

February 14, 2008

Ms. Suzanne R. Sene
National Telecommunications and Information Administration
U.S. Department of Commerce
1401 Constitution Avenue, N.W., Room 4701
Washington, DC 20230

Re: Comments on Mid-term Review of Joint Project Agreement (JPA)

Dear Ms. Sene,

Please accept these comments from NeuStar concerning the mid-term review of the Joint Project Agreement (JPA) between the U.S. Department of Commerce and the Internet Corporation for Assigned Names and Numbers (ICANN). NeuStar is a global provider of telecommunication and internet protocol services and the registry operator of the .biz gTLD under contract with ICANN.

NeuStar supports ICANN's ongoing mission to ensure the security and stability of the Internet under private-sector management. In line with the longstanding position of the U.S. Department of Commerce, we support the ultimate goal of a transition of Domain Name System (DNS) management to the private sector, provided that the timing of such a transition will enhance, not undermine, the overriding goals and responsibilities outlined in the 1998 Memorandum of Understanding and September 2006 Joint Project Agreement.

Over the last 18 months, progress has been made by ICANN and the community in each of the 10 responsibilities outlined in the JPA. In anticipation of further concrete steps and progress over the next 18 months to move ICANN closer to those key goals, we recommend the development of a final transition framework between the U.S. Department of Commerce and ICANN.

The following points reflect NeuStar's views concerning specific responsibilities that require additional attention over the next 18 months to ensure full compliance with the JPA:

- ***JPA Responsibility #2:*** "ICANN shall continue to develop, test and improve processes and procedures to encourage improved transparency, accessibility, efficiency, and timeliness in the consideration and adoption of policies related to technical coordination of the Internet DNS, and funding for ICANN operations. ICANN will innovate and aspire to be a leader in the area of transparency for organizations involved in private sector management."

NeuStar believes that ICANN has made progress in recent months in developing processes and procedures to encourage improved transparency, accessibility, and efficiency regarding policies related to technical coordination of the DNS. However, we believe that ICANN can do more to

institute processes and procedures to encourage transparency, accessibility, efficiency and timeliness regarding funding for ICANN operations and its budgetary decision-making. This is all the more important as ICANN's revenue and budget have grown significantly in recent years and, by its own prediction, are expected to increase further. ICANN should also take additional steps to raise funds from sources other than domain name registrants and providers, including other entities that actively participate in and benefit from the ICANN process.

- ***JPA Responsibility #5:*** *"ICANN shall maintain and build on processes to ensure that competition, consumer interests, and Internet DNS stability and security issues are identified and considered in TLD management decisions, including the consideration and implementation of new TLDs and the introduction of IDNs. ICANN will continue to develop its policy development processes, and will further develop processes for taking into account recommendations from ICANN's advisory committees and supporting organizations and other relevant expert advisory panels and organizations. ICANN shall continue to enforce existing policy relating to WHOIS, such existing policy requires that ICANN implement measures to maintain timely, unrestricted and public access to accurate and complete WHOIS information, including registrant, technical, billing and administrative contact information. ICANN shall continue its efforts to achieve stable agreements with country-code top-level domain (ccTLD) operators."*

NeuStar believes that ICANN must increase its efforts to enhance competition in the gTLD registry space. The current gTLD marketplace is dominated by a single registry operator that commands more than 85% of the market. ICANN must work to institute policies and procedures that help to increase competition through the more even distribution of gTLD services, not just through the numerical increase in the number of gTLDs. The enhancement of consumer choice is important, but the enhancement of competition in the overall gTLD marketplace must also be addressed by ICANN before JPA responsibility #5 can be met.

- ***JPA Responsibility #10:*** *"ICANN shall conduct a review of, and shall make necessary changes in, corporate administrative structure to ensure stability, including devoting adequate resources to contract enforcement, taking into account organizational and corporate governance 'best practices.'"*

While ICANN has taken recent steps in developing 'best practices' documents for its contracted parties, including registries and registrars, NeuStar believes that ICANN must be more proactive in its enforcement of existing contract provisions that impact consumers. Because the stability of the domain name provisioning system is based on contractual relationships between ICANN and domain registries, registrars, resellers, and registrants, it is critical that ICANN develop more effective review and enforcement procedures to ensure all parties meet their obligations. We are not recommending increased regulation or additional contractual requirements, but better enforcement of existing contractual obligations that guarantee the stability of the Internet and the trust of the Internet consumer.

In summary, NeuStar recognizes the progress made by ICANN in recent months and expects that ICANN will continue to take further concrete steps over the next 18 months to advance and solidify those gains as the JPA approaches its termination date. NeuStar recommends that ICANN, the ICANN community, and the U.S. Department of Commerce begin work to develop a joint transition plan that outlines a path to independence. The final transition plan must ensure that ICANN continues its maturation into an organization that can resist internal and external pressures to move away from the critical model of independent, private sector management.

Please contact me with any questions you may have.

Sincerely,

Gerald J. Kovach
Senior Vice President, External Affairs
NeuStar, Inc.