

**MINUTES OF THE 9TH BOARD MEETING HELD ON 13TH MAY 2004 IN THE BOARDROOM OF THE COMMUNICATIONS COMMISSION OF KENYA, WAIYAKI WAY, NAIROBI**

**PRESENT:**

Mr. Victor Kyalo	Acting Chairman
Mrs. Mugure Mugo	Member
Mr. Michael Katundu	Member
Mr. Michuki Mwangi	Administrative Manager
Ms. Mwende Njiraini	Acting Secretariat

**ABSENT WITH APOLOGIES**

Mr. Sammy Kirui	Member
Mr. Muriuki Muriithi	Member
Dr. Wilson Sitonik	Member
Mrs. Mercy Wanjau	Secretary

On realization of the quorum the Chairman called the meeting to order at 9.45am.

**MINUTE NO. 76/9/2004 - NOTICE OF THE MEETING**

Notice of the meeting was taken as read.

**MINUTE NO. 77/9/2004 - AGENDA**

The agenda was adopted and as circulated.

**MINUTE NO. 78/9/2004 - CONFIRMATION OF THE 8TH BOARD MEETING HELD ON 27<sup>TH</sup> JANUARY 2004**

**MINUTE NO. 79/9/2004 - MATTERS ARISING FROM THE MINUTES**

**MINUTE NO. 62/7/2003 - FINANCIAL AND TAX PAYMENTS**

The meeting was informed that a letter to the Commissioner for VAT had been done and that the Director-General would follow-up on the response.

**MINUTE NO. 63/7/2003 - KENIC EQUIPMENT INSURANCE**

The meeting was informed that the Commission had no objection to insurance of equipment and was coordinating internally on the issue and would report at the next meeting. However it was noted that for long time sustainability that KENIC would generate and budget resources for insurance cover.

It was noted that the Commission's staff would soon be moving to the new headquarter building and there was need to urgently acquire furniture and equipment through the utilization of remaining seed money to facilitate the internship program. The meeting by consensus tasked the administrative manager to prepare a list of requirements for review by the chairman to enable a request to be placed with the Commission.

#### **MINUTE 70/8/2004 - KENIC REGISTRY/REGISTRAR MEMORANDUM OF UNDERSTANDING (MoU).**

The meeting was informed that 8 registrars had signed the MOU, however there was expressed discomfort with provision 5.0 of the MOU in regard to registrar rights. Though the clause provided for the protection of the domain owner, registrars faced exposure to bad debts when a domain owner transferred from one registrar to another.

The board agreed by consensus that the clause would be amended to provide for registrar rights to establish the reasons for transfer and avoid the domain owner transacting a domain with outstanding fees.

#### **MINUTE 71/8/2004 - FINANCIAL STATEMENTS**

The meeting was informed that the management had held a meeting with the Manager Kenstream Mr. Mugo on 5<sup>th</sup> May 2004. It was noted that there was need to appraise Telkom Kenya on the role of KENIC and the need for TKL to extend their social responsibility to the sector through waiver of fees amounting to Kshs. 442,994. The board noted that there was also need to invite TKL to become a board member at the next AGM. The board by consensus agreed that the management would follow-up on these issues.

The management informed the meeting the KENIC had purchased the 5KVA UPS and the monthly payments as per agreement were up to date. In addition the management had noted with concern that the auto switch on the generator had not been replaced and there was need to for the Commission expedite on this issue before the move of staff to the new HQ building. In addition the Commission would confirm on allocation of office space and associated infrastructure to KENIC.

#### **MINUTE 72/8/2004 - KENIC STRATEGY PAPER**

The meeting was informed that the marketing campaign had been launched beginning April 2004, thus the opening of the .KE Registry for global registrations scheduled for the

1st March 2004 had been deferred to allow Kenyans to register domain names and until such a time that the effects of the campaign had been evaluated.

The management would present the research on opening up of additional second level (fm/tv) domains report at the next meeting.

The management reported that work was in progress in regard to planning of the AGM and the meeting was scheduled for the week starting 26<sup>th</sup> July to coincide with the RIPE regional meetings and training events.

The meeting was informed that most banks in the country had not developed an online payment system. However Kenya Commercial Bank would in August be launching products for online payments using debit and credit cards, through an online gateway utilizing a certification for digital signatures from Verisign. Barclays Bank had also been approached but were not receptive given that online systems used would be vetted by the Headquarters abroad.

The meeting agreed that the Chairman would arrange for a meeting with the Director IT at KCB and that the management would arrange to open a collection account at KCB while maintaining the 1<sup>st</sup> American Account as an operations account.

#### **MINUTE 74/8/2004 – FULL TIME ADMINISTRATIVE MANAGER**

The meeting agreed by consensus that the company secretary should expedite the signing of the contract for Mr. Michuki Mwangi in order to avoid arrears in salary.

#### **MINUTE 75/8/2004 – ANY OTHER BUSINESS**

- The Commission through the Director-General would follow up with the Government Information Technology Services (GITS) in regard to the development for a comprehensive vetting process for the registration of GO.KE domains.
- The Management would finalize the research on 3 letter second level domains including justification for costs to end-users, stages of transfer and adaptation and statistical trends.

#### **MINUTE 76/9/2004 – MARKETING CAMPAIGN**

The Administrative manager introduced the paper on the KENIC marketing campaign that is scheduled to run from April to August 2004 at a total cost of Kshs 2,892,402.

The meeting was appraised on the progress on the campaign as follows:

- That the campaign had been launched at the Registrar training in May with the production of the training manual cover introducing the promotion concept.

- The recordings for the radio promotions had been recorded and would give opportunities for listeners to call in and win KENIC good bag that would include mouse pads, polo shirts, T shirts sandwich caps and the grand price would be free registration and hosting for a period of 6 months with one of the registrars.
- The promotion would also give press coverage for at the World Telecommunications Day on May 17<sup>th</sup> and an article to be printed in the ICT Survey on the East African Standard on May 18<sup>th</sup>.
- Five strategic suburban sites had been selected for outdoor advertising.
- An article for print on the next issue of the Marketing Society Sokoni magazine was in the process being developed.

The Board by consensus agreed on the following:

- That the management informs MCL that the Board was not satisfied with the quality of the training manual cover, and that the same would be replaced with no additional cost to KENIC.
- That MCL signs a formal contract to ensure the satisfactory delivery of quality services, performance monitoring and that would offer an exit strategy for KENIC in event that MCL does not honor the obligations in the contract.
- That the management embarks on developing the organizations procurement procedures to improve efficiency.

**MINUTE 77/9/2004 – AUDITED FINANCIAL STATEMENTS AS AT 31<sup>ST</sup> DECEMBER 2003**

Mr. Michuki Mwangi presented the board paper on the KENIC audited financial statements as at 31<sup>st</sup> December 2003. He informed the meeting that Ernest & Young had been selected from 3 Audit firms based on the professional advise required to streamline the operations of the registry and having given the lowest quote of Kshs 160,000.

The following were brought to the attention of the board:

- The amortization of capital grant and depreciation of hardware that resulted in reduction in cash flow and surplus.
- The tax loss reported that resulted in exemption from corporate tax.

Members were encouraged to study the management letters copies of which would be provided by the secretariat. That brought to the attention the following:

- Need to insure equipment
- Need for an accounting software
- Need to develop an administrative and financial system manual to cover Human Resource, Accounting and procurement procedures.

The board approved the audited accounts by consensus and mandated the management to publish the minutes of meetings and accounts on the website.

### **MINUTE 78/9/2004 – REGISTRATION OF KENYA.INFO**

The administrative manager presented the paper on the registration of the Kenya.info domain and informed the meeting that KENIC had registered the Kenya.info and would develop a website for the domain in order to deliver a tangible function to the Ministry of Tourism and Information.

The meeting was informed that the management had selected Sawa Sawa.Com from 4 proposals presented, to develop the website based on a return on investment strategy. The strategy would involve a revenue generation and sharing scheme and would provide opportunities for dynamic growth. Additionally the handover ceremony to the Ministry of Tourism and Information would be part of the KENIC awareness campaign.

The board agreed by consensus on the following:

- That a follow up letter to those done on the Kenya. Info be written to the Minister of Tourism and Information and that the Director-General would follow up on the same.
- The Sawa Sawa.Com would develop a basic website at minimal cost to KENIC and that stakeholders in the industry would be included in the development of the website.

### **MINUTE 79/9/2004 – REGISTRAR TRAINING**

The Administrative manager informed the meeting that the inaugural Registrar training took place on the 24<sup>th</sup> of April 2004 attracting 11 participants from accredited registrars. However due to the low turn out, attributed to the contentious clause on the MOU, KENIC was not able to recover the cost associated with the training. The next training scheduled for July would attend to recover from the loss made at this training.

The board agreed by consensus that the management should expedite on amending the MOU to encourage participation and also consider building capacity in the management of ccTLDs in the region under the auspices of the EARPTO.

### **MINUTE 80/9/2004 – INTERNAL PROJECT – MIRROR OF THE F-ROOT SERVER**

The Administrative manager presented the paper on the proposed implementation of the Mirror of the F-Root server project. The project is intended to benefit the Internet community by improving DNS efficiency by redirecting and therefore localizing DNS look ups to the Kenya Internet Exchange Point (KIXP). The cost of the project is

estimated at USD 17,000 and KENIC would source for support from local stakeholders and foreign partners. The meeting was informed that Internet Software Consortium (ISC) would take the lead and contribute man-hours to the implementation of the project.

The board by consensus approved the implementation of the project and mandated the management to forward the project proposal to stakeholders and foreign partners including but not limited to USAID, CISCO, KIXP/TESPOK and telecommunication operators.

### **MINUTE 81/9/2004 – ANY OTHER BUSINESS**

- The board noted that the Richard Bell had tendered his resignation as the Chairman of KENIC on 12<sup>th</sup> March 2004. The members noted with appreciation his contribution towards the successful establishment of the Registry and agreed by consensus that chairman on behalf of the board would write a letter of appreciation and that the advise of the Company Secretary would be sort in making the necessary management changes including the change in the 3<sup>rd</sup> signatory.
- The Administrative manager informed the meeting that KENIC would make a presentation at the World Telecommunications Day, to create awareness on the .KE domain and invited all board members to attend.
- The meeting was informed that Rwanda was interested in learning from the KENIC experience and model in the re-delegation and management of the ccTLD. It was agreed by consensus that this would be taken together with building capacity in the region as agreed at the EARPTO meeting.
- It was brought to the attention of members that the next AFRINIC meeting would be held in Senegal in May and that nominations for the Board of Trustees was in progress. The board also approved the attendance and representation of KENIC at the AfriNIC meeting by the Administrative Manager Michuki Mwangi.
- The next meeting would be held on notice before the AGM scheduled to be held in July.

There being no other business, the Chairman adjourned the meeting at 12:30

Confirmed this \_\_\_\_\_22nd\_\_\_\_\_ day of \_\_\_\_\_July\_\_\_\_\_2004.



**VICTOR KYALO**  
AG. CHAIRMAN



**MERCY WANJAU**  
SECRETARY