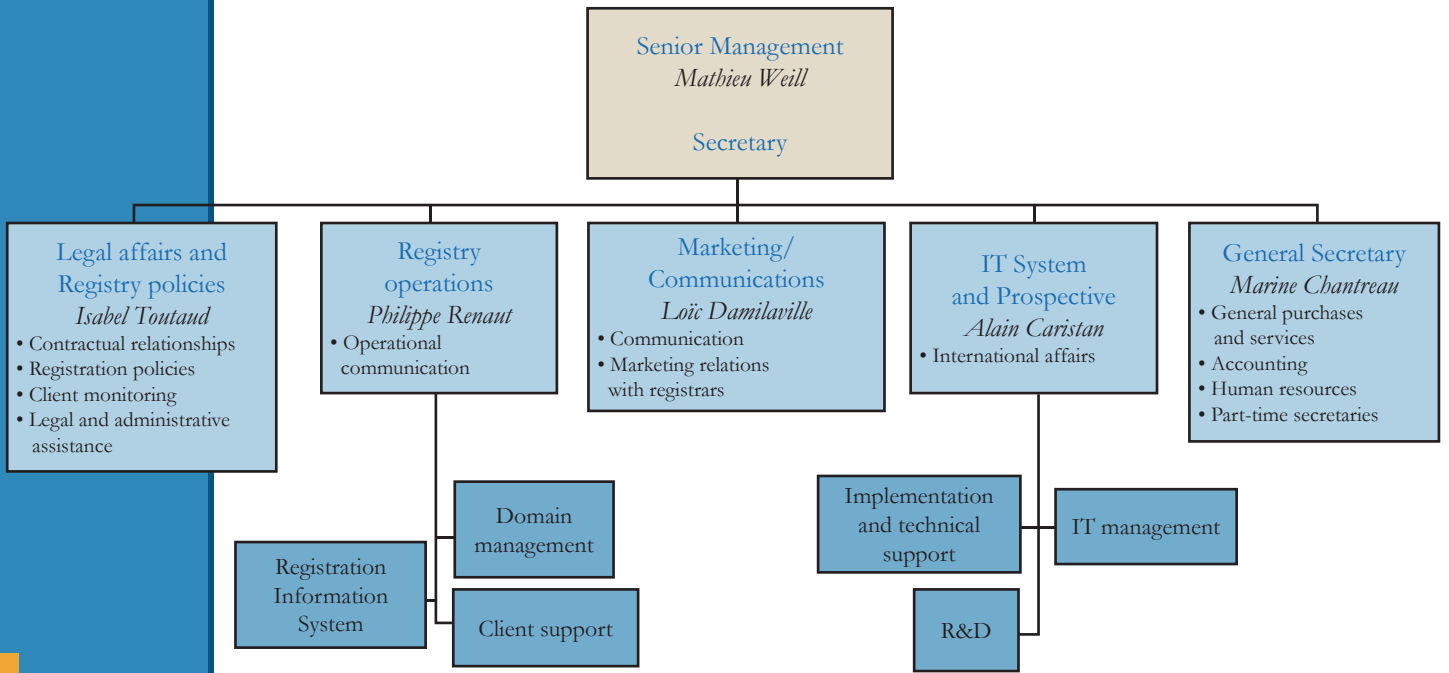
An in-depth examination of the breakdown of domain names by registrar also confirms the trend of the increasing power of some bureaus that manage very large domain name portfolios, particularly since the opening up of *.fr* to individuals.
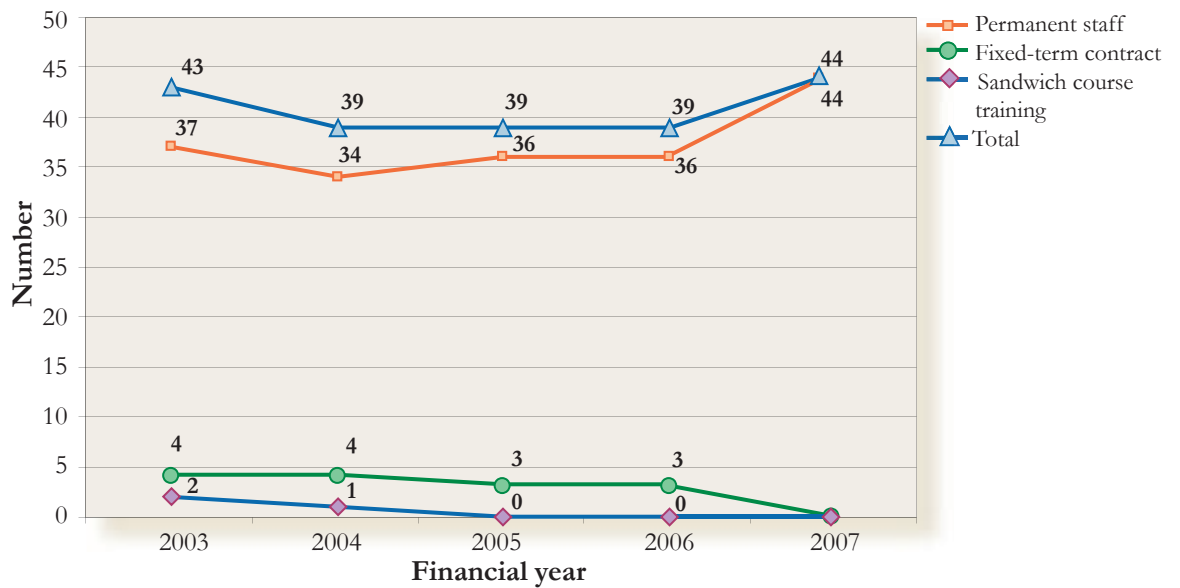
As at 31 December 2007:

	Number of registrars 50 % of .fr	Number of registrars 66 % of .fr	Number of registrars 75 % of .fr
2005	Between 9 and 10	25	46
2006	7	15	27
2007	5	11	20

This concentration has become more pronounced each year. The registrar sector is organised in the French market as in other markets.
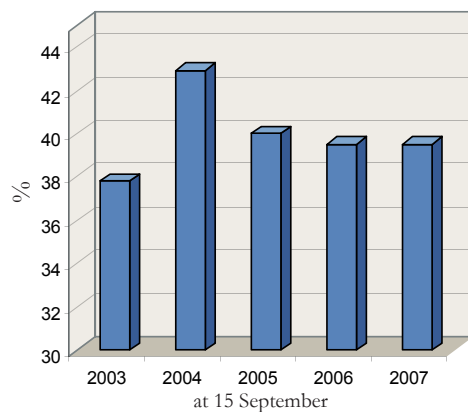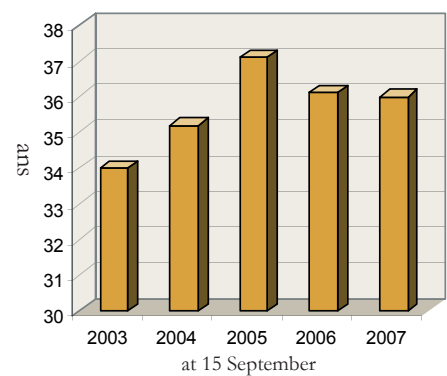
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Its staff

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                          ┌─────────────────────┐
                          │  Senior Management  │
                          │   Mathieu Weill     │
                          │                     │
                          │     Secretary       │
                          └─────────────────────┘
```

Legal affairs and Registry policies
Isabel Toutaud
• Contractual relationships
• Registration policies
• Client monitoring
• Legal and administrative assistance

Registry operations
Philippe Renaut
• Operational communication

Marketing/ Communications
Loïc Damilaville
• Communication
• Marketing relations with registrars

IT System and Prospective
Alain Caristan
• International affairs

General Secretary
Marine Chantreau
• General purchases and services
• Accounting
• Human resources
• Part-time secretaries

Domain management

Registration Information System

Client support

Implementation and technical support

IT management

R&D

Staff at AFNIC since 2003 (staff at 15 September):

Legend:
- Permanent staff
- Fixed-term contract
- Sandwich course training
- Total

Y-axis: Number
X-axis: Financial year

Financial year	2003	2004	2005	2006	2007
Total	43	39	39	39	44
Permanent staff	37	34	36	36	44
Fixed-term contract	4	4	3	3	0
Sandwich course training	2	1	0	0	0

Rate of women
(excl. maternity leave):

Y-axis: %
X-axis: at 15 September — 2003, 2004, 2005, 2006, 2007

Average age of employees
(excl. maternity leave):

Y-axis: ans
X-axis: at 15 September — 2003, 2004, 2005, 2006, 2007

Increase in number of *.fr* domain names
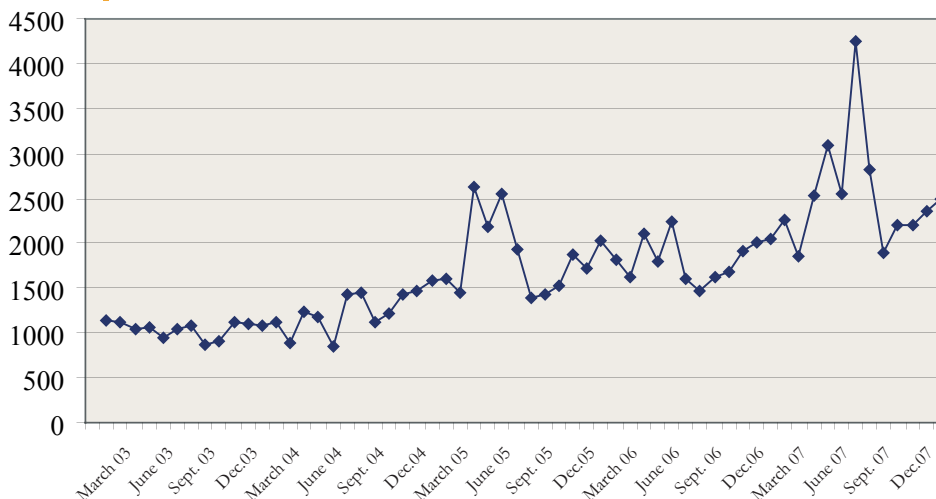

- Variation
- Cumulated total

Fiscal year

The important information this graph provides is the continuation in 2007 of the strong domain names registration activity, long after the opening up of *.fr* to individuals. Beyond the windfall effect of easing up the terms of registration, there exists a true need for an *.fr* identity on the Internet.
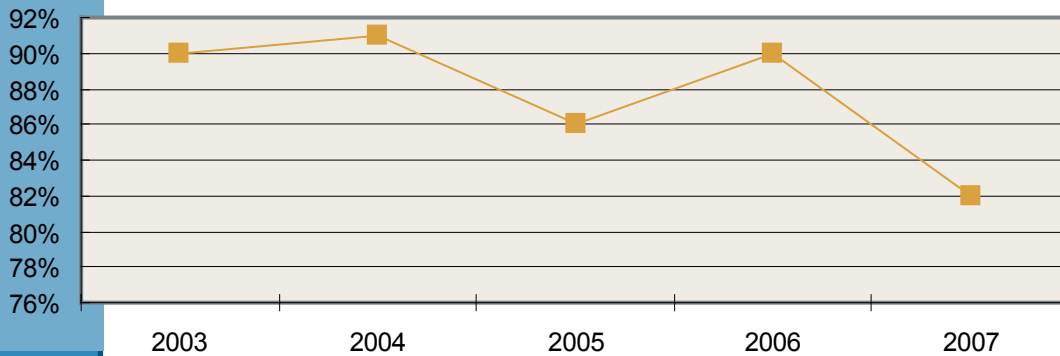
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Number of monthly creations since 2003:

Number of monthly Registrars changes since 2003:

The French extension continues to grow well, and is proving increasingly attractive to individuals, who are gradually moving from the identity of their ISP to their own Internet identity by registering their own domain name. The marked drop in prices over several years, in large part due to the arrival of large French and foreign registrars on the market, has clearly stimulated the market.
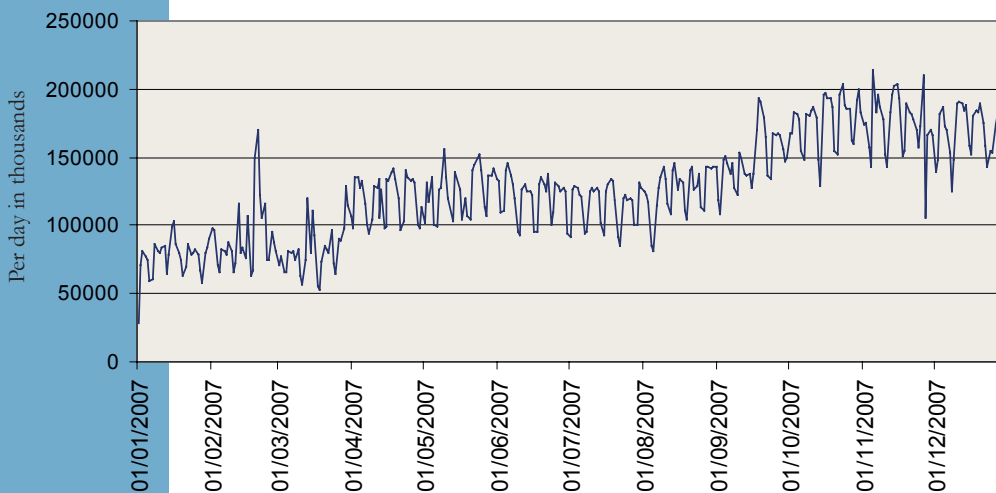
The development of the number of registrars appears to be fairly well correlated with the development of .fr activity.

Renewal rate of .fr domain names:

Notwithstanding the expected drop in the renewals rate for domain names in 2007 following the second opening up of .fr in June 2006, it still remains quite high when compared with the renewal rates of other geographical or generic extensions. As an example, the renewal rate of .com and .net is around 70-75% the last two years.

Number of DNS requests in 2007 for .fr:

The number of DNS requests on the .fr servers is an indication of usage by Internet users of the .fr domains, whether looking up websites using an .fr domain or email addresses with .fr. The growth in the number of requests only confirms that in parallel with the number of registrations, domains with .fr are increasingly in demand and used.
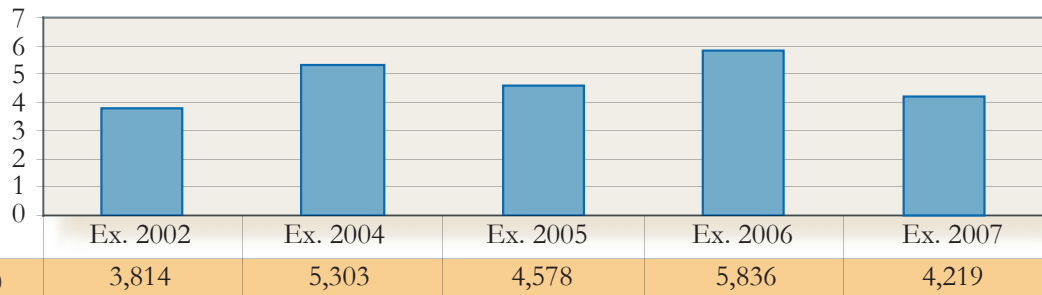
It will be difficult to compare 2007 financially with previous years on account of **the development in the methods of billing maintenance**, voted by the board of directors in 2006.

Effectively, until then AFNIC accounted in calendar year N all products billed that year that are related to domain name maintenance. Thus if maintenance invoiced in February (corresponding to a domain names renewal in January) can in fact be allocated to the entire calendar year N, it is not the case for maintenance billed in December (for a renewal in November), which only counts for 2 months in year N and 10 months in year N+1.
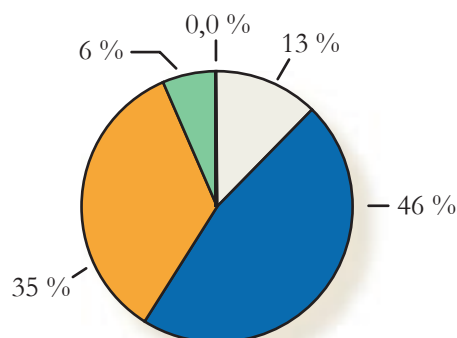
In order to retain correlation with the "period the service was provided", since 2007 AFNIC has been accounting for "advance payments", for maintenance invoiced since March 2007, being maintenance started in 2007 but that should be attributed to 2008.

Operating income:

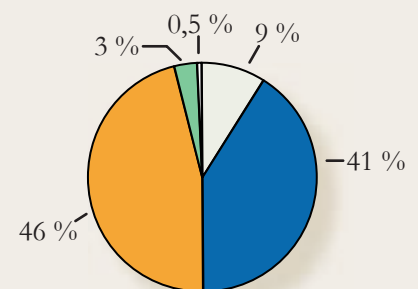|	Ex. 2002	Ex. 2004	Ex. 2005	Ex. 2006	Ex. 2007
◼ Income (M€)	3,814	5,303	4,578	5,836	4,219

The drop in operational income in 2007 is solely due to this change in invoicing practice for maintenance. Had the method remained unchanged, 2007 income (total operating income) would have been € 5.595 million, just slightly less than in 2006, when *.fr* was opened up to individuals.
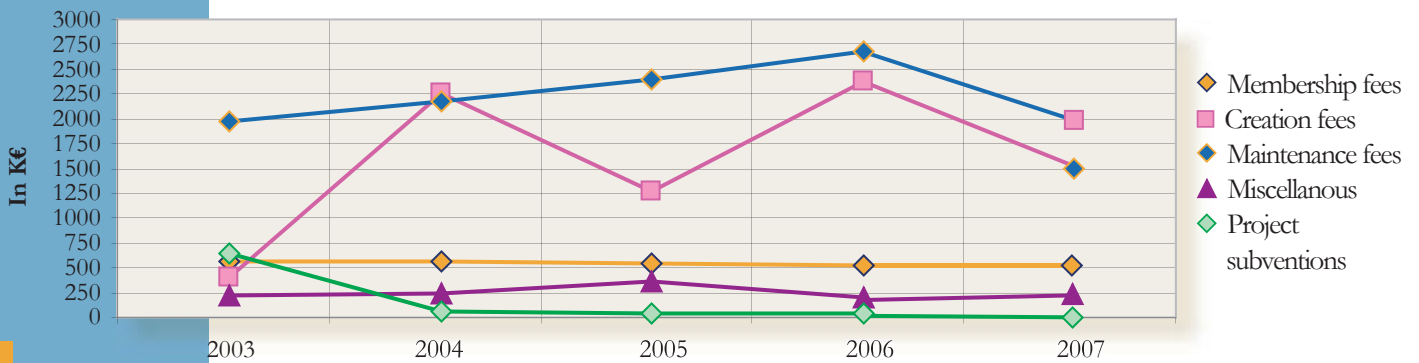
Structure of AFNIC income in 2007 (K€):

0,0 % 13 % 6 % 46 % 35 %

- ◻ Membership fees
- ◼ Creation fees
- ◼ Maintenance fees
- ◼ Miscellanous
- ☐ Project subventions

Reminder 2006 (K€) :
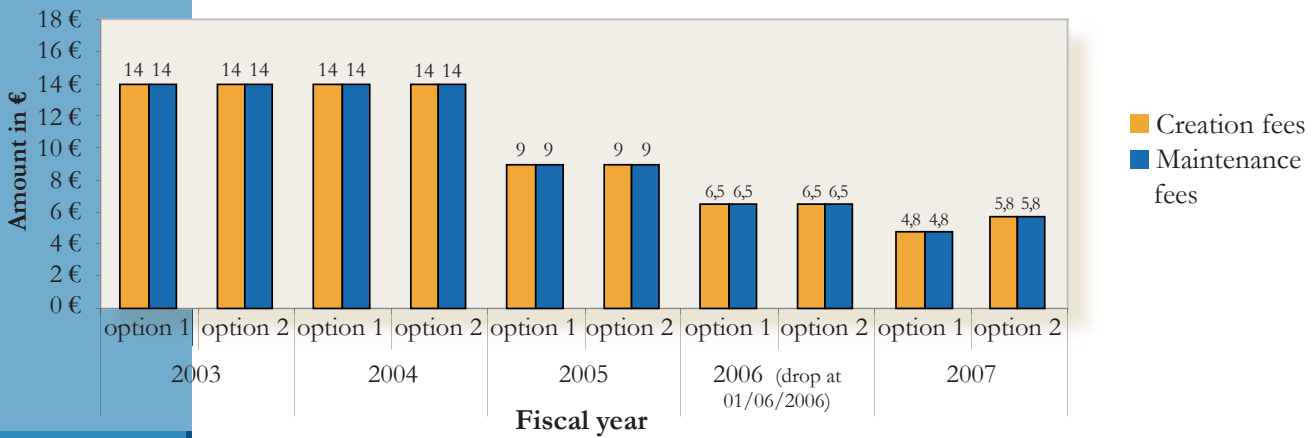

0,5 % 9 % 3 % 41 % 46 %

In the same way the structure of income was impacted by the change in the way maintenance was billed, which shows a sharp drop in 2007 for that part related to maintenance. To make the comparison, the share of maintenance without any change in the method of billing maintenance would have been 52% in 2007 and creations 35%, a 6% difference on 2006. Maintenance income, which is the most recurrent income, thus represented over half of AFNIC's income.
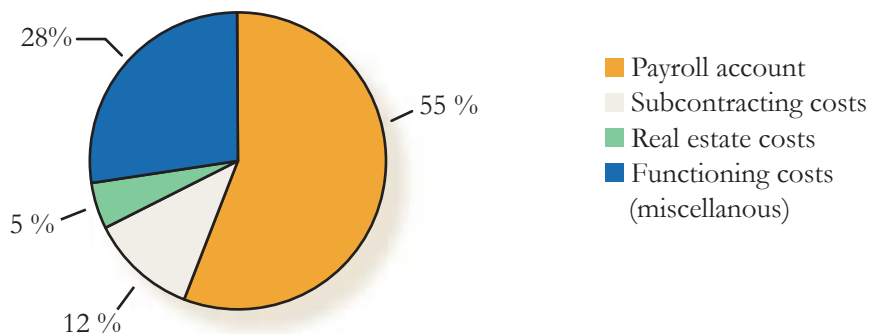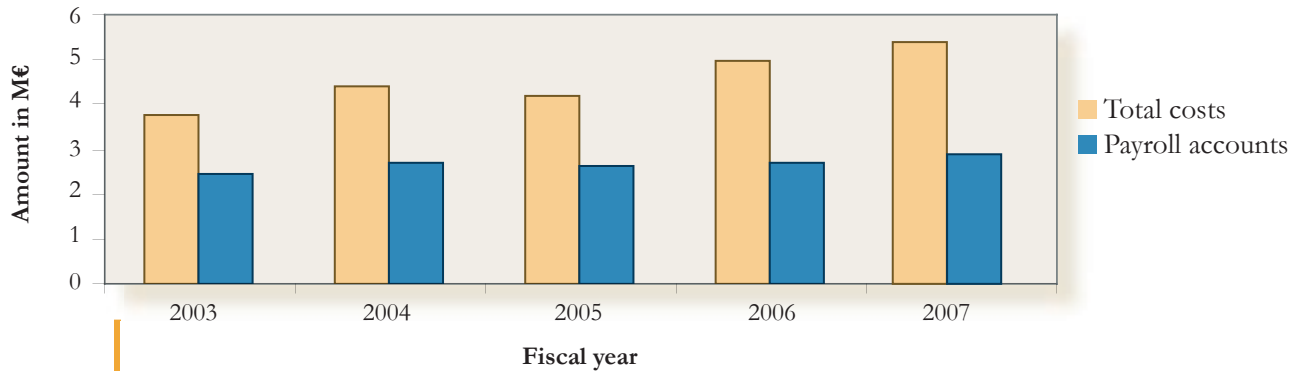
Structure of income:

AFNIC fees:

In 2007 AFNIC maintained the billing cost of its services, reduced in June 2006 when *.fr* was opened up to individuals.
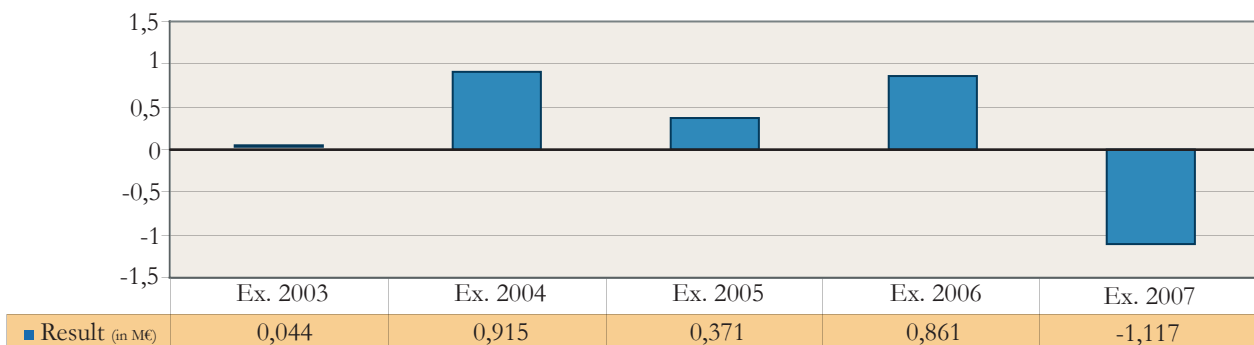
AFNIC costs in 2007:

As compared with 2006, the share of costs related to fees and subcontracting was markedly up (from 6% to 12%). Unsurprisingly, this linkage to salary costs is always the largest and was slightly up in 2007.

AFNIC operating costs:

Following the acquisition of machines and a major advertising campaign in 2006, strengthening human resources took the lead, especially in technical areas, in 2007 and will continue actively in 2008.

Operating result trends:

	Ex. 2003	Ex. 2004	Ex. 2005	Ex. 2006	Ex. 2007
Result (in M€)	0,044	0,915	0,371	0,861	-1,117

The last graph is strongly affected by the change in the billing method for maintenance and is not very important. For comparison purposes, if we add advance income in 2007, the operating profit, using the same maintenance billing methods as in 2006, would be over € 0.259 million.

8 Glossary

ADR
Alternative Dispute Resolution

AFNIC
Association Française pour le Nommage Internet en Coopération
French Network Information Centre, *.fr* and *.re* registry

ccNSO
country-code Names Supporting Organization

ccTLD
country code Top Level Domain

CENTR
Council of European National Top-level domain Registries

CNIL
Commission Nationale de l'Informatique et des Libertés

DNS
Domain Name System

DoS
Deny of Service

ENUM
tElephone NUmber Mapping

EPP
Extensible Provisioning Protocol

GAC
Gouvernmental Advisory Committee

IANA
Internet Assigned Numbers Authority

ICANN
Internet Corporation for Assigned Names and Numbers

IDN
Internationalized Domain Name

IETF
The Internet Engineering Task Force

INPI
Institut National de la Propriété Intellectuelle

INRIA
Institut National de Recherche en Informatique et en Automatique
The French National Institute for Research in Computer science and Control

IPv6
Internet Protocol version 6

ISOC
Internet Society

JRES
Journées Réseaux

NIC
Network Information Centre

ONS
Object Naming Service

RFID
Radio Frequency IDentification

RIPE-NCC
Réseau IP Européen - Network Coordination Centre

RSS
Rich Summary Site or Really Simple Syndication

SQUAW
Service Qualifié d'Accès aux données Whois

TLD
Top Level Domain

Whois
A contraction of "who is?". This is a service that lets people search the databases of the registries to obtain information about a domain name or an IP address. It is usual to call the "Whois" database the database of domain names on which the Whois services are employed. The information includes the physical contact details associated with the domain name or IP address (admistrative, technical and possibly billing contact).