



UNITED STATES DEPARTMENT OF COMMERCE
The Assistant Secretary for Communications
and Information
Washington, D.C. 20230

JUL 22 2016

The Honorable Ted Cruz
United States Senate
Washington, DC 20510

Dear Senator Cruz:

I am writing to provide you additional information requested in your June 21, 2016, letter and follow up on the initial response you received on June 29, 2016, from Steve Haro, Assistant Secretary for Legislative and Intergovernmental Affairs at the U.S. Department of Commerce.

Consistent with Congress' direction in 2014 that we "conduct a thorough review and analysis of any proposed transition of the IANA contract,"¹ NTIA, along with other U.S. Government agencies, performed a thorough review of the plan developed by the global multistakeholder community and delivered by the Internet Corporation for Assigned Names and Numbers (ICANN) on March 10, 2016. As documented in the June 9, 2016 IANA Stewardship Transition Proposal Assessment Report, NTIA concluded that the proposal meets the criteria set out in March 2014. NTIA also evaluated the proposal against relevant principles in the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Framework related to internal controls, as recommended by the U.S. Government Accountability Office (GAO), and found that the proposal adequately addresses those principles. In addition, an expert panel of corporate governance experts reviewed the ICANN Accountability proposal and concluded that the proposal is consistent with sound principles of good governance.²

In preparing the June 2016 IANA Stewardship Transition Proposal Assessment Report, NTIA used a number of source documents to guide its review. In response to your request for resources used, here is a list of the key source documents used to guide the assessment, all of which are publicly available:

- The IANA Stewardship Transition Proposal and Enhancing ICANN Accountability Recommendations (March 2016), which was comprised of:
 - The IANA Stewardship Transition Coordination Group (ICG) Proposal,³ and
 - The Cross Community Working Group on Enhancing ICANN Accountability (CCWG-Accountability) Supplemental Final Proposal on Work Stream 1 Recommendations.⁴
- Bylaws for Internet Corporation for Assigned Names and Numbers (ICANN), as adopted by the ICANN Board on May 27, 2016.⁵

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To ensure a complete and thorough review, NTIA took the added step of seeking expert assistance on corporate governance. Specifically, NTIA retained the expert help of:

- John C. Coffee, Jr., the Adolf A. Berle Professor of Law at Columbia Law School – a recognized expert in corporate governance and a Reporter for the American Law Institute’s *Principle of Corporate Governance*;
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- The Berkman Center for Internet and Society at Harvard University, specifically the expertise of Professor Urs Gasser, the Center’s Executive Director and Professor of Practice at Harvard Law School, and Senior Researcher Ryan Budish, who have led extensive research into several important aspects of the multi-layered system that defines the function, structure, and operation of the Internet, including developing a better understanding of the mechanisms of effective governance.¹⁰

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NTIA and the Department of Commerce remain available to meet with you and your staff if you would like to discuss this matter further. If you have any questions, please feel free to contact my Director of Congressional Affairs, Jim Wasilewski, at (202) 482-1830.

Sincerely,


Lawrence E. Strickling

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JUL 22 2016

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The Honorable James Lankford
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UNITED STATES DEPARTMENT OF COMMERCE
The Assistant Secretary for Communications
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Washington, D.C. 20230

JUL 22 2016

The Honorable Sean P. Duffy
U.S. House of Representatives
Washington, DC 20515

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¹⁰ See descriptions of the corporate governance experts’ backgrounds included in IANA Stewardship Transition Proposal Assessment Report, Attachment 6: Corporate Governance Report, available at: https://www.ntia.doc.gov/files/ntia/publications/attachment_6_corporate_governance_report.pdf.

Researcher Budish, as well as Professor Coffee.¹¹ NTIA retained Professor Brakman Reiser as an intermittent expert and paid her \$9,207 for her portion of the review. The full Corporate Governance Report can be found on NTIA's website and concludes the IANA Stewardship Transition Proposal is consistent with sound principles of good governance.¹² NTIA has not awarded other contracts during Fiscal Year 2016 related to the proposed transition.

In response to your request for information regarding travel and meetings in Fiscal Year 2016, NTIA staff traveled to two meetings that were solely related to the IANA transition. Both meetings were held in New York, New York with the experts previously referenced. The first meeting was held on April 14, 2016, and was attended by NTIA Associate Administrator for International Affairs Fiona Alexander and Ashley Heineman. The second meeting was on April 22, 2016, and was attended by Associate Administrator Fiona Alexander and myself. The expense incurred by NTIA for employees attending these meetings was \$1,658.

As a matter of normal business, NTIA is responsible for representing the United States Government at international fora on telecommunications issues and advising the President on telecommunications and information policy issues. Therefore, in this capacity, NTIA staff regularly attend a variety of meetings, including ICANN meetings, such as the recent meetings in Dublin, Ireland and Marrakesh, Morocco, at which the IANA transition was discussed.

Finally, you also requested an itemized accounting of federal funds and resources used in preparing the June 9 IANA Stewardship Transition Proposal Assessment Report. However, NTIA does not maintain or report hours worked at this level of detail.

NTIA and the Department of Commerce remain available to meet with you and your staff if you would like to discuss this matter further. If you have any questions, please feel free to contact my Director of Congressional Affairs, Jim Wasilewski, at (202) 482-1830.

Sincerely,



Lawrence E. Strickling

¹¹ See Independent Review of Internet Assigned Numbers Authority (IANA) Stewardship Transition, Federal Contract Opportunity NT000000-16-01571, available at: <https://www.fbo.gov/spg/DOC/NIST/AcAsD/NT000000-16-01571/listing.html>.

¹² See IANA Stewardship Transition Proposal Assessment Report, Attachment 6: Corporate Governance Report, available at: https://www.ntia.doc.gov/files/ntia/publications/attachment_6_corporate_governance_report.pdf.