C. NeuStar’s Vision for the usTLD Space

*NeuStar will advance the key principles of reliability, security, stability, integrity, innovation, and responsible growth. NeuStar looks forward to building upon the existing foundation of trust in the usTLD to responsibly attract new customers, and to bring increased utility to our existing beneficiaries – the American Internet user.*

NeuStar is proud to be the usTLD Administrator under contract with the U.S. Department of Commerce, and we look forward to continuing our critical role managing the America’s Internet address into the next decade. The usTLD is a special identifier that represents the United States of America, and as such, is a public, national resource which requires the highest levels of oversight and integrity. NeuStar is best positioned to deliver on this promise.

During the next five years, NeuStar will build on the solid foundation established by our existing administration of the usTLD. Using our experience, expertise and strong financial position, we will continue to:

- Invest in the usTLD registry infrastructure to ensure its stability and security in an increasingly unpredictable online environment;
- Enforce unique and critical policies and procedures that ensure the reliability and integrity of the usTLD;
- Invest in successful and responsible marketing and outreach programs to raise awareness and usage of the usTLD, including kids.us, without undermining its integrity;
- Participate in policy and technology development processes to ensure the usTLD remains at the forefront of all TLDs; and
- Develop new and enhanced features that provide greater utility and inclusiveness to American Internet users.

NeuStar is committed to the continued development and expansion of the usTLD. Since assuming responsibility for the administration of the usTLD in October 2001, NeuStar has overseen steady and responsible growth while ensuring the long-term integrity of the domain. NeuStar launched the expanded second-level space in April 2002 and has since increased usTLD second-level registrations from zero to over 1.26 million names. A key component of our successful management has been the development, implementation and enforcement of unique usTLD policies and procedures that support the steady, responsible growth of registrations in the second-level expanded space, while also ensuring compliance with all required policies and registration procedures. This accountability framework is critical to ensuring both responsible growth and long-term integrity and it remains the foundation of our vision for the usTLD.
As of June 2007, with 1.26 million names under management, an upward-trending renewal rate of 70%, and a growth rate of 19%, the usTLD is a strong performer in the TLD market place and a reliable choice for American Internet users. Over the next five years we project an average renewal rate of 75%, an average annual growth rate of 23%, and 3.7 million names under management by the end of 2012.

As the number of domains are increasing industry-wide, so is the frequency of malicious activity on the Internet, and domain registration abuse often enables this activity. That said, we believe the integrity and reliability of the usTLD will help to attract new, responsible users and will convert Americans from other, more risky gTLDs. Further, the largest and most significant competitor to the usTLD, .COM, is quickly running out of viable Internet real estate. With 71 million domain registrations overall and over 95% of its 2 million daily registrations being ‘tasted’ by web traffic aggregators and speculators, it is increasingly difficult for normal American Internet users to secure a .COM domain of their choice. We believe the usTLD is now poised to become an increasingly attractive choice and we are committed to promoting awareness of the usTLD to seize this opportunity and better serve the American public.

In order to fulfill our vision of a reliable and secure space with the highest levels of integrity, NeuStar will:

Exhibit B-6. NeuStar’s marketing plans are projected to aggressively increase the Domain Names under management while maintaining and improving the quality and integrity of the space.
Enforce Contractual Compliance;
Improve WHOIS data accuracy;
Promote usTLD Usage and Awareness;
Increase Inclusiveness of the usTLD; and
Increase security and stability to mitigate risk and uncertainty.

1. Enforce Contractual Compliance

Contractual compliance and stringent enforcement of registration policies are the cornerstones of a quality domain space. History has shown that TLDs with inadequate policy development and enforcement measures have often evolved into spaces plagued by poor quality registrations. Our vision of the future of the usTLD includes a continuation of the enforcement of existing contractual requirements, including a new rigorous WHOIS accuracy program, proxy registration prohibition, and registration review policies. NeuStar currently enforces contractual compliance in the following key segments of the usTLD:

Delegated Managers: NeuStar is currently working to secure written agreements with over 1,500 Delegated Managers. Delegated Managers are required to comply with all usTLD policies and also secure a registration agreement passing down those policy requirements to their Locality Registrants. We currently have 605 executed Delegated Manager agreements and we expect to secure the remaining agreements in the coming months. The Delegated Manager agreement can be found in Appendix G.1.

Locality Registrants: NeuStar is working to secure written agreements with all Locality Registrants for which NeuStar is acting as Delegated Manager. The Locality Registrant agreement requires compliance with all usTLD policies and can be found in Appendix G.2. We now have 329 executed Locality Registrant agreements.

Expanded Space Registrars: NeuStar currently accredits all usTLD expanded space registrars to ensure their financial viability, technical competence and compliance with all usTLD policies. We currently have over 100 usTLD accredited registrars. The usTLD Administrator-Registrar agreement and the usTLD Registrar Accreditation agreement can be found in Appendix H.

Expanded Space Resellers: Through the usTLD Administrator-Registrar agreement, NeuStar requires that all usTLD accredited registrars also secure an agreement with any resellers to ensure compliance with all usTLD policies. NeuStar conducts regular reviews of both registrars and their resellers’ registration practices to ensure compliance, particularly with regard to the proxy registration prohibition.

2. Improve WHOIS Data Accuracy

NeuStar will continue to enforce the WHOIS data accuracy provisions in the usTLD Registrar Accreditation Agreement. That agreement requires all registrants to provide accurate and reliable contact details and promptly update any changes made during the registration term. A complete and accurate WHOIS database promotes the prevention of identity theft, fraud and other on-line crime, it promotes the public’s ability to police its rights against unlawful copyright and trademark
infringement, and it minimizes technical mishaps. Accurate WHOIS data also ensures a smooth transition of domain name holders in the event a registrar goes bankrupt or otherwise becomes incapable of performing its obligations. The U.S. Government also has a compelling interest in accounting to itself and the public for the use of public assets, and in ensuring those assets are used by persons or entities that hold proper U.S. Nexus.

NeuStar has implemented provisions in the Accreditation Agreement, the Administrator-Registrar Agreement, and the Delegated Manager Agreement that require registrars and delegated managers to take affirmative steps to enforce data accuracy in their agreements with registrants and, where applicable, with resellers.

In addition to the above, NeuStar will launch a new ‘WHOIS Accuracy Program’. Our program will include an annual WHOIS data accuracy audit, an automated, public, WHOIS accuracy reporting tool, semi-annual manual reviews of data accuracy, the ongoing monitoring of registrars’ WHOIS servers for functionality, and the annual publication of a statistical summary of information gathered. The “WAP Program” is described in more detail in Proposal Section B, Sub-section C.4.1.v.b.

NeuStar views the accuracy of usTLD WHOIS data to be of paramount importance and we will continue to work closely with the DoC to evaluate all existing and proposed enforcement mechanisms to ensure we are proactive in ensuring full compliance for accurate, up-to-date, and publicly available WHOIS data.

3. Promote usTLD Usage and Awareness

The most significant historical challenge to the growth of the usTLD has been the significant American market share of the .com gTLD. With an eight year lead on the usTLD expanded space and the resulting usage and consumer awareness, .com became the de-facto TLD of choice in the United States. From 2003 to 2006, the usTLD grew an average of 14% per year, and is forecast to grow at 19% for the year ending Dec 2007. This compares favorably to average ccTLD growth (e.g. .DE and .UK) at 15% annually, and compares well to gTLD growth (e.g. COM) which averages 28% annually but has a significant international market and is beset with volume-inflating market behavior such as speculation, cyber-squatting, and domain tasting.

The TLD marketplace is undergoing a dynamic evolution. Increased uncertainty and reduced availability of .com domains due to abusive registration activity have created new opportunities for smaller TLDs. Based on its trust, reliability and integrity, we are confident that the usTLD is in prime position to gain market share and take a more prominent position among the available TLD options offered by registrars. NeuStar will deliver a strong but responsible growth rate averaging 22-25% over the next 5 years - an achievable target given our experience, the resources we will apply to marketing, and the base of quality usTLD users established during the first term of the contract.

We will leverage lessons learned from the current usTLD contract term and build on the programs we know are effective, including the new marketing programs and services as specified in Proposal Section B, Sub-section C.3.2.viii. NeuStar will run these programs in a responsible way, with a watchful eye, to ensure that we do not compromise the quality of the space in our efforts to increase registration volumes. We will pay particular attention to managing our programs, enforcing the
current usTLD policies, and recommending new ones as appropriate, to discourage spam, speculation, tasting, and other unwanted activities.

4. Increase Inclusiveness of the usTLD

In addition to our marketing and sales efforts, we will implement Enhanced Services (see section D and B1.2) that will further the inclusiveness of the space. Some of these services include:

- Internationalized Domain Name (IDN) Registrations - As non-English speaking communities in the United States continue to flourish IDNs provide the means of making the usTLD more inclusive to all Americans.

- Really Simple Syndication (RSS) Feeds - We will implement an RSS feed to provide registrars with information related to maintenances, unplanned outages, or other registry events.

NeuStar is fully committed to the success of the usTLD and we recognize we will need to remain flexible regarding specific proposed programs and services in order to adapt to new market conditions and opportunities. We will continue to work closely with the DoC to collaborate on new and exciting opportunities to promote the usTLD to the American consumer.

5. Increase security and stability to mitigate risk and uncertainty.

The Internet is an open and ubiquitous system that provides access and anonymity to many participants around the world. This is one of its strengths, but it is also a source of problems as malicious or criminal actors exploit these characteristics to their benefit. The incidence and frequency of activities such as phishing, pharming, spam and DDOS have increased dramatically on the Internet and there is strong evidence this trend will continue.

Over the past several years NeuStar has invested significant resource to reduce the incidence and impact of these activities in the usTLD. Through tightly managed operational, contractual, marketing, technology, and financial controls, NeuStar has minimized the incidence of spam, inaccurate WHOIS data, speculation, trafficking, cyber-squatting and malware in the usTLD – problems that are pervasive in many other TLDs.

In addition to the above, the usTLD Administrator must aim for the highest standards of technical and operational competence, and also act as a steward of the space on behalf of the United States government in promoting the public interest. This includes working toward the elimination of fraud and identity theft that result from phishing, pharming, and email spoofing involving the DNS, including the use of bot-nets to perpetrate these activities. NeuStar will continue to take an active role in researching and monitoring unlawful activities and we will continue to work with law enforcement and security communities to mitigate these types of threats. That program is further described in Proposal Section B, Sub-section C.4.1.v.g.

In the new contract term, we view it as a core requirement to broaden and deepen our efforts toward user safety in usTLD. We will implement multiple technology and policy initiatives to reduce the impact of existing and future threats, which will make the usTLD a safer place for American consumers, businesses and other users.
In Proposal Section Q we detail our specific plans for how we maintain and improve our state-of-the-art technical platform and infrastructure to meet the increased security and stability vision we have for the usTLD space. In addition to our obligations under the usTLD contract, NeuStar will take the following initiatives:

- **IPv6** — Our SRS is currently capable of registering IPv6 name servers and we propose to continue providing this service. This capability is critical to the adoption and growth of IPv6 technology, an important technology at the infrastructure layer of the Internet, especially in growing and emerging markets.

- **DNSSEC** — NeuStar’s has made a considerable investment in DNSSEC. We recognize that the DNSSEC may play an important role in providing additional security for the usTLD space. We look forward to working closely with the DoC to define a process for the responsible introduction of DNSSEC in the usTLD.

- **Registration Abuse** - Domain tasting is a monetization practice employed by registrants. It abuses the five day add-drop grace period (“AGP”) by registering domain names to test their profitability without paying the normal annual registration fee. Tasting contributes to a range of problems including intellectual property abuse, spam, and the unavailability of names for ordinary Internet users. In Proposal Section B, Sub-section C.4 we detail our specific plans to eliminate the tasting problem in usTLD.

**Conclusion**

NeuStar is committed to:

- delivering our vision of steady and responsible growth in the usTLD;
- ensuring all registrars, resellers and registrants comply fully with all usTLD policies
- ensuring the usTLD remains a viable, reliable, and attractive choice for American Internet users; and
- preventing speculators, cyber-squatters, and domain tasters from corrupting the usTLD as it has other TLDs.

We view the usTLD as a clean space with tremendous growth potential and we look forward to delivering on our vision and commitment to promote it responsibly while providing maximum value to the American Internet user.