Fact Sheet:
Department of Commerce Approval of the .com Registry Agreement
November 29, 2006

The new agreement was negotiated with VeriSign, Inc., as part of a settlement of ongoing litigation between the Internet Corporation for Assigned Names and Numbers (ICANN) and VeriSign. Under the terms of the Memorandum of Understanding with ICANN, any changes made to the current .com Registry Agreement must be approved by the Department of Commerce. The new .com Registry Agreement was approved on November 29, 2006.

On March 3, 2006, ICANN, which manages the technical functions relating to the Internet domain name and addressing system, submitted a proposed new .com Registry Agreement to the Department of Commerce for its approval.

The new agreement reflects comments that ICANN received during two public comment periods undertaken prior to submission to the Department of Commerce.

Over the past nine months, the Department of Commerce undertook a comprehensive review to determine whether it would be in the public interest to approve the agreement. The Department specifically examined competition and Internet security and stability issues.

Department of Commerce officials have met with a number of interested stakeholders, including registrars, Internet service providers, search engine companies, and trade associations who both supported and opposed the agreement. The Department received several letters from Members of Congress, both pro and con.

The Department also received letters in support of the settlement from high-tech trade associations advocating the benefits of the new agreement for the security and stability of the Internet domain name system.

During the course of its review, the Department of Commerce sought the advice of the Department of Justice’s Antitrust Division on competition issues raised by the new .com Registry Agreement. The Department also consulted with the federal agencies with equities in Internet security and stability.

Congress held hearings associated with ICANN and the .com registry agreement. The Senate Commerce Committee held a hearing on September 20. The House Energy and Commerce Committee held a hearing on September 21.

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Based on the consultations undertaken and advice received, the Department negotiated Amendment 30 to its Cooperative Agreement with VeriSign to address competition issues, including pricing and renewal, and Internet security and stability concerns.

Pricing

- VeriSign must obtain prior written approval from the Department of Commerce before any amendments can be made to the pricing provisions of the agreement or execution of a renewal or substitution of a future .com Registry Agreement.

- Department approval of any renewal or substitution will occur only if it concludes that it will serve the public interest in the continued security and stability of the Internet domain name system and the operation of the .com registry…and the provision of registry services is offered at reasonable price, terms, and conditions.

- The Department may seek specific performance of the pricing terms and competition safeguards in the new .com Registry Agreement.

Renewal

- VeriSign must obtain prior written approval from the Department of Commerce before execution of a renewal or substitution of a future .com Registry Agreement.

- The Department has the right to review the renewal provisions of any substitution for the new .com Registry Agreement.

- If the Department fails to approve a renewal or substitution, VeriSign becomes bound by the terms of the Cooperative Agreement, which include the ability of the Department to open a competitive process for the management of the .com registry.

Internet Security and Stability

- VeriSign must obtain prior written approval from the Department of Commerce before execution of a renewal or substitution of a future .com Registry Agreement.

- The Department has the right to review the technical specifications of any renewal or substitution for the new .com Registry Agreement.

- Department approval of any renewal or substitution will occur only if it concludes that it will serve the public interest in the continued security and stability of the Internet domain name system and the operation of the .com registry including, in addition to other relevant factors, consideration of VeriSign’s compliance with Consensus Policies and technical specifications and its service level agreements as set forth in the Registry Agreement and the investment associated with improving the security and stability of the domain name system; and the provision of registry services offered at reasonable prices.

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