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INTRODUCTION

NeuStar, Inc. ("NeuStar") appreciates the opportunity to testify before the Subcommittee on Science, Technology and Space of the Senate Committee on Commerce, Science, and Transportation on S. 2537, the Dot Kids Implementation and Efficiency Act of 2002. The development and implementation of a namespace for kids on the Internet is an important topic and NeuStar is pleased that both the House of Representatives and the Senate are considering this matter. NeuStar offers these comments to help ensure that the actual implementation of a "kids.us" space is consistent with the important vision that has driven the efforts of many individuals and organizations, in both government and the private sector.

DEDICATED TO SERVICE AND TO "GETTING IT RIGHT"

To provide context to NeuStar's testimony, it is important to have an understanding of the company, its mission, and principal operations.

Since its founding, NeuStar, a privately held technology and registry company, has established its reputation as the premier trusted neutral third-party provider of critical infrastructure services and has developed lines of business serving both the telecommunications and Internet industries. As a result, NeuStar has been selected numerous times by both government and industry in open, competitive procurements to provide first-of-a-kind, mission-critical services. For example, NeuStar designed, built, and manages the Number Portability Administration Center (NPAC), one of the largest databases in the world. NeuStar's numbering services enable the routing of virtually every telephone call dialed within the United States, and most of North America. Likewise, NeuStar's .biz and .us Internet registries provide stable, high-availability domain name services to the global Internet community. Thus, integrity, stability, and neutrality are the underpinnings of NeuStar's services; failure is not an option.

NeuStar's expertise is not limited to systems development, and we are not merely a systems developer. Working closely with our clients and stakeholders, we design and develop comprehensive systems, and processes, as well as necessary policies and requirements to ensure success. The detailed analysis conducted as part of these development processes enables us to understand first-hand any issues that may arise and to address them quickly and intelligently. NeuStar brought this expertise to the .us country code top-level domain when it was selected by the Department of Commerce ("DoC") in October 2001 to assume operation of and to enhance .us. Similarly, NeuStar will bring this same expertise to the responsible development and implementation of a kids.us domain.

HISTORY OF KIDS.US

The question of how we, as a society, can protect children on the Internet has long been a perplexing question for individuals, industry and government. Numerous efforts, including browser filters, legislative mandates, educational campaigns, and rating systems have all met with varying levels of success. By no means, however, has the problem been solved. As with any important matter, if the solution were easy, someone would have fixed the problem long ago.



In recent years, the concept of a “kid’s space on the Internet” has developed and gained some acceptance. The idea was focused, in the first instance, on the establishment of a new .kids top-level Internet domain. With the reintroduction and expansion of .us, however, efforts shifted to the development of a kids.us space, rather than the creation of a generic TLD.

In our proposal to become the new administrator of the .us ccTLD, NeuStar proposed the reservation of certain domain names to protect the rights of others, prevent certain names from being used inappropriately, and/or provide for certain future public services. The “kids” domain name was among this illustrative list of reserved names.

With respect to “kids”, it was NeuStar’s intention that, if a kids space on the Internet could feasibly be developed in a responsible way, the kids.us domain name would be available for provision of the service. There was no intent for NeuStar, however, to immediately begin the rollout of such a service. Indeed, it was not clear how that rollout might be done or if it was even a good idea. Through our discussions with the DoC and members of Congress and their staff, it became increasingly clear, however, that the implementation of a kids.us space was a priority issue and that NeuStar would be responsible for implementation of the space. The House passed bill, however, creates a framework that threatens the success of the kids.us effort, as well as the stability and integrity of the .us domain itself.

Despite concerns with the bill, however, NeuStar remains committed to the vision of a .kids.us domain.

THE NEUSTAR KIDS.US VISION

So what is the NeuStar kids.us vision?

NeuStar hopes to create a new second-level Internet domain within .us that can serve as a source of positive, child-appropriate materials on the Internet for use by children and families. NeuStar is committed to the pursuit of this vision. It is clear, however, that the simple creation of an Internet domain cannot, by itself, solve the entire problem. As noted by the National Academy of Science (NAS) in its recent report “Youth, Pornography, and the Internet,” there is no single approach that will, on its own, protect children from online dangers.¹ Thus, a place for children can only be effective if it is accompanied by the many components identified by the NAS, including parental involvement, adult supervision, social and educational support, and publicly available, user-friendly, and cost-effective technology-based tools.

Practical considerations for kids.us

In addition, to be truly successful, the kids.us vision must meet certain practical realities. Specifically, the domain must be established in a manner to ensure that it is attractive to content providers, is supported by a viable long-term business plan, and ultimately would be used by the children and families that it is meant to serve.

¹ *Youth, Pornography, and the Internet*, Dick Thornburgh and Herbert S. Lin, Editors, Committee to Study Tools and Strategies for Protecting Kids from Pornography and Their Applicability to Other Inappropriate Internet Content, Computer Science and Telecommunications Board, National Research Council (May 2002).

Therefore, to maximize participation by both content providers and children, kids.us must:

- Be an economically viable space for all service providers, including the registry, the registrars, and the entity responsible for content review and monitoring, as well as the content providers that would use the domain.
- Be widely used by its target audience so that more content providers adopt names in the space.
- Establish necessary, economically reasonable mechanisms to ensure that contents meet the kids.us guidelines.
- Not threaten the viability or integrity of the .us domain itself.

These implicit goals for the implementation of kids.us are as important to the overall success of kids.us as the vision itself.

Sound business analysis of the kids.us vision

Taking into account the ultimate goal for a kids Internet domain, as well as the underlying practical matters that must be considered, to develop a successful kids.us domain, NeuStar must comprehensively:

- Analyze the needs of children and parents, children's content providers, and domain name service providers in a kids.us domain;
- Assess the limitations — technology, legal, or otherwise — that pose barriers to meeting the needs of all kids.us stakeholders;
- Assess the legal and business risks to each stakeholder inherent in the use or provision of a kids.us domain; and
- Research the market for kids.us to develop sustainable business structures and service models to ensure market success.

Put simply, the formula for success of the kids.us vision is based on sound analysis of the service as an ongoing business operation. Can the vision be met in a cost-effective manner to meet the needs of the customer? If yes, then the service should be developed and introduced based on sound business principles. If not, then the domain likely will fail and should not be pursued as a solution.

NeuStar's efforts to date have been focused upon gathering sufficient information to meet the feasibility and other requirements for success listed above. As a result of our development planning, as well as outreach to experts in kid's media, we have developed a process for moving forward on a kids.us domain.

As an important milestone in our development strategy, on Friday, August 30, 2002, NeuStar released for public comment a draft "Proposal for Guidelines and Requirements for the kids.us Second Level Domain". This document is the result of extensive dialog with and input from a wide range of groups and organizations expert in children related issues. It seeks public input on a set of content guidelines and certain other concepts that have been raised in research and through the legislative process. These comments will be used to finalize a set of content guidelines to be used in

registering and activating kids.us domains.² Other efforts include the continued analysis and development of effective business models to address the issues raised above.

The proposed legislation

The bill passed by the United States House of Representatives represents a comprehensive definition of an Internet namespace, kids.us, and is a sweeping mandate that does not properly consider all of the technical, market, and policy challenges. For example, strict restrictions on interactive services raises the question of whether children would seek to use the domain given that it would be comprised of largely static, non-interactive content. More importantly, however, concerns with the current legislation extend beyond any specific language changes to much more fundamental issues. These issues include, for example, the following:

- The bill replaces sound business practice with regulatory mandate. The specific definition of business practices, responsibilities of varying parties and content requirements represent unprecedented regulation of the Internet;
- The bill interferes with existing efforts for the effective development of the kids.us domain under the terms and conditions of the .us government contract;
- The bill takes the unprecedented step of requiring a government contractor potentially to sustain a significant financial loss on a government contract, without taking into account the effect of that loss on the kids.us space or the .us domain itself. Moreover, it fails to account for the corresponding financial losses to other service providers, such as registrars and content managers, that must contract with the registry; and
- The bill forces a timeline on the development process that likely will not allow the development of a successful solution that implements the kids.us vision in a safe and sustainable manner. Thus, the bill is unlikely to achieve its policy objectives.

Thus the legislation, as proposed, likely will do more harm than good to a child-friendly environment within the .us ccTLD. Indeed, it likely will impede rather than promote the realization of the kids.us vision.

CONCLUSION

NeuStar, in recognition of the important public interest goals served by the development of a “kid’s domain”, is committed to the responsible introduction of kid.us. Therefore, NeuStar will continue to work with a wide range of public and private organizations and institutions, as well as the Congress, toward the successful development of the kids.us domain without the need for the kind of comprehensive legislation contained in the proposed bill.

² A copy of the “Proposal for Guidelines and Requirements for the kids.us Second Level Domain” is attached.