



The Internet Corporation for Assigned Names and Numbers

May 25, 2017

Dear Mr. Poole,

Thank you for your inquiry regarding the proposed renewal of the .NET Registry Agreement.

In negotiating this renewal with Verisign, the ICANN organization was represented by its lawyers and a cross-functional team of staff members from its Global Domains Division.

The .NET Registry Agreement includes a presumptive renewal rights provision and ICANN's ability to change the terms of the Agreement are limited based on the existing terms of the Agreement as well as the prevailing consensus policy(ies). ICANN is soliciting public comments on the proposed renewal now and we encourage you to [submit any inputs](#) you might have. Further, ICANN organization is committed to protecting and advancing the interests of all constituents in the domain name industry including registrants. We encourage registrants such as yourself to be an active member of this opportunity to make your voice heard along with other constituents.

In connection with the competitive bidding process held in 2005 for the operation of the .NET TLD, ICANN specified a US \$0.75 registry-level transaction fee for .NET. The additional funds provided by this fee aid ICANN in its mission of enhancing the security and stability of the DNS and the Internet and in improving participation in the Internet community. ICANN utilizes the funds generated by Registry-Level Transaction Fees in accordance with the ICANN Budget, which is developed in consultation with the community and approved by the ICANN Board. ICANN organization is committed to utilize the funds for the purposes set out in the .NET Agreement but does not have a separate accounting or organizational structure to track it. That would be costly and overly complex, outweighing the potential added benefits. ICANN organization has, for example, created the [Fellowship Program](#), sponsored by and participated in many regional meetings, increased the number of languages available in translation services we provide, and fostered participation in new gTLDs. ICANN has also expended significant funds to bolster DNS security and stability, such as signing the root zone and implementing DNSSEC, participating in cross-industry security exercises, growing the ICANN security-stability-resiliency (SSR) team, and continuing to enhance the operational SSR and global interoperability of the systems and processes that impact the internet's unique identifies.



Consistent with comparable gTLD registry agreements, the prices that registry operator may charge under the .NET Registry Agreement are capped, subject only to a permitted 10% annual increase. The permitted increase is designed to allow the registry operator to increase prices with inflation and increased costs of running a registry. ICANN organization did not highlight pricing in the public comment announcement because the announcement only highlights what has changed. The pricing provision in the agreement was not changed, therefore, it was not highlighted. You can find more information about the economic impact of the domain name space by reviewing the findings from the two-phase study conducted by Analysis Group in 2015 ([Phase One](#)) and 2016 ([Phase Two](#)).

If you are seeking documents concerning ICANN's operational activities that are not already publicly available, you may refer to the ICANN [Documentary Information Disclosure Policy](#).

Thank you your interest and for your participation in ICANN's multistakeholder process.

Sincerely

A handwritten signature in blue ink, appearing to read "Cyrus Namazi", is written over a light blue circular stamp.

Cyrus Namazi
VP, Domain Name Services & Industry Engagement
Global Domains Division