UNITED STATES DEPARTMENT OF COMMERCE
National Telecommunications and
Information Administration
Washington, D.C. 20230

JUL 30 2008

Mr. Peter Dengate-Thrush
Chairman of the Board of Directors
Internet Corporation for Assigned Names and Numbers
4676 Admiralty Way, Suite 330
Marina del Rey, CA 90292-6601

Dear Chairman Dengate-Thrush:

On June 16, 2008, the Internet Corporation for Assigned Names and Numbers (ICANN) posted for public comment a series of interrelated documents prepared by the President's Strategy Committee (PSC) regarding improving institutional confidence in ICANN. The Department of Commerce (Department) takes this opportunity as a member of the community and ICANN's partner in the Joint Project Agreement (JPA) to offers its views on such an important topic.

As you are well aware, the relationship between the Department and ICANN is defined by two distinct legal arrangements: A Joint Project Agreement (JPA), which is a continuation of a series of agreements between the Department and ICANN to facilitate the transition of the technical coordination of the management functions related to the Internet domain name and addressing system (DNS) to the private sector; and a contract to perform the Internet Assigned Numbers Authority (IANA) functions. Both agreements are administered by the National Telecommunications and Information Administration (NTIA) on behalf of the Department.

As called for under the current JPA, in April 2008 NTIA concluded a mid-term review of ICANN's progress in meeting the commitments endorsed by the ICANN Board contained in the Agreement. Although the views expressed during the mid-term review represented diverse perspectives, there was general consensus that while ICANN had made significant progress in several key areas, important work remains. To increase institutional confidence, stakeholders believe that ICANN should implement effective processes that will enable:

- long term stability;
- accountability;
- responsiveness;
- continued private sector leadership,
- stakeholder participation;
- increased contract compliance; and
- enhanced competition.

We note that the PSC papers touch on several of the key areas listed above, including long term stability, accountability, responsiveness and stakeholder participation. However, ensuring continued private sector leadership, increased contract compliance

and enhanced competition are minimally addressed, if at all, in the *Transition Action Plan*. The Department believes that these issues require affirmative and concrete actions on ICANN's part, as it seeks to increase the confidence of the ICANN community in its structure, policy and decision-making processes, and, ultimately, its long term stability.

In addition, as the PSC papers refer to a "root-zone transition agreement" the Department believes it is important for its views to be on the record. First, it is important to note that the IANA functions contract was not part of the JPA mid-term review and the Department views these as two discrete instruments. As the community is aware, the IANA functions contract covers the performance of a series of currently interdependent technical functions that enable the continued efficient operation of the Internet, including processing requests to change the authoritative root zone file. Implementation of changes to the authoritative root zone file are performed by VeriSign under the terms of a separate agreement with the Department.

The Department believes strongly that it is important to clarify that we are not in discussions with either party to change the respective roles of the Department, ICANN or VeriSign regarding the management of the authoritative root zone file, nor do we have any plans to undertake such discussions. Consistent with public statements made by the United States government starting in 2000 and reinforced by the 2005 U.*S. Principles on the Internet's Domain Name and Addressing System*, the Department, while open to operational efficiency measures that address governments' legitimate public policy and sovereignty concerns with respect to the management of their ccTLD, has no plans to transition management of the authoritative root zone file to ICANN as suggested in the PSC documents.

Sincerely,

MA Baker

Meredith A. Baker
Acting Assistant Secretary
for Communications and Information

cc: Dr. Paul Twomey, President and CEO, ICANN