TV takes Tuvalu long way
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IT TOOK just a bit of alphabet and a jot of punctuation to pave this island's lone road, to light the village lanes at night, to pay the rent on an office suite and a UN seat in far-off New York. Ever since two little letters, "tv", were plucked from the alphabet soup of the internet and assigned to tiny Tuvalu, its 9,000 Pacific islanders have been making the most of it. Or have they?

Television stations, networks and others with video-heavy web sites have been buying the right to use the island nation's "tv" internet domain, explains Bart MacKay of California-based VeriSign, which sells the Tuvaluans' cyber-identity to distributors.

"When we speak with our customers and ask what domain extensions they would like to sell, dot.tv is at the top of their list," he says.

But the Tuvaluan government may not be getting top dollar for its lucky draw in the World Wide Web lottery, some islanders are grumbling.

"What do you call it, 'ripped off'?" politician Apisai Ielemia asks a visiting reporter. "We should not be ripped off by these business-minded companies." The Tuvaluans themselves are decidedly not business-minded.

Traditional, laid-back, remote, living on a scattering of sunny atolls midway between Hawaii and Australia, their chief exports are coconut oil and postage stamps.

Cooperatives or the government run almost everything here, from the ramshackle markets to the radio station. (The land of dot.tv, ironically, itself has no television.)

Tuvaluans also have been too trusting in the past. In 1979, for example, a year after the colony gained independence from Britain, an American "real estate" scammer swindled it out of half its $US1 million ($1.4 million) reserves.

By 1998, when a Canadian entrepreneur dropped in to regale them with tales of riches awaiting via the internet, they knew enough to consult American lawyers.

The Geneva-based International Organisation of Standards, assigning country-code, "top-level domain" names on the internet, had bestowed .tv on Tuvalu, as it had dealt .jp to Japan and .fr to France, for example.

The Tuvaluans now owned that web address, and could license it for non-Tuvaluans to use.

With no real marketing plan, the Canadian deal foundered, however, and Tuvalu reached another agreement, with a California company, in 2000.

Two years later, that company sold the new .tv Corp to VeriSign, the powerful outfit that maintains registries for ".com" and ".net", the most important internet suffixes.
Along the way, the Tuvaluan government collected more than $US20 million ($A28.14 million) in lump-sum payments, from .tv Corp. stock sales and other windfalls, and .tv collected tens of thousands of registrants - from Major League Baseball's mlb.tv, which streams video of games, to a site called farm.tv which offers videos of farms for sale.

The revenue - about twice as much as Tuvalu's previous annual gross domestic product - allowed the islanders to tar the road that runs the length of slender, sandy, 11-km-long Funafuti; to install street lights among the palms and cinderblock shacks; to pay the $US50,000 ($A70,350) admission fee to the United Nations, among other things.

Regular cheques came in as well, as Tuvalu's cut in annual registrants' fees: a guaranteed $US550,000 ($A773,830) per quarter, plus five per cent of quarterly income over $US5 million ($A7.03 million), with the rest going to VeriSign.

As each quarter passed with only the minimum payment, however, that deal began looking less lucrative to some here.

"We're getting very little," said Amasone Kilei, a member of Tuvalu's 15-seat Parliament. "It's our property, and we need to get more than the company operating it - more than 50 per cent."

Mr MacKay, at VeriSign, said ordinary .tv domains sell for an average $US49 ($A68) a year, but the most desirable premium names, such as "drugstore.tv," sell for much more, up to five figures annually. The current number of registrants is between 190,000 and 200,000, he said. The previous operator had claimed to have sold more than 450,000 domains by December 2001.

Aunese Makoi Simati, the government's chief liaison for dot.tv, said he believes VeriSign must be more open in reporting sales information to Tuvalu. "While they're telling us this is the total, we still need to know just how they're selling these things ... how much they're paying and the arrangements," Simati said.

MacKay, speaking by telephone from Seattle, said the Tuvaluans had asked for details of VeriSign expenses counted against .tv revenues, and he told them it was impossible to separate out costs of the .tv registry when the same VeriSign computers and engineers operate other suffixes and services as well.

"It's virtually impossible to give them blow-by-blow accounting of each deal," he said. "Most likely the minimum payment will continue for some time," he added.

The Tuvaluan Cabinet has endorsed taking legal action against VeriSign, but that was in mid-2003 and nothing has happened.

Meantime, the Tuvaluans are looking elsewhere for the next windfall - toward the heavens. The government may claim national orbital space from the International Telecommunication Union, to profit from deals with satellite operators. It's in negotiation with a potential partner - again, a US-based company.

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