

# Internet Assigned Numbers Authority (IANA)

U.S. Department of Commerce,  
National Telecommunications and  
Information Administration

## Volume II – Financial Information and Project Funding Strategy

Solicitation Number: SA1301-12-RP-0043

May 31, 2012



Submitted to:  
Ms. Mona-Lisa Dunn  
U.S. Department of Commerce  
Office of Acquisition Management  
Commerce Acquisition Solutions, Room 6521  
14th and Constitution Avenue, NW  
Washington, D.C. 20230





May 31, 2012

Ms. Mona-Lisa Dunn  
Contracting Officer  
United States Department of Commerce  
Office of Acquisition Management  
Commerce Acquisition Solutions, Room 6521  
14<sup>th</sup> and Constitution Avenue, N. W.  
Washington, D. C. 20230

Reference: Request for Proposal (RFP) Number SA1301-12-RP-0043

Subject: Submission of Proposal

Dear Ms. Dunn:

The Internet Corporation for Assigned Names and Numbers (“ICANN”) submits the enclosed proposal in response to the above-captioned solicitation to perform technical services known as the Internet Assigned Numbers Authority (“IANA”) Functions. The proposal is submitted in three (3) originals, i.e. one original proposal with three original signatures, and one (1) copy. This proposal is valid for ninety (90) days through August 29, 2012. As the incumbent contractor, ICANN has a strong knowledge and familiarity with the IANA Functions and has all the necessary technical personnel, materials, equipment and facilities to perform the requirements of the solicitation.

ICANN is a not-for-profit public benefit corporation organized under the laws of the State of California. The Headquarters of ICANN is currently located in 4676 Admiralty Way, Suite 330, Marina del Rey, California. As of June 18, 2012, ICANN’s Headquarters will move to 12025 Waterfront Drive, Suite 300, Playa Vista, CA 90094-2536. The IANA work will be performed at ICANN’s Headquarters under the resultant contact.

This proposal consists of two volumes and sections in binders with dividers clearly indicating each section. Volume 1, Technical Proposal, includes the technical and management approach to executing the IANA Functions; all certifications and documents that will be used to perform the IANA Functions requirements; and resumes of key personnel. Volume II, Financial Information and Project Funding Strategy, includes the partially executed Standard Form 33, Solicitation, Offer and Award, Standard Form 30, Amendment of Solicitation, Representations, Certifications and Other Statements Of Offerors from Section K of the RFP; the audited financial statements; and a project funding plan that describes the sources of funds that will be used to cover the costs of providing the IANA Functions

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Brussels	6 Rond Point Schuman, Bt. 5	B-1040 Brussels	BELGIUM	T +32 2 234 7870	F +32 2 234 7848
Marina del Rey	4676 Admiralty Way, Suite 330	Marina del Rey, CA 90292	USA	T +1 310 823 9358	F +1 310 823 8649
Sydney	Level 2, 48 Hunter Street	Sydney NSW 2000	AUSTRALIA	T +61 2 8236 7900	F +61 2 8236 7913



requirements. Each volume includes all certifications, documents, reports and/or templates that ICANN proposes to use in fulfilling the requirements of the contract as well as the resumes of the ICANN key personnel that will perform and/or manage the requirements of the contract.

All primary operations of the IANA requirement will be performed within the continental United States at the above address for the entire life cycle of the resultant contract and at no cost to the Federal Government. ICANN is the incumbent contractor under contract number SA131-06-C-N0048. We have performed those requirements well and have received several complimentary evaluations. ICANN intends to use the same personnel on the resultant contract to continue its exemplary performance. ICANN will not charge any fees to the users of the IANA services for the life cycle of the contract.

ICANN is and will be a responsible contractor to the Federal government because (1) it has adequate financial resources to perform the contract; (2) it has the experience and capabilities to provide the required services in a timely and satisfactory manner to users under the contract; (3) it has a demonstrated record of performance; (4) it has performed the IANA functions with integrity and according to sound business ethics; and (5) it has the organization, experience, technical skills, accounting, and system of internal controls to provide quality service to third parties under a resultant contract.

ICANN certifies that it does not have an Organizational Conflict of Interest ("OCI"). Notwithstanding its' incumbency, ICANN has not obtained nor has it been exposed to unequal access to nonpublic information. ICANN has a competitive advantage by reason of its work on the current contract but it has not been furnished nor had access to any proprietary or source selection sensitive information because it did not participate in any way in the development of the reference RFP. Furthermore, ICANN did not provide any information to the government that would ensure an award of a resultant contract to itself. In addition, there are no covered employees who are performing an inherently governmental function requiring a financial disclosure statement, so there is no personal conflict of interest. Finally, ICANN has not provided any biased information to the government.

ICANN has prepared a list of Assertions that identify the Intellectual Property that was developed exclusively at private expense that will be used in the resultant contract and to which ICANN will retain title. In the event that ICANN develops a subject invention during the course of performance of the resultant contract, it will furnish written disclosure to the Contracting Officer within 60 days of the date of conception of the invention.

ICANN is a responsible contractor that is providing a proposal in compliance with the Solicitation. ICANN has the expertise and qualifications to provide the highest quality IANA services



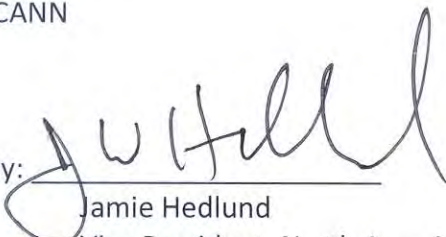


representing the best value to the Federal government and to the third party users of the services. ICANN is keenly aware of its responsibility and accountability to the global Internet community and is constantly working to affirm this obligation, and will continue to do so under the resultant contract. ICANN continues to invest in a Business Excellence Program, based on the globally recognized standard EFQM, to assess what it is doing well and where improvement in the performance of the IANA functions may be achieved.

The Standard Form 33 Solicitation, Offer, and Award, and the Standard Form 30, Amendment of Solicitation, signed by Mr. Rod Beckstrom, President and CEO of ICANN, who is authorized to bind and commit the company, is included in Volume II, immediately following this cover letter.

Thank you for your consideration of the enclosed proposal. Should you have any questions or concerns, please do not hesitate to contact me at (202) 570-7240, or by e-mail at [jamie.hedlund@icann.org](mailto:jamie.hedlund@icann.org).

Best regards,  
ICANN

By:   
\_\_\_\_\_  
Jamie Hedlund  
Vice President, North America

**Internet Assigned Numbers Authority (IANA)  
U.S. Department of Commerce, National Telecommunications  
and Information Administration**

**Volume II – Financial Information and Project Funding Strategy  
Solicitation Number: SA1301-12-RP-0043  
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Submitted to:  
Ms. Mona-Lisa Dunn  
U.S. Department of Commerce  
Office of Acquisition Management  
Commerce Acquisition Solutions, Room 6521  
14th and Constitution Avenue, NW  
Washington, D.C. 20230

Submitted by:  
Mr. Jamie Hedlund  
VP, North America  
The Internet Corporation for Assigned Names and Numbers (ICANN)  
1101 New York Avenue, Suite 930  
Washington, DC 20005

This proposal includes data that shall not be disclosed outside the Government and shall not be duplicated, used, or disclosed—in whole or in part—for any purpose other than to evaluate this proposal. If, however, a contract is awarded to this offeror as a result of—or in connection with—the submission of this data, the Government shall have the right to duplicate, use, or disclose the data to the extent provided in the resulting contract. This restriction does not limit the Government's right to use information contained in this data if it is obtained from another source without restriction. The data subject to this restriction are contained in all sheets of this proposal.





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**SOLICITATION, OFFER AND AWARD**1. THIS CONTRACT IS A RATED ORDER  
UNDER DPAS (15 CFR 7900)

RATING

PAGE 1 OF 91 PAGES

2. CONTRACT NUMBER	3. SOLICITATION NUMBER SA1301-12-RP-0043	4. TYPE OF SOLICITATION <input type="checkbox"/> SEALED BID (IFB) <input checked="" type="checkbox"/> NEGOTIATED (RFP)	5. DATE ISSUED 04/16/2012	6. REQUISITION/PURCHASE NUMBER AA-OAM-??-?-12-00934
7. ISSUED BY US Department of Commerce, Acquisitions Services, Room 6520 14th & Constitution Ave, NW, Washington DC 20230		CODE 000SA	8. ADDRESS OFFER TO (If other than item 7)	

NOTE: In sealed bid solicitations "offer" and "offeror" mean "bid" and "bidder".

**SOLICITATION**9. Sealed offers in original and 1 copies for furnishings the supplies or services in the Schedule will be received at the place specified in item 8, or if hand carried, in the depository located in 1401 Constitution Ave, Rm 6520 Washington DC until 2:00 PM local time 05/31/2012  
(Hour) (Date)

CAUTION - LATE Submissions, Modifications, and Withdrawals: See Section L, Provision No. 52.214-7 or 52.215-1. All offers are subject to all terms and conditions contained in this solicitation.

10. FOR INFORMATION CALL:	A. NAME Sheryl Sanders	B. TELEPHONE (NO COLLECT CALLS)			C. E-MAIL ADDRESS ssanders@doc.gov
		AREA CODE 202	NUMBER 4823401	EXT.	

**11. TABLE OF CONTENTS**


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**OFFER (Must be fully completed by offeror)**

NOTE: Item 12 does not apply if the solicitation includes the provisions at 52.214-16, Minimum Bid Acceptance Period.

12. In compliance with the above, the undersigned agrees, if this offer is accepted within 90 calendar days (60 calendar days unless a different period is inserted by the offeror) from the date for receipt of offers specified above, to furnish any or all items upon which prices are offered at the set opposite each item, delivered at the designated point(s), within the time specified in the schedule.

13. DISCOUNT FOR PROMPT PAYMENT (See Section I, Clause No. 52.232-8)	10 CALENDAR DAYS (%) 0	20 CALENDAR DAYS (%) 0	30 CALENDAR DAYS (%) 0	CALENDAR DAYS(%) 0
14. ACKNOWLEDGMENT OF AMENDMENTS (The offeror acknowledges receipt of amendments to the SOLICITATION for offerors and related documents numbered and dated):	AMENDMENT NO.	DATE	AMENDMENT NO.	DATE
	0001	05/17/2012		

15A. NAME AND ADDRESS OF OFFEROR The Internet Corporation for Assigned Names and Numbers 4676 Admiralty Way, Suite 330 Marina del Ray, California 90292	CODE	FACILITY	16. NAME AND THE TITLE OF PERSON AUTHORIZED TO SIGN OFFER (Type or print) Rod Beckstrom, President & CEO
15B. TELEPHONE NUMBER AREA CODE NUMBER EXT. 310 8239358	15C. CHECK IF REMITTANCE ADDRESS IS DIFFERENT FROM ABOVE - ENTER SUCH ADDRESS IN SCHEDULE. <input type="checkbox"/>		17. SIGNATURE 
			18. OFFER DATE May 31, 2012

**AWARD (To be completed by Government)**

19. ACCEPTED AS TO ITEMS	20. AMOUNT	21. ACCOUNTING AND APPROPRIATION	
22. AUTHORITY FOR USING OTHER THAN FULL OPEN COMPETITION: <input type="checkbox"/> 10 U.S.C. 2304 (c) <input type="checkbox"/> 41 U.S.C. 253 (c)		23. SUBMIT INVOICES TO ADDRESS SHOWN IN (4 copies unless otherwise specified)	ITEM
24. ADMINISTERED BY (If other than item 7)		25. PAYMENT WILL BE MADE BY	CODE
26. NAME OF CONTRACTING OFFICER (Type or print)		27. UNITED STATES OF AMERICA  (Signature of Contracting Officer)	28. AWARD DATE

IMPORTANT - Award will be made on this Form, or on Standard Form 26, or by other authorized official written notice.

AUTHORIZED FOR LOCAL REPRODUCTION  
Previous edition is unusableSTANDARD FORM 33 (REV. 9-97)  
Prescribed by GSA - Far (48 CFR) 53.214 (c)



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# AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT

1. CONTRACT ID CODE \_\_\_\_\_ PAGE OF PAGES  
1 | 8

2. AMENDMENT/MODIFICATION NO. 0001	3. EFFECTIVE DATE 05/17/2012	4. REQUISITION/PURCHASE REQ. NO.	5. PROJECT NO (if applicable)
6. ISSUED BY US Department of Commerce CAS, OS Business Solutions Team 1401 Constitution Ave., NW Room 6514 Washington, DC 20230	CODE	7. ADMINISTERED BY (if other than Item 6)	CODE

8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP Code)  The Internet Corporation for Assigned Names and Numbers  4676 Admiralty Way, Suite 330  Marino del Ray, California 90292	<input checked="" type="checkbox"/> 9A. AMENDMENT OF SOLICITATION NO. SA1301-12-RP-0043
	<input checked="" type="checkbox"/> 9B. DATED (SEE ITEM 11) 04/16/2012
	<input type="checkbox"/> 10A. MODIFICATION OF CONTRACT/ORDER NO.
	<input type="checkbox"/> 10B. DATED (SEE ITEM 13)
CODE	FACILITY CODE

### 11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers  is extended,  is not extended.  
Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods:  
(a) By completing items 8 and 15, and returning 1 copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment your desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

12. ACCOUNTING AND APPROPRIATION DATA (If required)

### 13. THIS ITEM ONLY APPLIES TO MODIFICATION OF CONTRACTS/ORDERS. IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.

<input type="checkbox"/>	A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.
<input type="checkbox"/>	B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b).
<input type="checkbox"/>	C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:
<input type="checkbox"/>	D. OTHER (Specify type of modification and authority)



**E. IMPORTANT:** Contractor  is not,  is required to sign this document and return \_\_\_\_\_ copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)

- The purpose of this amendment is to post all questions and answers submitted in response to this RFP and amend sections E, F, H, I, L, M and the SF33 to the original RFP (see attached RFP SA1301-12-RP-0043, Amendment 0001 dtd 05/17/2012).
- Replace pages 1-91 with attached pages 1-85 recorded as SA1301-12-RP-0043, Amendment 0001.

See continuation sheet

Except as provided herein, all terms and conditions of the document referenced in Item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.

15A. NAME AND TITLE OF SIGNER (Type or print) Rod Beckstrom, President, CEO	16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) Mona-Lisa Dunn
15B. CONTRACTOR/OFFEROR  (Signature of person authorized to sign)	16B. UNITED STATES OF AMERICA  (Signature of Contracting Officer)
15C. DATE SIGNED 05/31/12	16C. DATE SIGNED 05/17/2012

3. The following questions were submitted in response to this RFP, the Government's "Answers" are provided below:

No.	Question	Answer
Section C		
1	If IANA staff members are asked to participate in the development of a standard or to co-author a document (such as a Request for Comment), is that considered advancing policy?	Yes. See requirement set forth at C.2.5 Separation of Policy Development and Operational Roles.
2	Should C.2.11 be deleted as it overlaps with E.1?	No, C.2.H does not overlap with E.1 Inspection and Acceptance.
3	Is inspection limited to reports and deliverables related to Section C as enumerated in Section F.4?	See requirement set forth at E.1 Inspection and Acceptance and E.2 INSPECTION -- Time-And-Material And Labor-Hour (FAR 52.246-6) (MAY 2001). ALL work performed, written communications regardless of form, reports, and other services and deliverables involving the performance of the IANA Functions contract is subject to inspection and approval.
4	Section C.6.2.2 state that "Conflict of Interest Officer shall be responsible for requiring that each of the Contractor's employees, directors and subcontractors complete a certification with disclosures of any known conflicts of interest upon their election, re-election or appointment, and annually thereafter. Will you confirm that the certification requirement is not intended to apply to all subcontractors of Contractor, but just to those directly related to the performance of the services	The Conflict of Interest Certification applies to all Offeror's subcontractors as stated in C.6 Conflict of Interest Requirements.



No.	Question	Answer
	under the contract called for in SA1301-12-RP-0043?	
5	Does Section C.8.2 apply to the protocolparameter registry and Internet addressing functions, or only to the root zone function?	C.8.2 applies to all the primary IANA functions as set forth in C.2.9 Internet Assigned Numbers Authority (IANA) Functions.
6	Does Section C.8.3 apply only to the root zone function?	Section C.8.3 applies to all the requirements as set forth in C.2.9.2 Perform Administrative Functions Associated with Root Zone Management.
SECTION E		
7	Section E.1 indicate that final inspections related to section C must be made prior to any posting. Please specify what work, communications, reports and other services need to be subject to inspection and approval? Does this include anything beyond what is listed in Section C and documented in F4?	See answer to Question 3.
SECTION f		
8	Under this contract, the contractor provides the deliverables at no cost to the U.S. Government. Is it therefore correct that the Contractor also retains ownership of the deliverables? If not, please clarify how the U.S. Government may take ownership of the deliverables produced under this zero dollar contract?	A zero dollar contract does not mean that there is no consideration provided by the Government. The Government may take ownership of deliverables in exchange for the consideration provided under this contract.
SECTION H		

No.	Question	Answer
9	<p>Section H.1 appears to apply only if the contract is a cost-reimbursement, incentive, time-and-materials, labor-hour, or price re-determinable contract, or any combination of these. Please confirm that this section does not apply here where the Government is not paying the Contractor for performance of services.</p>	<p>Section tt. 1 applies to this contract and the cited section applies to the subcontractor flow down requirements.</p>
10	<p>Section H. 2 (FAR 52.227-11) and H.3 (FAR 52.227-13) - If the Government does not pay any cost or fee to the contractor, how may it obtain any rights or title to any invention made by the Contractor? Is the Government expected to receive a no-cost license to an invention?</p>	<p>Section H3 (FAR 52.227-13) has been removed via Amendment0001 posted at www.fbo.gov. See answer to question 8. Appropriate data rights clauses have been included in the IANA function storitrad since the Department of Commerce first awarded a contract in 2000...</p>
11	<p>Sections H.4 and H.5 provide the Government with certain ownership and licensing rights in the data produced in this contract. Are these Sections applicable when the Contractor receives zero payment from the Government for the performance of the contract?</p>	<p>Yes.</p>
<p><b>SECTION I</b></p>		
12	<p>Section I lists numerous contract clauses. If there are more recent versions of the enumerated clauses, are the most recent versions</p>	<p>The FAR clauses included in the Solicitation are the most recent.</p>

No.	Question	Answer
	<p>applicable to the contract when it is entered, or do those that are specified in the RFP the applicable version?</p>	
13	<p>Sections I, K and L contain several contract clauses or certifications that by their terms do not apply to a zero dollar contract. Numerous contract clauses are only applicable at or above minimum dollar thresholds or are applicable only to cost-reimbursement types of contracts. Can you confirm that these contract clauses will be deleted from this contract?</p>	<p>No. The Contracting Officer has deemed MJ clauses necessary for this Solicitation.</p>
14	<p>Section 1.57-FAR 52.21611 does not have an "Alternate IV". Please clarify the reference.</p>	<p>There is no Alternate IV. This has been corrected in Amendment 0001 posted at <a href="http://www.fbo.gov">www.fbo.gov</a>.</p>
15	<p>Section B-States this will be a "time-and-materials (T&amp;M) contract, yet section 1.57 states this will be a cost contract. Please confirm what type of contract this is under the FAR. Will the Government remove clauses that are applicable or related to cost-reimbursement contracts?</p>	<p>FAR Clause 52.216-10 does not indicate that the Government is issuing a cost contract. This FAR Clause clarifies that the Government will not pay a fee for services.</p>
<p><b>SECTION L</b></p>		
16	<p>Section L.6.d states that each proposal submitted in response to this solicitation must "[i]nclude all certifications, documents, reports and/or templates</p>	<p>Yes.</p>



No.	Question	Answer
	<p>the offeror proposes to use in fulfilling this acquisition. If an offeror complies with section K.1(b)(1L which notes that Section K.1.(d) applies, then many certifications called for in the RFP will be made electronically via the Online Representations and Certifications Application (ORCA) system. Are the certifications and representations made in ORCA part of the certifications that are called for in Section L.G.d? If so, should the offeror include a print out of the Certifications made in ORCA and include those as part of the proposal?</p>	
17	<p>Section L.6, in the identification of what must be included in Volume II of the proposal, states that "[e]ach offeror shall provide a copy of the last three (3) unaudited financial statements and the most recent audited financial statement." If the respondent only prepares audited financial statements, are the most recent audited financial statements, along the three prior audited financial statements sufficient to satisfy this requirement?</p>	Yes.
18	<p>Section I.8 requires the submission of "three originals and one copy of the</p>	<p>The Instruction set forth at Sections I.6 and I.8 prevail. Please follow these instructions when preparing your proposal.</p>

No.	Question	Answer
	<p>proposal," while Box 9 of SF-33 specifies delivery of the original and one copy of the proposal. Please clarify how many originals and hard copies of the proposal must be delivered (in addition to the one electronic copy).</p>	
<p>19</p>	<p>In Section L.6, the Government states that Volume I-Technical Proposal will include: 1. Technical Approach, 2. Management Approach, 3. Past Performance, 4. Documentation Demonstrating fulfillment Mandatory Factor M.2. In this RFP, the Mandatory Factor is M.3. Will the Government please clarify?</p>	<p>Section L.6 has been amended to reflect the correct reference for M.3 Mandatory Evaluation Factor. Refer to Amendment 0001 posted at <a href="http://www.fbo.gov">www.fbo.gov</a>.</p>
<p>SECTION M</p>		
<p>20</p>	<p>M.4 contains two references to "M.2," a "Mandatory Factor." Should the reference be to "M.2" instead of to M.3, "Incorporated in the United States – Mandatory Factor?"</p>	<p>Section M.4 has been amended to reflect the correct reference, which is M.3 Mandatory Evaluation Factor. Refer to Amendment 0001 posted at <a href="http://www.fbo.gov">www.fbo.gov</a>.</p>
<p>21</p>	<p>In Section M.4, the Government states "However, proof of satisfying section M.2 is a Mandatory Factor and failure to meet requirements outlined in section M.2 shall result in elimination of the Offeror's proposal..." In this RFP, Section M.2 is a Far reference, while M.3 is a :</p>	<p>Section M.4 has been amended to reflect the correct reference for M.3 Mandatory Evaluation Factor. Refer to Amendment 0001 posted at <a href="http://www.fbo.gov">www.fbo.gov</a>.</p>

No.	Question	Answer
	Mandatory Evaluation Factor. Will the Government please clarify?	
22	In Section M.S,atthe last bullet,the Government mentions evaluation criteria as listed in paragraph M.G. In this RFP,Evaluation Criteria are listed as M.7. Will the Government please clarify?	Section M.S has been amended to reflect the correct reference for Evaluation Criteria ,which is M.7. Refer to Amendment 0001posted at www.fbo.gov.
23	In Section M.8,Factor 1. Technical ApproachJ sixth paragraph,the Government states "...taking into account requirement C.2.9.2e Root Zone Automation and C.4.2 Root Zone Management Dashboard." In this RFP, C.4.2 refers to Monthly Performance Progress Report,while C.4.3 refers to Root Zone Management Dashboard. Will the Government please clarify?	Section M.8 has been amended to reflect the correct reference for C.4.3 Root Zone Management Dashboard. Refer to Amendment 0001posted at www.fbo.gov.

4. The HOUR and DATE proposals are due remains unchanged at May 31 , 2012,2:00PM local *time*, Washington,DC.

5. Offerors are reminded "Failure to acknowledge receipt of this amendment may result in rejection of your offer".





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**Volume II**

**Financial Information and Project Funding Strategy**

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## **1. Representations and Certifications**

In this Tab 1, the Internet Corporation for Assigned Names and Numbers (ICANN) includes its certification and representations that it is in compliance, or will comply, with the requirements of the cited regulations.

In this section are the completed “Representations, Certifications, and Other Statements of Offerors”, Section K of the solicitation. The RFP states that the North American Industry Classification System (“NAICS”) Code for the instant procurement of 519190. The Small Business Administration Size Threshold for NAICS Code 519190 is \$7 million. As ICANN has annual receipts or revenues over \$7 million, ICANN is not a small business. Sections K.1(a)(2) and (3) of the RFP indicate that the small business size standard for this acquisition is 500 employees. ICANN currently employs approximately 140 full time personnel, well below the threshold listed in the RFP.

Section L.6, Volume II, Item 1, states “Representations and Certifications (see clause at K3).” However, Section K in the RFP does not contain a clause K3.

ICANN represents that it has completed the Online Representations and Certification Application (ORCA) and that it has been updated within the preceding twelve (12) months. Exhibit 1 at Tab 1 contains the latest version of ORCA contents for ICANN. Furthermore, ICANN represents that it has not held or been awarded any Federal government prime contract or subcontract having an aggregate value in excess of \$10,000. ICANN is not a: (i) woman-owned business concern; (ii) veteran-owned business concern; (iii) service-disabled veteran owned small business concern; (iv) HUBZone, small business concern; or (v) disadvantaged small business concern.

The solicitation provision set forth at 52.204-7 is included in the RFP so paragraph (d) of clause 52.204-8 is applicable. ICANN has not changed its name since it filed for incorporation in the State of California nor is it operating under a different name.

ICANN will comply with all representations and certifications that are applicable to this solicitation and the Offeror pursuant to the Federal Acquisition Regulations.

In the event that ICANN personnel are required to have routine physical access to a Federally-controlled facility and/or routine access to a Federally-controlled information system, ICANN Director of Security for the IANA Functions will be responsible for verifying ICANN employee personal identity and obtaining the necessary background checks.

The ICANN Director of Security for the IANA Functions will maintain an inventory of all Government-provided Personal Identity Verification (“PIV”) products and ensure that the ICANN employee(s) returns such products when no longer needed.

ICANN will include the substance of this clause, including paragraph (d), into any subcontract.

ICANN will also include the substance of the contract clause at FAR 52.215-2, Audit and Records, Including paragraph (g), into any subcontract. ICANN will include the substance of contract clause FAR 52.227-11 including paragraph (k), and FAR 52.227-13 in all experimental

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and R&D subcontracts. ICANN will include the substance of the contract clause at CAR 1352.208-70 including paragraph (d) in all subcontracts.

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**SECTION K – REPRESENTATIONS, CERTIFICATIONS, AND OTHER STATEMENTS OF OFFRORS**

**K.1 52.204-8 ANNUAL REPRESENTATIONS AND CERTIFICATIONS (NOV 2011)**

(a)(1) The North American Industry classification System (NAICS) code for this acquisition is **519190**.

(2) The small business size standard is    500    *[insert size standard]*.

(3) The small business size standard for a concern which submits an offer in its own name, other than on a construction or service contract, but which proposes to furnish a product which it did not itself manufacture, is 500 employees.

(b)

(1) If the clause at 52.204-7, Central Contractor Registration, is included in this solicitation, paragraph (d) of this provision applies.

(2) If the clause at 52.204-7 is not included in this solicitation, and the offeror is currently registered in CCR, and has completed the ORCA electronically, the offeror may choose to use paragraph (d) of this provision instead of completing the corresponding individual representations and certification in the solicitation. The offeror shall indicate which option applies by checking one of the following boxes:

(i) Paragraph (d) applies.

(ii) Paragraph (d) does not apply and the offeror has completed the individual representations and certifications in the solicitation.

(c)

(1) The following representations or certifications in ORCA are applicable to this solicitation as indicated:

(i) 52.203-2, Certificate of Independent Price Determination. This provision applies to solicitations when a firm-fixed-price contract or fixed-price contract with economic price adjustment is contemplated, unless—

(A) The acquisition is to be made under the simplified acquisition procedures in Part 13;

(B) The solicitation is a request for technical proposals under two-step sealed bidding procedures; or

(C) The solicitation is for utility services for which rates are set by law or regulation.

(ii) 52.203-11, Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions. This provision applies to solicitations expected to exceed \$150,000.

(iii) 52.204-3, Taxpayer Identification. This provision applies to solicitations that do not include the clause at 52.204-7, Central Contractor Registration.

(iv) 52.204-5, Women-Owned Business (Other Than Small Business). This provision applies to solicitations that—

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(A) Are not set aside for small business concerns;

(B) Exceed the simplified acquisition threshold;

and

(C) Are for contracts that will be performed in the United States or its outlying areas.

(v) 52.209-2, Prohibition on Contracting with Inverted Domestic Corporations— Representation. This provision applies to solicitations using funds appropriated in fiscal years 2008, 2009, or 2010.

(vi) 52.209-5; Certification Regarding Responsibility Matters. This provision applies to solicitations where the contract value is expected to exceed the simplified acquisition threshold.

(vii) 52.214-14, Place of Performance--Sealed Bidding. This provision applies to invitations for bids except those in which the place of performance is specified by the Government.

(viii) 52.215-6, Place of Performance. This provision applies to solicitations unless the place of performance is specified by the Government.

(ix) 52.219-1, Small Business Program Representations (Basic & Alternate I). This provision applies to solicitations when the contract will be performed in the United States or its outlying areas.

(A) The basic provision applies when the solicitations are issued by other than DoD, NASA, and the Coast Guard.

(B) The provision with its Alternate I applies to solicitations issued by DoD, NASA, or the Coast Guard.

(x) 52.219-2, Equal Low Bids. This provision applies to solicitations when contracting by sealed bidding and the contract will be performed in the United States or its outlying areas.

(xi) 52.222-22, Previous Contracts and Compliance Reports. This provision applies to solicitations that include the clause at 52.222-26, Equal Opportunity.

(xii) 52.222-25, Affirmative Action Compliance. This provision applies to solicitations, other than those for construction, when the solicitation includes the clause at 52.222-26, Equal Opportunity.

(xiii) 52.222-38, Compliance with Veterans' Employment Reporting Requirements. This provision applies to solicitations when it is anticipated the contract award will exceed the simplified acquisition threshold and the contract is not for acquisition of commercial items.

(xiv) 52.223-1, Biobased Product Certification. This provision applies to

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solicitations that require the delivery or specify the use of USDA-designated items; or include the clause at 52.223-2, Affirmative Procurement of Biobased Products Under Service and Construction Contracts.

(xv) 52.223-4, Recovered Material Certification. This provision applies to solicitations that are for, or specify the use of, EPA- designated items.

(xvi) 52.225-2, Buy American Act Certificate. This provision applies to solicitations containing the clause at 52.225-1.

(xvii) 52.225-4, Buy American Act--Free Trade Agreements--Israeli Trade Act Certificate. (Basic, Alternate I, and Alternate II) This provision applies to solicitations containing the clause at 52.225- 3.

(A) If the acquisition value is less than \$25,000, the basic provision applies.

(B) If the acquisition value is \$25,000 or more but is less than \$50,000, the provision with its Alternate I applies.

(C) If the acquisition value is \$50,000 or more but is less than \$67,826, the provision with its Alternate II applies.

(xviii) 52.225-6, Trade Agreements Certificate. This provision applies to solicitations containing the clause at 52.225-5.

(xix) 52.225-20, Prohibition on Conducting Restricted Business Operations in Sudan--Certification. This provision applies to all solicitations.

(xx) 52.225-25, Prohibition on Contracting with Entities Engaging in Sanctioned Activities Relating to Iran—Representation and Certification. This provision applies to all solicitations.

(xxi) 52.226-2, Historically Black College or University and Minority Institution Representation. This provision applies to—

(A) Solicitations for research, studies, supplies, or services of the type normally acquired from higher educational institutions; and

(B) For DoD, NASA, and Coast Guard acquisitions, solicitations that contain the clause at 52.219-23, Notice of Price Evaluation Adjustment for Small Disadvantaged Business Concerns.

(2) The following certifications are applicable as indicated by the Contracting Officer:

[Contracting Officer check as appropriate.]

\_\_\_(i) 52.219-22, Small Disadvantaged Business Status.

\_\_\_(A) Basic.

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\_\_\_(B) Alternate I.

\_\_\_(ii) 52.222-18, Certification Regarding Knowledge of Child Labor for Listed End Products.

\_\_\_(iii) 52.222-48, Exemption from Application of the Service Contract Act to Contracts for Maintenance, Calibration, or Repair of Certain Equipment Certification.

\_\_\_(iv) 52.222-52 Exemption from Application of the Service Contract Act to Contracts for Certain Services--Certification.

\_\_\_(v) 52.223-9, with its Alternate I, Estimate of Percentage of Recovered Material Content for EPA-Designated Products (Alternate I only).

\_\_\_\_\_(vi) 52.227-6, Royalty Information.

\_\_\_(A) Basic.

\_\_\_(B) Alternate I.

\_\_\_(vii) 52.227-15, Representation of Limited Rights Data and Restricted Computer Software.

(d) The offeror has completed the annual representations and certifications electronically via the Online Representations and Certifications Application (ORCA) website at <http://orca.bpn.gov>. After reviewing the ORCA database information, the offeror verifies by submission of the offer that the representations and certifications currently posted electronically that apply to this solicitation as indicated in paragraph (c) of this provision have been entered or updated within the last 12 months, are current, accurate, complete, and applicable to this solicitation (including the business size standard applicable to the NAICS code referenced for this solicitation), as of the date of this offer and are incorporated in this offer by reference (see FAR 4.1201); except for the changes identified below [*offeror to insert changes, identifying change by clause number, title, date*]. These amended representation(s) and/or certification(s) are also incorporated in this offer and are current, accurate, and complete as of the date of this offer.

FAR Clause	Title	Date	Change
None	None	None	None

Any changes provided by the offeror are applicable to this solicitation only, and do not result in an update to the representations and certifications posted on ORCA.

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**K.2 52.204-9 PERSONAL IDENTITY VERIFICATION OF CONTRACTOR PERSONNEL (JAN 2011)**

(a) The Contractor shall comply with agency personal identity verification procedures identified in the contract that implement Homeland Security Presidential Directive-12 (HSPD-12), Office of Management and Budget (OMB) guidance M-05-24, and Federal Information Processing Standards Publication (FIPS PUB) Number 201.

(b) The Contractor shall account for all forms of Government-provided identification issued to the Contractor employees in connection with performance under this contract. The Contractor shall return such identification to the issuing agency at the earliest of any of the following, unless otherwise determined by the Government:

- (1) When no longer needed for contract performance.
- (2) Upon completion of the Contractor employee's employment.
- (3) Upon contract completion or termination.

(c) The Contracting Officer may delay final payment under a contract if the Contractor fails to comply with these requirements.

(d) The Contractor shall insert the substance of clause, including this paragraph (d), in all subcontracts when the subcontractor's employees are required to have routine physical access to a Federally-controlled facility and/or routine access to a Federally-controlled information system. It shall be the responsibility of the prime Contractor to return such identification to the issuing agency in accordance with the terms set forth in paragraph (b) of this section, unless otherwise approved in writing by the Contracting Officer.

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**Certification for: INTERNET CORPORATION FOR ASSIGNED NAMES AND NUMBERS (Doing Business As: I C A N N)**

**DUNS: 045511487**

**Certification Validity:**

**From: 12/16/2011 01:28:26 PM (EST)**

**To: 12/16/2012 01:28:26 PM (EST)**

By submitting this certification, I, **James Hedlund**, am attesting to the accuracy of the representations and certifications contained herein. I understand that I may be subject to penalties if I misrepresent **INTERNET CORPORATION FOR ASSIGNED NAMES AND NUMBERS (Doing Business As: I C A N N)** in any of the above representations or certifications to the Government.

**READ ONLY**

- Vendor will provide information with specific offers to the Government.
- I certify that I have read and understand the provision.

**52.203-11 Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions (Sept 2007)**

- (a) Definitions. As used in this provision —“Lobbying contact” has the meaning provided at 2 U.S.C. 1602(8). The terms “agency,” “influencing or attempting to influence,” “officer or employee of an agency,” “person,” “reasonable compensation,” and “regularly employed” are defined in the FAR clause of this solicitation entitled “Limitation on Payments to Influence Certain Federal Transactions”(52.203-12).
- (b) Prohibition. The prohibition and exceptions contained in the FAR clause of this solicitation entitled “Limitation on Payments to Influence Certain Federal Transactions” (52.203-12) are hereby incorporated by reference in this provision.
- (c) Certification. The offeror, by signing its offer, hereby certifies to the best of its knowledge and belief that no Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress on its behalf in connection with the awarding of this contract.
- (d) Disclosure. If any registrants under the Lobbying Disclosure Act of 1995 have made a lobbying contact on behalf of the offeror with respect to this contract, the offeror shall complete and submit, with its offer, OMB Standard Form LLL, Disclosure of Lobbying Activities, to provide the name of the registrants. The offeror need not report regularly employed officers or employees of the offeror to whom payments of reasonable compensation were made.
- (e) Penalty. Submission of this certification and disclosure is a prerequisite for making or entering into this contract imposed by 31 U.S.C. 1352. Any person who makes an expenditure prohibited under this provision or who fails to file or amend the disclosure required to be filed or amended by this provision, shall be subject to a civil penalty of not less than \$10,000, and not more than \$100,000, for each such failure.

**(End of Provision)**

**READ ONLY**

- Vendor will provide information with specific offers to the Government.
- I certify that I have read and understand the provision.

**52.209-2 Prohibition on Contracting with Inverted Domestic Corporations—Representation (May 2011)**

- (a) *Definitions.* Inverted domestic corporation and subsidiary have the meaning given in the clause of this contract entitled Prohibition on Contracting with Inverted Domestic Corporations (52.209 - 10).
- (b) *Relation to Internal Revenue Code.* An inverted domestic corporation as herein defined does not meet the



definition of an inverted domestic corporation as defined by the Internal Revenue Code at 26 U.S.C. 7874.

(c) *Representation.* By submission of its offer, the offeror represents that —

- (1) It is not an inverted domestic corporation; and
- (2) It is not a subsidiary of an inverted domestic corporation.

**(End of Provision)**

**READ ONLY**

- Vendor will provide information with specific offers to the Government.**  
 **I certify that I have read and understand the provision.**

**52.222-38 Compliance with Veterans' Employment Reporting Requirements (Sep 2010)**

By submission of its offer, the offeror represents that, if it is subject to the reporting requirements of 38 U.S.C. 4212(d) (i.e., if it has any contract containing Federal Acquisition Regulation clause 52.222 -37, Employment Reports on Veterans), it has submitted the most recent VETS -100A Report required by that clause.

**(End of Provision)**

**READ ONLY**

- Vendor will provide information with specific offers to the Government.**  
 **I certify that I have read and understand the provision.**

**52.223-1 Biobased Product Certification (Dec 2007)**

(a) As required by the Farm Security and Rural Investment Act of 2002 and the Energy Policy Act of 2005 (7 U.S.C. 8102(c)(3)), the offeror certifies, by signing this offer, that biobased products (within categories of products listed by the United States Department of Agriculture in 7 CFR part 2902, subpart B) to be used or delivered in the performance of the contract, other than biobased products that are not purchased by the offeror as a direct result of this contract, will comply with the applicable specifications or other contractual requirements.

**(End of Provision)**

**READ ONLY**

- Vendor will provide information with specific offers to the Government.**  
 **I certify that I have read and understand the provision.**

**52.225-20 Prohibition on Conducting Restricted Business Operations in Sudan—Certification (Aug 2009)**

(a) *Definitions.* As used in this provision —

“Business operations” means engaging in commerce in any form, including by acquiring, developing, maintaining, owning, selling, possessing, leasing, or operating equipment, facilities, personnel, products, services, personal property, real property, or any other apparatus of business or commerce.

“Marginalized populations of Sudan” means—

- (1) Adversely affected groups in regions authorized to receive assistance under section 8(c) of the Darfur Peace and Accountability Act (Pub. L. 109-344) (50 U.S.C. 1701 note); and
- (2) Marginalized areas in Northern Sudan described in section 4(9) of such Act.

“Restricted business operations” means business operations in Sudan that include power production activities, mineral extraction activities, oil-related activities, or the production of military equipment, as those terms are defined in the Sudan Accountability and Divestment Act of 2007(Pub. L. 110 -174). Restricted business operations do not include business operations that the person (as that term is defined in Section 2 of the Sudan Accountability and Divestment Act of 2007) conducting the business can demonstrate —

- (1) Are conducted under contract directly and exclusively with the regional government of southern Sudan;
- (2) Are conducted pursuant to specific authorization from the Office of Foreign Assets Control in the Department of the Treasury, or are expressly exempted under Federal law from the requirement to be

- conducted under such authorization;
- (3) Consist of providing goods or services to marginalized populations of Sudan;
  - (4) Consist of providing goods or services to an internationally recognized peacekeeping force or humanitarian organization;
  - (5) Consist of providing goods or services that are used only to promote health or education; or
  - (6) Have been voluntarily suspended
- (b) *Certification*. By submission of its offer, the offeror certifies that the offeror does not conduct any restricted business operations in Sudan.

**(End of Provision)**

**READ ONLY**

- Vendor will provide information with specific offers to the Government.**
- I certify that I have read and understand the provision.**

**52.225-25 Prohibition on Contracting with Entities Engaging in Sanctioned Activities Relating to Iran—Representation and Certification.(Nov 2011)**

- (a) *Definition*.
- "Person"—
- (1) Means-
- (i) A natural person;
  - (ii) A corporation, business association, partnership, society, trust, financial institution, insurer, underwriter, guarantor, and any other business organization, any other nongovernmental entity, organization, or group, and any governmental entity operating as a business enterprise; and
  - (iii) Any successor to any entity described in paragraph (1)(ii) of this definition; and
- (2) Does not include a government or governmental entity that is not operating as a business enterprise.
- "Sensitive technology"—
- (1) Means hardware, software, telecommunications equipment, or any other technology that is to be used specifically—
- (i) To restrict the free flow of unbiased information in Iran; or
  - (i) To disrupt, monitor, or otherwise restrict speech of the people of Iran; and
- (2) Does not include information or informational materials the export of which the President does not have the authority to regulate or prohibit pursuant to section 203(b)(3) of the International Emergency Economic Powers Act (50 U.S.C. 1702(b)(3)).
- (b) The offeror shall e-mail questions concerning sensitive technology to the Department of State at CISADA106@state.gov.
- (c) Except as provided in paragraph (d) of this provision or if a waiver has been granted in accordance with 25.703-4, by submission of its offer, the offeror —
- (1) Represents, to the best of its knowledge and belief, that the offeror does not export any sensitive technology to the government of Iran or any entities or individuals owned or controlled by, or acting on behalf or at the direction of, the government of Iran; and
  - (2) Certifies that the offeror, or any person owned or controlled by the offeror, does not engage in any activities for which sanctions may be imposed under section 5 of the Iran Sanctions Act. These sanctioned activities are in the areas of development of the petroleum resources of Iran, production of refined petroleum products in Iran, sale and provision of refined petroleum products to Iran, and contributing to Iran's ability to acquire or develop certain weapons or technologies.
- (d) Exception for trade agreements. The representation requirement of paragraph (c)(1) and the certification requirement of paragraph (c)(2) of this provision do not apply if —
- (1) This solicitation includes a trade agreements notice or certification (e.g., 52.225 -4, 52.225-6, 52.225-12, 52.225-24, or comparable agency provision); and
  - (2) The offeror has certified that all the offered products to be supplied are designated country end products or designated country construction material.

**(End of Provision)**

**READ ONLY**

Vendor will provide information with specific offers to the Government.

I certify that I have read and understand the provision.

#### **52.227-6 Royalty Information (Apr 1984)**

- (a) Cost or charges for royalties. When the response to this solicitation contains costs or charges for royalties totaling more than \$250, the following information shall be included in the response relating to each separate item of royalty or license fee:
- (1) Name and address of licensor.
  - (2) Date of license agreement.
  - (3) Patent numbers, patent application serial numbers, or other basis on which the royalty is payable.
  - (4) Brief description, including any part or model numbers of each contract item or component on which the royalty is payable.
  - (5) Percentage or dollar rate of royalty per unit.
  - (6) Unit price of contract item.
  - (7) Number of units.
  - (8) Total dollar amount of royalties.
- (b) Copies of current licenses. In addition, if specifically requested by the Contracting Officer before execution of the contract, the offeror shall furnish a copy of the current license agreement and an identification of applicable claims of specific patents.

**(End of provision)**

#### **Alternate I (Apr 1984)**

Substitute the following for the introductory portion of paragraph (a) of the basic clause: When the response to this solicitation covers charges for special construction or special assembly that contain costs or charges for royalties totaling more than \$250, the following information shall be included in the response relating to each separate item of royalty or license fee:

#### **52.203-2 Certificate of Independent Price Determination (Apr 1985)**

- (a) The offeror certifies that-
- (1) The prices in this offer have been arrived at independently, without, for the purpose of restricting competition, any consultation, communication, or agreement with any other offeror or competitor relating to-
    - (i) Those Prices
    - (ii) The intention to submit an offer;, or
    - (iii) The methods or factors used to calculate the prices offered.
  - (2) The prices in this offer have not been and will not be knowingly disclosed by the offeror, directly or indirectly, to any other offeror or competitor before bid opening (in the case of a sealed bid solicitation) or contract award (in the case of a negotiated solicitation) unless otherwise required by law; and
  - (3) No attempt has been made or will be made by the offeror to induce any other concern to submit or not to submit an offer for the purpose of restricting competition.
- (b) Each signature on the offer is considered to be a certification by the signatory that the signatory -
- (1) Is the person in the offeror's organization responsible for determining the prices being offered in this bid or proposal, and that the signatory has not participated and will not participate in any action contrary to paragraphs (a)(1) through (a)(3) of this provision; or
  - (2) (i) Has been authorized, in writing, to act as agent for the following principals in certifying that those principals have not participated, and will not participate in any action contrary to paragraphs (a)(1) through (a)(3) of this provision **Rod Beckstrom, President & CEO**
    - (ii) As an authorized agent, does certify that the principals named in subdivision (b)(2)(i) of this provision have not participated, and will not participate, in any action contrary to paragraphs (a)(1) through (a)(3) of this provision; and
    - (iii) As an agent, has not personally participated, and will not participate, in any action contrary to paragraphs (a)(1) through (a)(3) of this provision.
- (c) If the offeror deletes or modifies paragraph (a)(2) of this provision, the offeror must furnish with its offer a signed statement setting forth in detail the circumstances of the disclosure.

(End of Provision)

**52.204-3 Taxpayer Identification (Oct 1998)**

(a) Definitions

"Common parent," as used in this provision, means that corporate entity that owns or controls an affiliated group of corporations that files its Federal income tax returns on a consolidated basis, and of which the offeror is a member.

"Taxpayer Identification Number (TIN)," as used in this provision, means the number required by the Internal Revenue Service (IRS) to be used by the offeror in reporting income tax and other returns. The TIN may be either a Social Security Number or an Employer Identification Number.

(b) All offerors must submit the information required in paragraphs (d) through (f) of this provision to comply with debt collection requirements of 31 U.S.C. 7701(c) and 3325(d), reporting requirements of 26 U.S.C. 6041, 6041A, and 6050M, and implementing regulations issued by the IRS. If the resulting contract is subject to the payment reporting requirements described in Federal Acquisition Regulation (FAR) 4.904, the failure or refusal by the offeror to furnish the information may result in a 31 percent reduction of payments otherwise due under the contract.

(c) The TIN may be used by the Government to collect and report on any delinquent amounts arising out of the offeror's relationship with the Government (31 U.S.C. 7701(c)(3)). If the resulting contract is subject to the payment reporting requirements described in FAR 4.904, the TIN provided hereunder may be matched with IRS records to verify the accuracy of the offeror's TIN.

(d) Taxpayer Identification Number (TIN).

- TIN on file with CCR.
- TIN has been applied for.
- TIN is not required because:
- Offeror is a nonresident alien, foreign corporation, or foreign partnership that does not have income effectively connected with the conduct of a trade or business in the United States and does not have an office or place of business or a fiscal paying agent in the United States; ,
- Offeror is an agency or instrumentality of a foreign government; ,
- Offeror is an agency or instrumentality of the Federal Government.

(e) Type of organization.

- sole proprietorship;
- Partnership;
- Corporate entity (not tax-exempt);
- Corporate entity (tax-exempt);
- Government entity (Federal, State, or local);
- Foreign government;
- International organization per 26 CFR 1.6049 -4;
- Other

(f) Common parent.

- Offeror is not owned or controlled by a common parent as defined in paragraph (a) of this provision.
- Name: N/A  
TIN: **TIN not on File with ORCA**

(End of Provision)

**52.204-5 Women-Owned Business (Other Than Small Business) (May 1999)**

(a) Definition. "Women-owned business concern," as used in this provision, means a concern that is at least 51 percent owned by one or more women; or in the case of any publicly owned business, at least 51 percent of its stock is owned by one or more women; and whose management and daily business operations are controlled by one or more women.

(b) Representation. [Complete only if the offeror is a women -owned business concern and has not represented itself as a small business concern in paragraph (b)(1) of FAR 52.219 -1, Small Business Program Representations, of this solicitation.] The offeror represents that it  is a women-owned business concern.

**52.209-5 Certification Regarding Responsibility Matters (Apr 2010)**

(a) (1) The Offeror certifies, to the best of its knowledge and belief, that -

(i) The Offeror and/or any of its Principals -

- (A) Are  Are not  presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any Federal agency;
- (B) Have  Have not , within a three-year period preceding this offer, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) contract or subcontract; violation of Federal or State antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, violating Federal criminal tax laws, or receiving stolen property (if offeror checks "have", the offeror shall also see 52.209-7, if included in this solicitation);
- (C) Are  Are not  presently indicted for, or otherwise criminally or civilly charged by a governmental entity with, commission of any of the offenses enumerated in paragraph (a)(1)(i)(B) of this provision.
- (D) Have , Have not , within a three-year period preceding this offer, been notified of any delinquent Federal Taxes in an amount that exceeds \$3,000 for which the liability remains unsatisfied.

(1) Federal taxes are considered delinquent if both of the following criteria apply:

- (i) The tax liability is finally determined. The liability is finally determined if it has been assessed. A liability is not finally determined if there is a pending administrative or judicial challenge. In the case of a judicial challenge to the liability, the liability is not finally determined until all judicial appeal rights have been exhausted.
- (ii) The taxpayer is delinquent in making payment. A taxpayer is delinquent if the taxpayer has failed to pay the tax liability when full payment was due and required. A taxpayer is not delinquent in cases where enforced collection action is precluded.

(2) Examples:

- (i) The taxpayer has received a statutory notice of deficiency, under I.R.C. § 6212, which entitles the taxpayer to seek Tax Court review of a proposed tax deficiency. This is not a delinquent tax because it is not a final tax liability. Should the taxpayer seek Tax Court review, this will not be a final tax liability until the taxpayer has exercised all judicial appeal rights.
- (ii) The IRS has filed a notice of Federal tax lien with respect to an assessed tax liability, and the taxpayer has been issued a notice under I.R.C. § 6320 entitling the taxpayer to request a hearing with the IRS Office of Appeals contesting the lien filing, and to further appeal to the Tax Court if the IRS determines to sustain the lien filing. In the course of the hearing, the taxpayer is entitled to contest the underlying tax liability because the taxpayer has had no prior opportunity to contest the liability. This is not a delinquent tax because it is not a final tax liability because the taxpayer has had no prior opportunity to contest the underlying tax liability because the taxpayer has had no prior opportunity to contest the liability. This is not a delinquent tax because it is not a final tax liability. Should the taxpayer seek tax court review, this will not be a final tax liability until the taxpayer has exercised all judicial appeal rights.
- (iii) The taxpayer has entered into an installment agreement pursuant to I.R.C. § 6159. The taxpayer is making timely payments and is in full compliance with the agreement terms. The taxpayer is not delinquent because the taxpayer is not currently required to make full payment.
- (iv) The taxpayer has filed for bankruptcy protection. The taxpayer is not delinquent because enforced collection action is stayed under 11 U.S.C 362 (the Bankruptcy Code).

(ii) The Offeror has  has not , within a three-year period preceding this offer, had one or more contracts terminated for default by any Federal agency.

(2) "Principals," for the purposes of this certification, means an officer, director, owner, partner, or a person having primary management or supervisory responsibilities within a business entity (e.g., general manager; plant manager; head of a division or business segment; and similar positions).

This Certification Concerns a Matter Within the Jurisdiction of an Agency of the United States and the Making of a False, Fictitious, or Fraudulent Certification May Render the Maker Subject to Prosecution Under Section 1001, Title 18, United States Code.



- (b) The Offeror shall provide immediate written notice to the Contracting Officer if, at any time prior to contract award, the Offeror learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
- (c) A certification that any of the items in paragraph (a) of this provision exists will not necessarily result in withholding of an award under this solicitation. However, the certification will be considered in connection with a determination of the Offeror's responsibility. Failure of the Offeror to furnish a certification or provide such additional information as requested by the Contracting Officer may render the Offeror nonresponsible.
- (d) Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render, in good faith, the certification required by paragraph (a) of this provision. The knowledge and information of an Offeror is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
- (e) The certification in paragraph (a) of this provision is a material representation of fact upon which reliance was placed when making award. If it is later determined that the Offeror knowingly rendered an erroneous certification, in addition to other remedies available to the Government, the Contracting Officer may terminate the contract resulting from this solicitation for default.

**(End of Provision)**

**52.212-3 Offeror Representations and Certifications –Commercial Items (Alternate 1 & 2) (Nov 2011)**

An offeror shall complete only paragraph (b) of this provision if the offeror has completed the annual representations and certifications electronically at <http://orca.bpn.gov>. If an offeror has not completed the annual representations and certifications electronically at the ORCA website, the offeror shall complete only paragraphs (c) through (o) of this provision.

- (a) Definitions. As used in this provision:

"Economically disadvantaged women-owned small business (EDWOSB) concern" means a small business concern that is at least 51 percent directly and unconditionally owned by, and the management and daily business operations of which are controlled by, one or more women who are citizens of the United States and who are economically disadvantaged in accordance with 13 CFR part 127. It automatically qualifies as a women-owned small business eligible for the WOSB Program.

"Forced or indentured child labor" means all work or service -

- (1) Exacted from any person under the age of 18 under the menace of any penalty for its nonperformance and for which the worker does not offer himself voluntarily; or
- (2) Performed by any person under the age of 18 pursuant to a contract the enforcement of which can be accomplished by process or penalties.

"Inverted domestic corporation", as used in this section, means a foreign incorporated entity which is treated as an inverted domestic corporation under 6 U.S.C. 395(b), i.e., a corporation that used to be incorporated in the United States, or used to be a partnership in the United States, but now is incorporated in a foreign country, or is a subsidiary whose parent corporation is incorporated in a foreign country, that meets the criteria specified in 6 U.S.C. 395(b), applied in accordance with the rules and definitions of 6 U.S.C. 395(c). An inverted domestic corporation as herein defined does not meet the definition of an inverted domestic corporation as defined by the Internal Revenue Code at 26 U.S.C. 7874.

"Manufactured end product" means any end product in Federal Supply Classes (FSC) 1000 -9999, except—

- (1) FSC 5510, Lumber and Related Basic Wood Materials;
- (2) Federal Supply Group (FSG) 87, Agricultural Supplies;
- (3) FSG 88, Live Animals;
- (4) FSG 89, Food and Related Consumables;
- (5) FSC 9410, Crude Grades of Plant Materials;
- (6) FSC 9430, Miscellaneous Crude Animal Products, Inedible;
- (7) FSC 9440, Miscellaneous Crude Agricultural and Forestry Products;
- (8) FSC 9610, Ores;
- (9) FSC 9620, Minerals, Natural and Synthetic; and
- (10) FSC 9630, Additive Metal Materials.

"Place of manufacture" means the place where an end product is assembled out of components, or otherwise made or processed from raw materials into the finished product that is to be provided to the Government. If a product is disassembled and reassembled, the place of reassembly is not the place of manufacture.

"Restricted business operations" means business operations in Sudan that include power production activities, mineral extraction activities, oil-related activities, or the production of military equipment, as

those terms are defined in the Sudan Accountability and Divestment Act of 2007 (Pub. L. 110 -174). Restricted business operations do not include business operations that the person (as that term is defined in Section 2 of the Sudan Accountability and Divestment Act of 2007) conducting the business can demonstrate—

- (1) Are conducted under contract directly and exclusively with the regional government of southern Sudan;
- (2) Are conducted pursuant to specific authorization from the Office of Foreign Assets Control in the Department of the Treasury, or are expressly exempted under Federal law from the requirement to be conducted under such authorization;
- (3) Consist of providing goods or services to marginalized populations of Sudan;
- (4) Consist of providing goods or services to an internationally recognized peacekeeping force or humanitarian organization;
- (5) Consist of providing goods or services that are used only to promote health or education; or
- (6) Have been voluntarily suspended.

“Sensitive technology”—

- (1) Means hardware, software, telecommunications equipment, or any other technology that is to be used specifically—
  - (i) To restrict the free flow of unbiased information in Iran; or
  - (ii) To disrupt, monitor, or otherwise restrict speech of the people of Iran; and
- (2) Does not include information or informational materials the export of which the President does not have the authority to regulate or prohibit pursuant to section 203(b)(3) of the International Emergency Economic Powers Act (50 U.S.C. 1702(b)(3)).

"Service - disabled veteran - owned small business concern" -

- (1) Means a small business concern -
  - (i) Not less than 51 percent of which is owned by one or more service -disabled veterans or, in the case of any publicly owned business, not less than 51 percent of the stock of which is owned by one or more service-disabled veterans; and
  - (ii) The management and daily business operations of which are controlled by one or more service -disabled veterans or, in the case of a service -disabled veteran with permanent and severe disability, the spouse or permanent caregiver of such veteran.
- (2) Service-disabled veteran means a veteran, as defined in 38 U.S.C. 101(2), with a disability that is service-connected, as defined in 38 U.S.C. 101(16).

"Small business concern" means a concern, including its affiliates, that is independently owned and operated, not dominant in the field of operation in which it is bidding on Government contracts, and qualified as a small business under the criteria in 13 CFR part 121 and size standards in this solicitation.

“Subsidiary” means an entity in which more than 50 percent of the entity is owned —

- (1) Directly by a parent corporation; or
- (2) Through another subsidiary of a parent corporation.

"Veteran owned small business concern" means a small business concern -

- (1) Not less than 51 percent of which is owned by one or more veterans (as defined at 38 U.S.C. 101(2)) or, in the case of any publicly owned business, not less than 51 percent of the stock of which is owned by one or more veterans; and
- (2) The management and daily business operations of which are controlled by one or more veterans.

"Women-owned business concern" means a concern which is at least 51 percent owned by one or more women; or in the case of any publicly owned business, at least 51 percent of its stock is owned by one or more women; and whose management and daily business operations are controlled by one or more women.

"Women-owned small business concern" means a small business concern -

- (1) That is at least 51 percent owned by one or more women; or, in the case of any publicly owned business, at least 51 percent of the stock of which is owned by one or more women; and
- (2) Whose management and daily business operations are controlled by one or more women.

“Women-owned small business (WOSB) concern eligible under the WOSB Program ” (in accordance with 13 CFR part 127), means a small business concern that is at least 51 percent directly and unconditionally owned by, and the management and daily business operations of which are controlled by, one or more women who are citizens of the United States.

(b)

- (1) *Annual Representations and Certifications.* Any changes provided by the offeror in paragraph (b)(2) of this provision do not automatically change the representations and certifications posted on the Online Representations and Certifications Application (ORCA) website.
- (2) The offeror has completed the annual representations and certifications electronically via the ORCA website at <http://orca.bpn.gov> . After reviewing the ORCA database information, the offeror verifies by submission of this offer that the representations and certifications currently posted electronically at

FAR 52.212-3, Offeror Representations and Certifications—Commercial Items, have been entered or updated in the last 12 months, are current, accurate, complete, and applicable to this solicitation (including the business size standard applicable to the NAICS code referenced for this solicitation), as of the date of this offer and are incorporated in this offer by reference (see FAR 4.1201), except for paragraphs \_\_\_\_\_.

*[Offeror to identify the applicable paragraphs at (c) through (o) of this provision that the offeror has completed for the purposes of this solicitation only, if any.*

*These amended representation(s) and/or certification(s) are also incorporated in this offer and are current, accurate, and complete as of the date of this offer.*

*Any changes provided by the offeror are applicable to this solicitation only, and do not result in an update to the representations and certifications posted on ORCA.]*

(c) Offerors must complete the following representations when the resulting contract is to be performed inside the United States or its outlying areas. Check all that apply.

(1)\* Small business concern. The offeror represents as part of its offer that it  is,  is not a small business concern. (See below)

NAICS:	Description:	Small Business Concern (Yes/No):
519190	ALL OTHER INFORMATION SERVICES	No

(2)\* Veteran-owned small business concern. The offeror represents as part of its offer that it  is,  is not a veteran-owned small business concern. (See Below)

NAICS:	Description:	Veteran-Owned Small Business Concern (Yes/No):
519190	ALL OTHER INFORMATION SERVICES	No

(3)\* Service-disabled veteran-owned small business concern. The offeror represents as part of its offer that it  is,  is not a service-disabled veteran-owned small business concern. (See Below)

NAICS:	Description:	Service-Disabled Veteran-Owned Small Business Concern (Yes/No):
519190	ALL OTHER INFORMATION SERVICES	No

(4) Small disadvantaged business concern. The offeror represents, for general statistical purposes, that it  is,  is not a small disadvantaged business concern as defined in 13 CFR 124.1002.

(5)\* Women-owned small business concern. The offeror represents that it  is,  is not a women-owned small business concern. (See Below)

NAICS:	Description:	Women-Owned Small Business Concern (Yes/No):
519190	ALL OTHER INFORMATION SERVICES	No

*\*Small business concern, Veteran-owned small business concern, Service-disabled veteran-owned small business concern, and Women-owned small business concern status was calculated based on the NAICS codes, Number of Employees, and Average Annual Gross Revenues listed in the CCR Registration for "Company Name" along with the Small Business Administration size standard for each NAICS code.*

(6) Women-owned small business (WOSB) concern eligible under the WOSB Program. [Complete only if the offeror represented itself as a women-owned small business concern in paragraph (c)(5) of this provision] The offeror represents that:

- (i) It  is,  is not a WOSB concern eligible under the WOSB Program, has provided all the required documents to the WOSB Repository, and no change in circumstances or adverse decisions have been issued that affects its eligibility; and
- (ii) It  is,  is not a joint venture that complies with the requirements of 13 CFR part 127, and the representation in paragraph (c)(6)(i) of this provision is accurate in reference to the WOSB concern or concerns that are participating in the joint venture. [The offeror shall enter the name or names

of the WOSB concern or concerns that are participating in the joint venture: .] Each WOSB concern participating in the joint venture shall submit a separate signed copy of the WOSB representation.

- (7) Economically disadvantaged women-owned small business (EDWOSB) concern . [Complete only if the offeror represented itself as a WOSB concern eligible under the WOSB Program in (c)(6) of this provision.] The offeror represents that:
- (i) It  is,  is not an EDWOSB concern eligible under the WOSB Program, has provided all the required documents to the WOSB Repository, and no change in circumstances or adverse decisions have been issued that affects its eligibility; and
  - (ii) It  is,  is not a joint venture that complies with the requirements of 13 CFR part 127, and the representation in paragraph (c)(7) (i) of this provision is accurate in reference to the EDWOSB concern or concerns that are participating in the joint venture. [The offeror shall enter the name or names of the EDWOSB concern or concerns that are participating in the joint venture: .] Each EDWOSB concern participating in the joint venture shall submit a separate signed copy of the EDWOSB representation.

**Note:** Complete paragraphs (c)(8) and (c)(9) only if this solicitation is expected to exceed the simplified acquisition threshold.

- (8) Women-owned business concern (other than small business concern). [Complete only if the offeror is a women-owned business concern and did not represent itself as a small business concern in paragraph (c)(1) of this provision.] The offeror represents that it  is a women-owned business concern.
- (9) Tie bid priority for labor surplus area concerns. If this is an invitation for bid, small business offerors may identify the labor surplus areas in which costs to be incurred on account of manufacturing or production (by offeror or first-tier subcontractors) amount to more than 50 percent of the contract price:

State	Eligible Labor Surplus:	Civil Jurisdictions Included:
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- (10) (i) General. The offeror represents that either -
  - (A)  is  is not certified by the Small Business Administration as a small disadvantaged business concern and identified, on the date of this representation, as a certified small disadvantaged business concern in the CCR Dynamic Small Business Search database maintained by the Small Business Administration, and that no material change in disadvantaged ownership and control has occurred since its certification, and, where the concern is owned by one or more individuals claiming disadvantaged status, the net worth of each individual upon whom the certification is based does not exceed \$750,000 after taking into account the applicable exclusions set forth at 13 CFR 124.104(c)(2); or
  - (B) It  has  has not submitted a completed application to the Small Business Administration or a Private Certifier to be certified as a small disadvantaged business concern in accordance with 13 CFR 124, Subpart B, and a decision on that application is pending, and that no material change in disadvantaged ownership and control has occurred since its application was submitted.
- (ii)  Joint Ventures under the Price Evaluation Adjustment for Small Disadvantaged Business Concerns. The offeror represents, as part of its offer, that it is a joint venture that complies with the requirements in 13 CFR 124.1002(f) and that the representation in paragraph (c) (10)(i) of this provision is accurate for the small disadvantaged business concern that is participating in the joint venture [The offeror shall enter the name of the small disadvantaged business concern that is participating in the joint venture: ].

(11) HUBZone small business concern. The offeror represents, as part of its offer, that -

- (i) It  is It  is not a HUBZone small business concern listed, on the date of this representation, on the List of Qualified HUBZone Small Business Concerns maintained by the Small Business Administration, and no material change in ownership and control, principal office, or HUBZone employee percentage has occurred since it was certified in accordance with 13 CFR part 126; and
- (ii) It  is It  is not a HUBZone joint venture that complies with the requirements of 13 CFR part 126, and the representation in paragraph (c)(11)(i) of this provision is accurate for each HUBZone small business concern participating in the HUBZone joint venture. [The offeror shall enter the names of each of the HUBZone small business concerns participating in the HUBZone joint venture: .] Each HUBZone small business concern participating in the joint venture shall submit a separate signed copy of the HUBZone representation.

(d) Representations required to implement provisions of Executive Order 11246 -

(1) Previous contracts and compliance. The offeror represents that -

- (i) It  has It  has not participated in a previous contract or subcontract subject to the Equal Opportunity clause of this solicitation; and



(ii) It has It has not filed all required compliance reports.

(2) Affirmative Action Compliance. The offeror represents that -

(i) It has developed and has on file, It has not developed and does not have on file, at each establishment, affirmative action programs required by rules and regulations of the Secretary of Labor (41 cfr parts 60-1 and 60-2), or

(ii) It has not previously had contracts subject to the written affirmative action programs requirement of the rules and regulations of the Secretary of Labor.

(e) Certification Regarding Payments to Influence Federal Transactions (31 U.S.C. 1352).(Applies only if the contract is expected to exceed \$150,000.) By submission of its offer, the offeror certifies to the best of its knowledge and belief that no Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress or an employee of a Member of Congress on his or her behalf in connection with the award of any resultant contract. If any registrants under the Lobbying Disclosure Act of 1995 have made a lobbying contact on behalf of the offeror with respect to this contract, the offeror shall complete and submit, with its offer, OMB Standard Form LLL, Disclosure of Lobbying Activities, to provide the name of the registrants. The offeror need not report regularly employed officers or employees of the offeror to whom payments of reasonable compensation were made.

(f) Buy American Act Certificate. (Applies only if the clause at Federal Acquisition Regulation (FAR) 52.225 -1, Buy American Act-Supplies, is included in this solicitation.)

(1) The offeror certifies that each end product, except those listed in paragraph (f)(2) of this provision, is a domestic end product and that for other than COTS items, the offeror has considered components of unknown origin to have been mined, produced, or manufactured outside the United States. The offeror shall list as foreign end products those end products manufactured in the United States that do not qualify as domestic end products, i.e., an end product that is not a COTS item and does not meet the component test in paragraph (2) of the definition of "domestic end product." The terms "commercially available off-the-shelf (COTS) item" "component," "domestic end product," "end product," "foreign end product," and "United States" are defined in the clause of this solicitation entitled "Buy American Act-Supplies."

(2) Foreign End Products:

Description:	Country of Origin:
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(3) The Government will evaluate offers in accordance with the policies and procedures of FAR Part 25.

(g) (1) Buy American Act-Free Trade Agreements-Israeli Trade Act Certificate. (Applies only if the clause at FAR 52.225-3, Buy American Act- Free Trade Agreements-Israeli Trade Act, is included in this solicitation.)

(i) The offeror certifies that each end product, except those listed in paragraph (g)(1)(ii) or (g)(1)(iii) of this provision, is a domestic end product and that for other than COTS items, the offeror has considered components of unknown origin to have been mined, produced, or manufactured outside the United States. The terms "Bahrainian, Moroccan, Omani, or Peruvian end product," "commercially available off-the-shelf (COTS) item," "component," "domestic end product," "end product," "foreign end product," "Free Trade Agreement country," "Free Trade Agreement country end product," "Israeli end product," and "United States" are defined in the clause of this solicitation entitled "Buy American Act-Free Trade Agreements-Israeli Trade Act."

(ii) The offeror certifies that the following supplies are Free Trade Agreement country end products (other than Bahrainian, Moroccan, Omani, or Peruvian end products) or Israeli end products as defined in the clause of this solicitation entitled "Buy American Act— Free Trade Agreements— Israeli Trade Act": Free Trade Agreement Country End Products (Other than Bahrainian, Moroccan, Omani, or Peruvian End Products) or Israeli End Products:

Description:	Country of Origin:
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(iii) The offeror shall list those supplies that are foreign end products (other than those listed in paragraph (g)(1)(ii) of this provision) as defined in the clause of this solicitation entitled "Buy American Act—Free Trade Agreements—Israeli Trade Act." The offeror shall list as other foreign end products those end products manufactured in the United States that do not qualify as domestic end products, i.e., an end product that is not a COTS item and does not meet the component test in paragraph (2) of the definition of "domestic end product."

Other Foreign End Products:

Description:	Country of Origin:
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(iv) The Government will evaluate offers in accordance with the policies and procedures of FAR Part 25.

(2) Buy American Act-Free Trade Agreements-Israeli Trade Act Certificate, Alternate I. If Alternate I to the clause at FAR 52.225-3 is included in this solicitation, substitute the following paragraph (g)(1)(ii) for paragraph (g)(1)(ii) of the basic provision:

(g)(1)(ii) The offeror certifies that the following supplies are Canadian end products as defined in the clause of this solicitation entitled "Buy American Act - Free Trade Agreements-Israeli Trade Act":  
Canadian End Products:

Description:	Country of Origin:
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- (3) Buy American Act-Free Trade Agreements-Israeli Trade Act Certificate, Alternate II. If Alternate II to the clause at FAR 52.225-3 is included in this solicitation, substitute the following paragraph (g)(1)(ii) for paragraph (g)(1)(ii) of the basic provision:

(g)(1)(ii) The offeror certifies that the following supplies are Canadian end products or Israeli end products as defined in the clause of this solicitation entitled "Buy American Act -Free Trade Agreements-Israeli Trade Act": Canadian or Israeli End Products:

Description:	Country of Origin:
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- (4) Trade Agreements Certificate. (Applies only if the clause at FAR 52.225 -5, Trade Agreements, is included in this solicitation.)
- (i) The offeror certifies that each end product, except those listed in paragraph (g)(4)(ii) of this provision, is a U.S.-made, or designated country, end product, as defined in the clause of this solicitation entitled "Trade Agreements."
  - (ii) The offeror shall list as other end products those end products that are not U.S. -made, or designated country, end products.

Other End Products:

Description:	Country of Origin:
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- (iii) The Government will evaluate offers in accordance with the policies and procedures of FAR Part 25. For line items covered by the WTO GPA, the Government will evaluate offers of U.S. -made, or designated country, end products without regard to the restrictions of the Buy American Act. The Government will consider for award only offers of U.S. -made, or designated country, end products unless the Contracting Officer determines that there are no offers for such products or that the offers for such products are insufficient to fulfill the requirements of the solicitation.
- (h) Certification Regarding Responsibility Matters (Executive Order 12689).(Applies only if the contract value is expected to exceed the simplified acquisition threshold.) The offeror certifies, to the best of its knowledge and belief, that the offeror and/or any of its principals -
- (1) Are, Are not presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any Federal agency; and
  - (2) Have, Have not, within a three-year period preceding this offer, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a Federal, state or local government contract or subcontract; violation of Federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, violating Federal criminal tax laws, or receiving stolen property; and
  - (3) Are, Are not presently indicted for, or otherwise criminally or civilly charged by a Government entity with, commission of any of these offenses (h)(2) of this clause.
  - (4) Have, Have not within a three-year period preceding this offer, been notified of any delinquent Federal taxes in an amount that exceeds \$3,000 for which the liability remains unsatisfied.
    - (i) Taxes are considered delinquent if both of the following criteria apply:
      - (A) The tax liability is finally determined. The liability is finally determined if it has been assessed. A liability is not finally determined if there is a pending administrative or judicial challenge. In the case of a judicial challenge to the liability, the liability is not finally determined until all judicial appeal rights have been exhausted.
      - (B) The taxpayer is delinquent in making payment. A taxpayer is delinquent if the taxpayer has failed to pay the tax liability when full payment was due and required. A taxpayer is not delinquent in cases where enforced collection action is precluded.
    - (ii) Examples:
      - (A) The taxpayer has received a statutory notice of deficiency, under I.R.C. § 6212, which entitles the taxpayer to seek Tax Court review of a proposed tax deficiency. This is not a delinquent tax because it is not a final tax liability. Should the taxpayer seek Tax Court Review, this will not be a final tax liability under the taxpayer has exercised all judicial appeal rights.
      - (B) The IRS has filed a notice of Federal tax lien with respect to an assessed tax liability, and the taxpayer has been issued a notice under I.R.C. § 6320 entitling the taxpayer to request a hearing with the IRS Office of Appeals contesting the lien filing, and to further appeal to the Tax Court if the IRS determines to sustain the lien filing. In the course of the hearing, the

taxpayer is entitled to contest the underlying tax liability because the taxpayer has had no prior opportunity to contest the liability. This is not a delinquent tax because it is not a final tax liability. Should the taxpayer seek tax court review, this will not be a final tax liability until the tax payer has exercised all judicial appeal rights.

(C) The taxpayer has entered into an installment agreement pursuant to I.R.C. § 6159. The taxpayer is making timely payments and is in full compliance with the agreement terms. The taxpayer is not delinquent because the taxpayer is not currently required to make full payment.

(D) The taxpayer has filed for bankruptcy protection. The taxpayer is not delinquent because enforced collection action is stayed under II U. S. C 362 (the Bankruptcy Code).

(i) Certification Regarding Knowledge of Child Labor for Listed End Products (Executive Order 13126). [The Contracting Officer must list in paragraph (i)(1) any end products being acquired under this solicitation that are included in the List of Products Requiring Contractor Certification as to Forced or Indentured Child Labor, unless excluded at 22.1503(b).]

(1) Listed end products.

Listed End Products	Listed Country of Origin
Bamboo	Burma
Beans (green, soy, yellow)	Burma
Brazil Nuts/Chestnuts	Bolivia
Bricks	Burma, China, India, Nepal, Pakistan
Carpets	Nepal, Pakistan
Charcoal	Brazil
Coal	Pakistan
Coca (stimulant plant)	Colombia
Cocoa	Cote d'Ivoire, Nigeria
Coffee	Cote d'Ivoire
Cotton	Benin, Burkina Faso, China, Tajikistan, Uzbekistan
Cottonseed (hybrid)	India
Diamonds	Sierra Leone
Electronics	China
Embroidered Textiles (zari)	India, Nepal
Garments	Argentina, India, Thailand
Gold	Burkina Faso
Granite	Nigeria
Gravel (crushed stones)	Nigeria
Pornography	Russia
Rice	Burma, India, Mali
Rubber	Burma
Shrimp	Thailand
Stones	India, Nepal
Sugarcane	Bolivia, Burma
Teak	Burma
Tilapia (fish)	Ghana
Tobacco	Malawi

- (2) Certification. [If the Contracting Officer has identified end products and countries of origin in paragraph (i)(1) of this provision, then the offeror must certify to either (i)(2)(i) or (i)(2)(ii) by checking the appropriate block.]
- (i) The offeror will not supply any end product listed in paragraph (i)(1) of this provision that was mined, produced, or manufactured in the corresponding country as listed for that product.
  - (ii) The offeror may supply an end product listed in paragraph (i)(1) of this provision that was mined, produced, or manufactured in the corresponding country as listed for that product. The offeror certifies that it has made a good faith effort to determine whether forced or indentured child labor was used to mine, produce, or manufacture any such end product furnished under this contract. On the basis of those efforts, the offeror certifies that it is not aware of any such use of child labor.
- (j) *Place of Manufacture*(Does not apply unless the solicitation is predominantly for the acquisition of manufactured end products.) For statistical purposes only, the offeror shall indicate whether the place of manufacture of the end products it expects to provide in response to this solicitation is predominantly —
- (1)  In the United States (Check this box if the total anticipated price of offered end products manufactured in the United States exceeds the total anticipated price of offered end products manufactured outside the United States); or
  - (2)  Outside the United States.

**FSC Code:****Place of Manufacture:**

- (k) *Certificates regarding exemptions from the application of the Service Contract Act.* (Certification by the offeror as to its compliance with respect to the contract also constitutes its certification as to compliance by its subcontractor if it subcontracts out the exempt services.) [ *The contracting officer is to check a box to indicate if paragraph (k)(1) or (k)(2) applies.* ]
- (1)  Maintenance, calibration, or repair of certain equipment as described in FAR 22.1003 -4(c)(1). The offeror does, does not certify that \_\_\_
    - (i) The items of equipment to be serviced under this contract are used regularly for other than Governmental purposes and are sold or traded by the offeror (or subcontractor in the case of an exempt subcontract) in substantial quantities to the general public in the course of normal business operations;
    - (ii) The services will be furnished at prices which are, or are based on, established catalog or market prices (see FAR 22.1003-4(c)(2)(ii)) for the maintenance, calibration, or repair of such equipment; and
    - (iii) The compensation (wage and fringe benefits) plan for all service employees performing work under the contract will be the same as that used for these employees and equivalent employees servicing the same equipment of commercial customers.
  - (2)  Certain services as described in FAR 22.1003 -4(d)(1). The offeror does, does not certify that \_\_\_
    - (i) The services under the contract are offered and sold regularly to non -Governmental customers, and are provided by the offeror (or subcontractor in the case of an exempt subcontract) to the general public in substantial quantities in the course of normal business operations;
    - (ii) The contract services will be furnished at prices that are, or are based on, established catalog or market prices (see FAR 22.1003 -4(d)(2)(iii));
    - (iii) Each service employee who will perform the services under the contract will spend only a small portion of his or her time (a monthly average of less than 20 percent of the available hours on an annualized basis, or less than 20 percent of available hours during the contract period if the contract period is less than a month) servicing the Government contract; and
    - (iv) The compensation (wage and fringe benefits) plan for all service employees performing work under the contract is the same as that used for these employees and equivalent employees servicing commercial customers.
  - (3) If paragraph (k)(1) or (k)(2) of this clause applies \_\_\_
    - (i) If the offeror does not certify to the conditions in paragraph (k)(1) or (k)(2) and the Contracting Officer did not attach a Service Contract Act wage determination to the solicitation, the offeror shall notify the Contracting Officer as soon as possible; and
    - (ii) The Contracting Officer may not make an award to the offeror if the offeror fails to execute the certification in paragraph (k)(1) or (k)(2) of this clause or to contact the Contracting Officer as required in paragraph (k)(3)(i) of this clause.

- (l) *Taxpayer Identification Number (TIN)* (26 U.S.C. 6109, 31 U.S.C. 7701). (Not applicable if the offeror is required to provide this information to a central contractor registration database to be eligible for award.)
- (1) All offerors must submit the information required in paragraphs (l)(3) through (l)(5) of this provision to comply with debt collection requirements of 31 U.S.C. 7701(c) and 3325(d), reporting requirements of 26 U.S.C. 6041, 6041A, and 6050M, and implementing regulations issued by the Internal Revenue Service (IRS).
  - (2) The TIN may be used by the Government to collect and report on any delinquent amounts arising out of the offeror's relationship with the Government (31 U.S.C. 7701(c)(3)). If the resulting contract is subject to the payment reporting requirements described in FAR 4.904, the TIN provided hereunder may be matched with IRS records to verify the accuracy of the offeror's TIN.
  - (3) *Taxpayer Identification Number (TIN)*.
    - TIN on file with CCR.
    - TIN has been applied for.
    - TIN is not required because:
    - Offeror is a nonresident alien, foreign corporation, or foreign partnership that does not have income effectively connected with the conduct of a trade or business in the United States and does not have an office or place of business or a fiscal paying agent in the United States; ,
    - Offeror is an agency or instrumentality of a foreign government; ,
    - Offeror is an agency or instrumentality of the Federal Government.
  - (4) *Type of organization*.
    - sole proprietorship;
    - Partnership;
    - Corporate entity (not tax-exempt);
    - Corporate entity (tax-exempt);
    - Government entity (Federal, State, or local);
    - Foreign government;
    - International organization per 26 CFR 1.6049 -4;
    - Other
  - (5) *Common parent*.
    - Offeror is not owned or controlled by a common parent as defined in paragraph (a) of this provision.
    - Name: N/A  
TIN: **TIN not on File with ORCA**
- (m) *Restricted business operations in Sudan*. By submission of its offer, the offeror certifies that the offeror does not conduct any restricted business operations in Sudan.
- (n) *Prohibition on Contracting with Inverted Domestic Corporations*.
- (1) *Relation to Internal Revenue Code*. An inverted domestic corporation as herein defined does not meet the definition of an inverted domestic corporation as defined by the Internal Revenue Code 25 U.S.C. 7874.
  - (2) *Representation*. By submission of its offer, the offeror represents that —
    - (i) It is not an inverted domestic corporation; and
    - (ii) It is not a subsidiary of an inverted domestic corporation.
- (o) *Sanctioned activities relating to Iran*.
- (1) The offeror shall e-mail questions concerning sensitive technology to the Department of State at CISADA106@state.gov.
  - (2) *Representation and Certification*. Unless a waiver is granted or an exception applies as provided in paragraph (o)(3) of this provision, by submission of its offer, the offeror —
    - (i) Represents, to the best of its knowledge and belief, that the offeror does not export any sensitive technology to the government of Iran or any entities or individuals owned or controlled by, or acting on behalf or at the direction of, the government of Iran; and
    - (ii) Certifies that the offeror, or any person owned or controlled by the offeror, does not engage in any activities for which sanctions may be imposed under section 5 of the Iran Sanctions Act.
  - (3) The representation and certification requirements of paragraph (o)(2) of this provision do not apply if —
    - (i) This solicitation includes a trade agreements certification (e.g., 52.212 -3(g) or a comparable agency provision); and



(ii) The offeror has certified that all the offered products to be supplied are designated country end products.

**(End of provision)**

Alternate I (Apr 2011)

As prescribed in 12.301(b)(2), add the following paragraph (c) (12) to the basic provision:

(12) (Complete if the offeror has represented itself as disadvantaged in paragraph (c)(4) or (c) (10) of this provision.)

[The offeror shall check the category in which its ownership falls]:

Black American.

Hispanic American.

Native American (American Indians, Eskimos, Aleuts, or Native Hawaiians).

Asian-Pacific American (persons with origins from Burma, Thailand, Malaysia, Indonesia, Singapore, Brunei, Japan, China, Taiwan, Laos, Cambodia (Kampuchea), Vietnam, Korea, The Philippines, U.S. Trust Territory of the Pacific Islands (Republic of Palau), Republic of the Marshall Islands, Federated States of Micronesia, the Commonwealth of the Northern Mariana Islands, Guam, Samoa, Macao, Hong Kong, Fiji, Tonga, Kiribati, Tuvalu, or Nauru).

Subcontinent Asian (Asian-Indian) American (persons with origins from India, Pakistan, Bangladesh, Sri Lanka, Bhutan, the Maldives Islands, or Nepal).

Individual/concern, other than one of the preceding.

Alternate II (Apr 2011)

As prescribed in 12.301(b)(2), add the following paragraph (c) (10)(iii) to the basic provision:

(iii) Address. The offeror represents that its address  is,  is not in a region for which a small disadvantaged business procurement mechanism is authorized and its address has not changed since its certification as a small disadvantaged business concern or submission of its application for certification. The list of authorized small disadvantaged business procurement mechanisms and regions is posted at <http://www.arnet.gov/References/sdbadjustments.htm>. The offeror shall use the list in effect on the date of this solicitation. "Address," as used in this provision, means the address of the offeror as listed on the Small Business Administration's register of small disadvantaged business concerns or the address on the completed application that the concern has submitted to the Small Business Administration or a Private Certifier in accordance with 13 CFR part 124, subpart B. For joint ventures, "address" refers to the address of the small disadvantaged business concern that is participating in the joint venture.

**52.214-14 Place of Performance-Sealed Bidding (Apr 1985)**

(a) The bidder, in the performance of any contract resulting from this solicitation,  intends,  does not intend [check applicable box] to use one or more plants or facilities located at a different address from the address of the bidder as indicated in this bid.

(b) If the bidder checks "intends" in paragraph (a) of this provision, it shall insert in the spaces provided below the required information:

Name and Address of Owner and Operator of the Plant or Facility if Other than Bidder

<b>Address of Place of Performance (Street, Address, City, County, State, Zip Code):</b>	<b>Owner/Operator:</b>	<b>Owner Address (Street, Address, City, County, State, Zip Code):</b>
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**(End of Provision)**

**52.215-6 Place of Performance (Oct 1997)**

(a) The offeror or respondent, in the performance of any contract resulting from this solicitation, intends does not intend [check applicable block] to use one or more plants or facilities located at a different address from the address of the offeror or respondent as indicated in this proposal or response to request for information.

(b) If the offeror or respondent checks "intends" in paragraph (a) of this provision, it shall insert in the following spaces the required information:

Name and Address of Owner and Operator of the Plant or Facility if Other than Bidder

<b>Address of Place of Performance (Street, Address, City, County, State, Zip Code):</b>	<b>Owner/Operator:</b>	<b>Owner Address (Street, Address, City, County, State, Zip Code):</b>
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**(End of Provision)**

**52.219-1 Small Business Program Representations (Apr 2011)**

- (a) (1) The North American Industry Classification System (NAICS) code for this acquisition is See Note.\*
- (2) The small business size standard is See Note.
- (3) The small business size standard for a concern which submits an offer in its own name, other than on a construction or service contract, but which proposes to furnish a product which it did not itself manufacture, is 500 employees.

(b) Representations.

(1) The offeror represents as part of its offer that it is, is not a small business concern (see below).  
\*\*

<b>NAICS:</b>	<b>Description:</b>	<b>Small Business Concern (Yes/No):</b>
519190	ALL OTHER INFORMATION SERVICES	No

(2) [Complete only if the offeror represented itself as a small business concern in paragraph (b)(1) of this provision.] The offeror represents, for general statistical purposes, that it is, is not, a small disadvantaged business concern as defined in 13 CFR 124.1002.

(3) [Complete only if the offeror represented itself as a small business concern in paragraph (b)(1) of this provision.] The offeror represents as part of its offer that it is, is not a women-owned small business concern.  
(See Below)

<b>NAICS:</b>	<b>Description:</b>	<b>Women-Owned Small Business Concern (Yes/No):</b>
519190	ALL OTHER INFORMATION SERVICES	No

(4) Women-owned small business (WOSB) concern eligible under the WOSB Program. [Complete only if the offeror represented itself as a women-owned small business concern in paragraph (b)(3) of this provision] The offeror represents as part of its offer that:

- (i) It is, is not a WOSB concern eligible under the WOSB Program, has provided all the required documents to the WOSB Repository, and no change in circumstances or adverse decisions have been issued that affects its eligibility; and
- (ii) It is, is not a joint venture that complies with the requirements of 13 CFR part 127, and the representation in paragraph (b)(4)(i) of this provision is accurate in reference to the WOSB concern or concerns that are participating in the joint venture. [The offeror shall enter the name or names of the WOSB concern or concerns that are participating in the joint venture: .] Each WOSB concern participating in the joint venture shall submit a separate signed copy of the WOSB representation.

(5) Economically disadvantaged women-owned small business (EDWOSB) concern. [Complete only if the offeror represented itself as a women-owned small business concern eligible for the WOSB Program in (b)(4) of this provision] The offeror represents as part of its offer that:

- (i) It is, is not an EDWOSB concern eligible under the WOSB Program, has provided all the required documents to the WOSB Repository, and no change in circumstances or adverse decisions have been issued that affects its eligibility; and
- (ii) It is, is not a joint venture that complies with the requirements of 13 CFR part 127, and the representation in paragraph (b)(5)(i) of this provision is accurate in reference to the EDWOSB concern or concerns that are participating in the joint venture. [The offeror shall enter the name

or names of the EDWOSB concern or concerns that are participating in the joint venture: .] Each EDWOSB concern participating in the joint venture shall submit a separate signed copy of the EDWOSB representation.

- (6) **\*\*** [Complete only if the offeror represented itself as a small business concern in paragraph (b)(1) of this provision.] The offeror represents as part of its offer that it  is,  is not a veteran-owned small business concern.

NAICS:	Description:	Veteran-Owned Small Business Concern (Yes/No):
519190	ALL OTHER INFORMATION SERVICES	No

- (7) **\*\*** [Complete only if the offeror represented itself as a veteran-owned small business concern in paragraph (b)(6) of this provision.] The offeror represents as part of its offer that it  is,  is not a service-disabled veteran-owned small business concern.  
(See Below)

NAICS:	Description:	Service-Disabled Veteran-Owned Small Business Concern (Yes/No):
519190	ALL OTHER INFORMATION SERVICES	No

*\*If you are responding to a Government solicitation for supplies or services under a NAICS code not listed in paragraph (b) of this certification, you must provide this certification directly to the Contracting Officer.*

*\*\*Small business concern, Veteran-owned small business concern, Service-disabled veteran-owned small business concern, and Women-owned small business concern status was calculated based on the NAICS codes, Number of Employees, and Average Annual Gross Revenues listed in the CCR Registration for "Company Name " along with the Small Business Administration size standard for each NAICS code.*

- (8) [Complete only if the offeror represented itself as a small business concern in paragraph (b)(1) of this provision.] The offeror represents, as part of its offer, that -
- (i) It  is,  is not a HUBZone small business concern listed, on the date of this representation, on the List of Qualified HUBZone Small Business Concerns maintained by the Small Business Administration, and no material change in ownership and control, principal office, or HUBZone employee percentage has occurred since it was certified in accordance with 13 CFR part 126; and
  - (ii) It  is,  is not a HUBZone joint venture that complies with the requirements of 13 CFR part 126, and the representation in paragraph (b)(8)(i) of this provision is accurate for each HUBZone small business concern participating in the HUBZone joint venture. [The offeror shall enter the names of each of the HUBZone small business concerns participating in the HUBZone joint venture: .] Each HUBZone small business concern participating in the joint venture shall submit a separate signed copy of the HUBZone representation.

- (c) Definitions. As used in this provision -

"Economically disadvantaged women-owned small business (EDWOSB) concern" means a small business concern that is at least 51 percent directly and unconditionally owned by, and the management and daily business operations of which are controlled by, one or more women who are citizens of the United States and who are economically disadvantaged in accordance with 13 CFR part 127. It automatically qualifies as a women-owned small business concern eligible for the WOSB Program.

"Service-disabled veteran-owned small business concern" -

- (1) Means a small business concern -

- (i) Not less than 51 percent of which is owned by one or more service-disabled veterans or, in the case of any publicly owned business, not less than 51 percent of the stock of which is owned by one or more service-disabled veterans; and
- (ii) The management and daily business operations of which are controlled by one or more service-disabled veterans or, in the case of a veteran with permanent and severe disability, the spouse or permanent caregiver of such veteran.

- (2) Service-disabled veteran means a veteran, as defined in 38 U.S.C. 101(2), with a disability that is service-connected, as defined in 38 U.S.C. 101(16).

"Small business concern" means a concern, including its affiliates, that is independently owned and operated, not dominant in the field of operation in which it is bidding on Government contracts, and qualified as a small business under the criteria in 13 CFR part 121 and the size standard in paragraph (a) of this provision.

"Veteran-owned small business concern" means a small business concern -

- (1) Not less than 51 percent of which is owned by one or more veterans (as defined at 38 U.S.C. 101(2)) or, in the case of any publicly owned business, not less than 51 percent of the stock of which is owned by one or more veterans; and
- (2) The management and daily business operations of which are controlled by one or more veterans.

"Women-owned small business concern" means a small business concern -

- (1) That is at least 51 percent owned by one or more women; or, in the case of any publicly owned business, at least 51 percent of the stock of which is owned by one or more women; and
- (2) Whose management and daily business operations are controlled by one or more women.

"Women-owned small business (WOSB) concern eligible under the WOSB Program " (in accordance with 13 CFR part 127), means a small business concern that is at least 51 percent directly and unconditionally owned by, and the management and daily business operations of which are controlled by, one or more women who are citizens of the United States.

(d) Notice.

- (1) If this solicitation is for supplies and has been set aside, in whole or in part, for small business concerns, then the clause in this solicitation providing notice of the set -aside contains restrictions on the source of the end items to be furnished.
- (2) Under 15 U.S.C. 645(d), any person who misrepresents a firm 's status as a business concern that is small, HUBZone small, small disadvantaged, service -disabled veteran-owned small, economically disadvantaged woman-owned small, or women -owned small eligible under the WOSB Program in order to obtain a contract to be awarded under the preference programs established pursuant to section 8, 9, or 15, 31, and 36 of the Small Business Act or any other provision of Federal law that specifically references section 8(d) for a definition of program eligibility, shall —
  - (i) Be punished by imposition of fine, imprisonment, or both;
  - (ii) Be subject to administrative remedies, including suspension and debarment; and
  - (iii) Be ineligible for participation in programs conducted under the authority of the Act.

#### **(End of provision)**

#### **Alternate I (Apr 2011)**

As prescribed in 19.309(a)(2), add the following paragraph (b)(9) to the basic provision:

(9) [Complete if offeror represented itself as disadvantaged in paragraph (b)(2) of this provision.] The offeror shall check the category in which its ownership falls:

Black American.

Hispanic American.

Native American (American Indians, Eskimos, Aleuts, or Native Hawaiians).

Asian-Pacific American (persons with origins from Burma, Thailand, Malaysia, Indonesia, Singapore, Brunei, Japan, China, Taiwan, Laos, Cambodia (Kampuchea), Vietnam, Korea, The Philippines, U.S. Trust Territory of the Pacific Islands (Republic of Palau), Republic of the Marshall Islands, Federated States of Micronesia, the Commonwealth of the Northern Mariana Islands, Guam, Samoa, Macao, Hong Kong, Fiji, Tonga, Kiribati, Tuvalu, or Nauru).

Subcontinent Asian (Asian-Indian) American (persons with origins from India, Pakistan, Bangladesh, Sri Lanka, Bhutan, the Maldives Islands, or Nepal).

Individual/concern, other than one of the preceding.

#### **52.219-2 Equal Low Bids (Oct 1995)**

(a) This provision applies to small business concerns only

(b) The bidder's status as a labor surplus area (LSA) concern may affect entitlement to award in case of tie bids. If the bidder wishes to be considered for this priority, the bidder must identify, in the following space, the LSA in which the costs to be incurred on account of manufacturing or production (by the bidder or the first -

tier subcontractors) amount to more than 50 percent of the contract price.

State	Eligible Labor Surplus:	Civil Jurisdictions Included:
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- (c) Failure to identify the labor surplus areas as specified in paragraph (b) of this provision will preclude the bidder from receiving priority consideration. If the bidder is awarded a contract as a result of receiving priority consideration under this provision and would not have otherwise received award, the bidder shall perform the contract or cause the contract to be performed in accordance with the obligations of an LSA concern.

**(End of Provision)**

**52.219-22 Small Disadvantaged Business Status (Oct 1999)**

- (a) General. This provision is used to assess an offeror's small disadvantaged business status for the purpose of obtaining a benefit on this solicitation. Status as a small business and status as a small disadvantaged business for general statistical purposes is covered by the provision at FAR 52.219 -1, Small Business Program Representation.
- (b) Representations.
- (1) General. The offeror represents, as part of its offer, that it is a small business under the size standard applicable to this acquisition; and either -
- (i) It has received certification by the Small Business Administration as a small disadvantaged business concern consistent with 13 CFR 124, Subpart B; and
    - (A) No material change in disadvantaged ownership and control has occurred since its certification;
    - (B) Where the concern is owned by one or more disadvantaged individuals, the net worth of each individual upon whom the certification is based does not exceed \$750,000 after taking into account the applicable exclusions set forth at 13 CFR 124.104(c)(2); and
    - (C) It is identified, on the date of its representation, as a certified small disadvantaged business concern in the database maintained by the Small Business Administration (PRO -Net); or
  - (ii) It has submitted a completed application to the Small Business Administration or a Private Certifier to be certified as a small disadvantaged business concern in accordance with 13 CFR 124, Subpart B, and a decision on that application is pending, and that no material change in disadvantaged ownership and control has occurred since its application was submitted.
- (2)  For Joint Ventures. The offeror represents, as part of its offer, that it is a joint venture that complies with the requirements at 13 CFR 124.1002(f) and that the representation in paragraph (b)(1) of this provision is accurate for the small disadvantaged business concern that is participating in the joint venture. [The offeror shall enter the name of the small disadvantaged business concern that is participating in the joint venture: .]
- (c) Penalties and Remedies. Anyone who misrepresents any aspects of the disadvantaged status of a concern for the purposes of securing a contract or subcontract shall -
- (1) Be punished by imposition of a fine, imprisonment, or both;
  - (2) Be subject to administrative remedies, including suspension and debarment; and
  - (3) Be ineligible for participation in programs conducted under the authority of the Small Business Act.

**(End of provision)**

**Alternate I (Apr 2011)**

As prescribed in 19.309(b), add the following paragraph (b)(3) to the basic provision:

- (3) Address. The offeror represents that its address  is  is not in a region for which a small disadvantaged business procurement mechanism is authorized and its address has not changed since its certification as a small disadvantaged business concern or submission of its application for certification. The list of authorized small disadvantaged business procurement mechanisms and regions is posted at <http://www.arnet.gov/References/sdbadjustments.htm>. The offeror shall use the list in effect on the date of this solicitation. "Address," as used in this provision, means the address of the offeror as listed on the Small Business Administration's register of small disadvantaged business concerns or the address on the completed application that the concern has submitted to the Small Business Administration or a Private Certifier in accordance with 13 CFR part 124, subpart B. For joint ventures, "address" refers to the address of the small disadvantaged business concern that is participating in the joint venture.

**52.222-18 Certification Regarding Knowledge of Child Labor for Listed End Products (Feb 2001)**

(a) Definition:

"Forced or indentured child labor" means all work or service -

(1) Exacted from any person under the age of 18 under the menace of any penalty for its nonperformance and for which the worker does not offer himself voluntarily; or

(2) Performed by any person under the age of 18 pursuant to a contract the enforcement of which can be accomplished by process or penalties.

(b) Listed end products. The following end product(s) being acquired under this solicitation is (are) included in the List of Products Requiring Contractor Certification as to Forced or Indentured Child Labor, identified by their country of origin. There is a reasonable basis to believe that listed end products from the listed countries of origin may have been mined, produced, or manufactured by forced or indentured child labor.

Listed End Products	Listed Country of Origin
Bamboo	Burma
Beans (green, soy, yellow)	Burma
Brazil Nuts/Chestnuts	Bolivia
Bricks	Burma, China, India, Nepal, Pakistan
Carpets	Nepal, Pakistan
Charcoal	Brazil
Coal	Pakistan
Coca (stimulant plant)	Colombia
Cocoa	Cote d'Ivoire, Nigeria
Coffee	Cote d'Ivoire
Cotton	Benin, Burkina Faso, China, Tajikistan, Uzbekistan
Cottonseed (hybrid)	India
Diamonds	Sierra Leone
Electronics	China
Embroidered Textiles (zari)	India, Nepal
Garments	Argentina, India, Thailand
Gold	Burkina Faso
Granite	Nigeria
Gravel (crushed stones)	Nigeria
Pornography	Russia
Rice	Burma, India, Mali
Rubber	Burma
Shrimp	Thailand
Stones	India, Nepal
Sugarcane	Bolivia, Burma
Teak	Burma
Tilapia (fish)	Ghana
Tobacco	Malawi
Toys	China

(c) Certification. The Government will not make award to an offeror unless the offeror, by checking the appropriate block, certifies to either paragraph (c)(1) or paragraph (c)(2) of this provision

(1) The offeror will not supply any end product listed in paragraph (b) of this provision that was mined,



produced, or manufactured in a corresponding country as listed for that end product.

- (2) The offeror may supply an end product listed in paragraph (b) of this provision that was mined, produced, or manufactured in the corresponding country as listed for that product. The offeror certifies that it has made a good faith effort to determine whether forced or indentured child labor was used to mine, produce, or manufacture such end product. On the basis of those efforts, the offeror certifies that it is not aware of any such use of child labor.

**(End of Provision)**

#### **52.222-22 Previous Contracts and Compliance Reports (Feb 1999)**

The offeror represents that-

- (a) It  has It  has not participated in a previous contract or subcontract subject the Equal Opportunity clause of this solicitation;
- (b) It  has It  has not filed all required compliance reports; and
- (c) Representations indicating submission of required compliance reports, signed by proposed subcontractors, will be obtained before subcontract awards.

**(End of Provision)**

#### **52.222-25 Affirmative Action Compliance (Apr 1984)**

The offeror represents that-

- (a) It  has developed and has on file,  has not developed and does not have on file, at each establishment, affirmative action programs required by the rules and regulations of the Secretary of Labor (41 CFR 60 -1 and 60-2); or
- (b) It  has not previously had contracts subject to the written affirmative action programs requirement of the rules and regulations of the Secretary of Labor.

**(End of Provision)**

#### **52.222-48 Exemption from Application of the Service Contract Act to Contracts for Maintenance, Calibration, or Repair of Certain Equipment Certification (Feb 2009)**

- (a) The offeror shall check the following certification:

Certification

The offeror  does  does not certify that -

- (1) The items of equipment to be serviced under this contract are used regularly for other than Government purposes, and are sold or traded by the offeror (or subcontractor in the case of an exempt subcontractor) in substantial quantities to the general public in the course of normal business operations;
- (2) The services will be furnished at prices which are, or are based on, established catalog or market prices for the maintenance, calibration, or repair of equipment.
- (i) An "established catalog price" is a price included in a catalog, price list, schedule, or other form that is regularly maintained by the manufacturer or the offeror, is either published or otherwise available for inspection by customers, and states prices at which sales currently, or were last, made to a significant number of buyers constituting the general public.
- (ii) An "established market price" is a current price, established in the usual course of trade between buyers and sellers free to bargain, which can be substantiated from sources independent of the manufacturer or offeror; and
- (3) The compensation (wage and fringe benefits) plan for all service employees performing work under the contract are the same as that used for these employees and equivalent employees servicing the same equipment of commercial customers.
- (b) Certification by the offeror as to its compliance with respect to the contract also constitutes its certification as to compliance by its subcontractor if it subcontracts out the exempt services. If the offeror certifies to the conditions in paragraph (a) of this provision, and the Contracting Officer determines in accordance with FAR 22.1003-4(c)(3) that the Service Contract Act—
- (1) Will not apply to this offeror, then the Service Contract Act of 1965 clause in this solicitation will not be included in any resultant contract to this offeror; or

- (2) Will apply to this offeror, then the clause at 52.222 -51, Exemption from Application of the Service Contract Act to Contracts for Maintenance, Calibration, or Repair of Certain Equipment -Requirements, in this solicitation will not be included in any resultant contract awarded to this offeror, and the offeror may be provided an opportunity to submit a new offer on that basis.
- (c) If the offeror does not certify to the conditions in paragraph (a) of this provision —
- (1) The clause in this solicitation at 52.222 -51, Exemption from Application of the Service Contract Act to Contracts for Maintenance, Calibration, or Repair of Certain Equipment — Requirements, will not be included in any resultant contract awarded to this offeror; and
  - (2) The offeror shall notify the Contracting Officer as soon as possible, if the Contracting Officer did not attach a Service Contract Act wage determination to the solicitation.
- (d) The Contracting Officer may not make an award to the offeror, if the offeror fails to execute the certification in paragraph (a) of this provision or to contact the Contracting Officer as required in paragraph (c) of this provision.

**(End of Provision)**

**52.222-52 Exemption from Application of the Service Contract Act to Contracts for Certain Services—Certification. (Nov 2007)**

- (a) The offeror shall check the following certification:

Certification

The offeror does does not certify that -

- (1) The services under the contract are offered and sold regularly to non -Governmental customers, and are provided by the offeror (or subcontractor in the case of an exempt subcontract) to the general public in substantial quantities in the course of normal business operations;
  - (2) The contract services are furnished at prices that are, or are based on, established catalog or market prices. An “established catalog price” is a price included in a catalog, price list, schedule, or other form that is regularly maintained by the manufacturer or the offeror, is either published or otherwise available for inspection by customers, and states prices at which sales currently, or were last, made to a significant number of buyers constituting the general public. An “established market price” is a current price, established in the usual course of ordinary and usual trade between buyers and sellers free to bargain, which can be substantiated from sources independent of the manufacturer or offeror;
  - (3) Each service employee who will perform the services under the contract will spend only a small portion of his or her time (a monthly average of less than 20 percent of the available hours on an annualized basis, or less than 20 percent of available hours during the contract period if the contract period is less than a month) servicing the Government contract; and
  - (4) The offeror uses the same compensation (wage and fringe benefits) plan for all service employees performing work under the contract as the offeror uses for these employees and for equivalent employees servicing commercial customers.
- (b) Certification by the offeror as to its compliance with respect to the contract also constitutes its certification as to compliance by its subcontractor if it subcontracts out the exempt services. If the offeror certifies to the conditions in paragraph (a) of this provision, and the Contracting Officer determines in accordance with FAR 22.1003-4(d)(3) that the Service Contract Act—
- (1) Will not apply to this offeror, then the Service Contract Act of 1965 clause in this solicitation will not be included in any resultant contract to this offeror; or
  - (2) Will apply to this offeror, then the clause at FAR 52.222 -53, Exemption from Application of the Service Contract Act to Contracts for Certain Services—Requirements, in this solicitation will not be included in any resultant contract awarded to this offer, and the offeror may be provided an opportunity to submit a new offer on that basis.
- (c) If the offeror does not certify to the conditions in paragraph (a) of this provision —
- (1) The clause of this solicitation at 52.222 -53, Exemption from Application of the Service Contract Act to Contracts for Certain Services—Requirements, will not be included in any resultant contract to this offeror; and
  - (2) The offeror shall notify the Contracting Officer as soon as possible if the Contracting Officer did not attach a Service Contract Act wage determination to the solicitation.
- (d) The Contracting Officer may not make an award to the offeror, if the offeror fails to execute the certification in paragraph (a) of this provision or to contact the Contracting Officer as required in paragraph (c) of this provision.

**(End of Provision)**

#### 52.223-4 Recovered Material Certification (May 2008)

INTERNET CORPORATION FOR ASSIGNED NAMES AND NUMBERS (Doing Business As: I C A N N) has elected not to complete this provision. Information pertaining to this provision, must be submitted to the Government with individual offers/proposals.

(End of Provision)

#### 52.223-9 Estimate of Percentage of Recovered Material Content for EPA-Designated Items

##### Alternate I (May 2008)

INTERNET CORPORATION FOR ASSIGNED NAMES AND NUMBERS (Doing Business As: I C A N N) has elected not to complete this provision. Information pertaining to this provision, must be submitted to the Government with individual offers/proposals.

(End of Provision)

#### 52.225-2 Buy American Act Certificate (Feb 2009)

(a) The offeror certifies that each end product, except those listed in paragraph (b) of this provision, is a domestic end product and that for other than COTS items, the offeror has considered components of unknown origin to have been mined, produced, or manufactured outside the United States. The offeror shall list as foreign end products those end products manufactured in the United States that do not qualify as domestic end products, i.e., an end product that is not a COTS item and does not meet the component test in paragraph (2) of the definition of "domestic end product." The terms "commercially available off-the-shelf (COTS) item," "component," "domestic end product," "end product," "foreign end product," and "United States" are defined in the clause of this solicitation entitled "Buy American Act-Supplies."

(b) Foreign End Products:

Description:	Country of Origin:
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(c) The Government will evaluate offers in accordance with the policies and procedures of Part 25 of the Federal Acquisition Regulation.

(End of Provision)

#### 52.225-4 Buy American Act-Free Trade Agreements-Israeli Trade Act Certificate (Jun 2009)

(a) The offeror certifies that each end product, except those listed in paragraph (b) or (c) of this provision, is a domestic end product and that for other than COTS items, the offeror has considered components of unknown origin to have been mined, produced, or manufactured outside the United States. The terms "Bahrainian, Moroccan, Omani, or Peruvian end product," "commercially available off-the-shelf (COTS) item," "component," "domestic end product," "end product," "foreign end product," "Free Trade Agreement country," "Free Trade Agreement country end product," "Israeli end product," and "United States" are defined in the clause of this solicitation entitled "Buy American Act-Free Trade Agreements-Israeli Trade Act."

(b) The offeror certifies that the following supplies are Free Trade Agreement country end products (other than Bahrainian, Moroccan, Omani, or Peruvian end products) or Israeli end products as defined in the clause of this solicitation entitled "Buy American Act-Free Trade Agreements-Israeli Trade Act": Free Trade Agreement Country End Products (Other than Bahrainian, Moroccan, Omani, or Peruvian End Products) or Israeli End Products:"

Description:	Country of Origin:
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(c) The offeror shall list those supplies that are foreign end products (other than those listed in paragraph (b) of this provision) as defined in the clause of this solicitation entitled "Buy American Act-Free Trade Agreements-Israeli Trade Act." The offeror shall list as other foreign end products those end products manufactured in the United States that do not qualify as domestic end products, i.e., an end product that is not a COTS item and does not meet the component test in paragraph (2) of the definition of "domestic end product."

Other Foreign End Products:

Description:	Country of Origin:
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(d) The Government will evaluate offers in accordance with the policies and procedures of Part 25 of the Federal Acquisition Regulation.

**(End of provision)**

**Alternate I (Jan 2004)**

As prescribed in 25.1101 (b)(2)(ii), substitute the following paragraph (b) for paragraph (b) of the basic provision:

(b) The offeror certifies that the following supplies are Canadian end products as defined in the clause of this solicitation entitled "Buy American Act-Free Trade Agreements-Israeli Trade Act": Canadian End Products:

<b>Description:</b>	<b>Country of Origin:</b>
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**Alternate II (Jan 2004)**

As prescribed in 25.1101(b)(2)(iii), substitute the following paragraph (b) for paragraph (b) of the basic provision:

(b) The offeror certifies that the following supplies are Canadian end products or Israeli end products as defined in the clause of this solicitation entitled "Buy American Act -Free Trade Agreements-Israeli Trade Act": Canadian or Israeli End Products:

<b>Description:</b>	<b>Country of Origin:</b>
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**52.225-6 Trade Agreements Certificate (Jan 2005)**

(a) The offeror certifies that each end product, except those listed in paragraph (b) of this provision, is a U.S. - made, or designated country, end product, as defined in the clause of this solicitation entitled "Trade Agreements."

(b) The offeror shall list as other end products those supplies that are not U.S. -made, or designated country, end products. Other End Products:

<b>Description:</b>	<b>Country of Origin:</b>
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(c) The Government will evaluate offers in accordance with the policies and procedures of Part 25 of the Federal Acquisition Regulation. For line items covered by the WTO GPA, the Government will evaluate offers of U.S. - made, or designated country, end products without regard to the restrictions of the Buy American Act. The Government will consider for award only offers of U.S. -made, or designated country, end products unless the Contracting Officer determines that there are no offers for those products or that the offers for those products are insufficient to fulfill the requirements of this solicitation.

**(End of Provision)**

**52.226-2 Historically Black College or University and Minority Institution Representation(Oct 2008)**

(a) Definitions. As used in this provision -

"Historically black college or university" means an institution determined by the Secretary of Education to meet the requirements of 34 CFR 608.2. For the Department of Defense, the National Aeronautics and Space Administration, and the Coast Guard, the term also includes any nonprofit research institution that was an integral part of such a college or university before November 14, 1986.

"Minority institution" means an institution of higher education meeting the requirements of Section 365(3) of the Higher Education Act of 1965 (20 U.S.C. 1067k), including a Hispanic -serving institution of higher education, as defined in Section 502(a) of the Act (20 U.S.C. 1101a).

(b) Representation. The offeror represents that it -

- is  is not a historically black college or university;  
 is  is not a minority institution.

**(End of Provision)**

**52.227-15 Representation of Limited Rights Data and Restricted Computer Software (Dec 2007)**

(a) This solicitation sets forth the Government's known delivery requirements for data (as defined in the clause at 52.227-14, Rights in Data—General). Any resulting contract may also provide the Government the option to order additional data under the Additional Data Requirements clause at 52.227 -16, if included in the contract. Any data delivered under the resulting contract will be subject to the Rights in Data —General clause at 52.227-14 included in this contract. Under the latter clause, a Contractor may withhold from delivery data that qualify as limited rights data or restricted computer software, and deliver form, fit, and

function data instead. The latter clause also may be used with its Alternates II and or III to obtain delivery of limited rights data or restricted computer software, marked with limited rights or restricted rights notices, as appropriate. In addition, use of Alternate V with this latter clause provides the Government the right to inspect such data at the Contractor's facility.

- (b) By completing the remainder of this paragraph, the offeror represents that it has reviewed the requirements for the delivery of technical data or computer software and states [offeror check appropriate block] —
- (1)  None of the data proposed for fulfilling such requirements qualifies as limited rights data or restricted computer software; or
  - (2)  Data proposed for fulfilling such requirements qualify as limited rights data or restricted computer software and are identified as follows:
- (c) Any identification of limited rights data or restricted computer software in the offeror's response is not determinative of the status of the data should a contract be awarded to the offeror.

**(End of Provision)**



## **2. Financial Statements**

In this Tab 2, audited financial statements for the most recent fiscal year 2011 and the preceding three (3) fiscal years 2010, 2009, and 2008 are included in exhibits one through four. ICANN currently uses the Certified Public Accounting firm of Moss-Adams, LLP, Los Angeles, California as our independent auditor. All ICANN financial statements are audited.

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**CONFIDENTIAL & BUSINESS PROPRIETARY**

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Report of Independent Auditors and Financial  
Statements for  
**Internet Corporation for Assigned  
Names and Numbers**

June 30, 2011 and 2010

**MOSS ADAMS** LLP

Certified Public Accountants | Business Consultants

*Acumen. Agility. Answers.*

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## REPORT OF INDEPENDENT AUDITORS

To the Board of Directors (Board)  
Internet Corporation for Assigned Names and Numbers

We have audited the accompanying statements of financial position of Internet Corporation for Assigned Names and Numbers ("ICANN" or the "Organization") as of June 30, 2011 and 2010, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the management of ICANN. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the ICANN's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ICANN as of June 30, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

*Moss Adams LLP*

Los Angeles, California  
September 16, 2011

**INTERNET CORPORATION FOR ASSIGNED NAMES AND NUMBERS****STATEMENTS OF FINANCIAL POSITION****JUNE 30,****2011****2010***Amounts are rounded to the nearest thousand in US Dollars***ASSETS**

Cash and cash equivalents	\$ 29,073,000	\$ 17,205,000
Accounts receivable, net	15,068,000	16,723,000
Investments	51,716,000	45,680,000
Prepaid expenses	207,000	329,000
Other assets	105,000	395,000
Capital assets, net	3,651,000	2,661,000
Total assets	<u>\$ 99,820,000</u>	<u>\$ 82,993,000</u>

**LIABILITIES AND NET ASSETS**

Liabilities		
Accounts payable and accrued liabilities	\$ 8,195,000	\$ 5,682,000
Deferred revenue	<u>11,475,000</u>	<u>12,603,000</u>
Total liabilities	<u>19,670,000</u>	<u>18,285,000</u>
Unrestricted net assets	<u>80,150,000</u>	<u>64,708,000</u>
Total liabilities and net assets	<u>\$ 99,820,000</u>	<u>\$ 82,993,000</u>

**INTERNET CORPORATION FOR ASSIGNED NAMES AND NUMBERS****STATEMENTS OF ACTIVITIES****YEARS ENDED JUNE 30,****2011****2010***Amounts are rounded to the nearest thousand in US Dollars***UNRESTRICTED SUPPORT AND REVENUE**

Registry	\$ 33,202,000	\$ 31,915,000
Registrar	31,259,000	30,189,000
R.I.R.	823,000	823,000
ccTLD	1,990,000	1,666,000
IDN ccTLD Fast track request fees	468,000	236,000
Contributions	1,551,000	939,000
Total support and revenue	69,293,000	65,768,000

**EXPENSES**

Personnel	26,321,000	24,958,000
Travel and meetings	12,258,000	10,609,000
Professional services	12,864,000	14,605,000
Administration	8,541,000	8,475,000
Total expenses	59,984,000	58,647,000

Interest income	127,000	75,000
Investment gain	6,006,000	4,241,000
Total other income	6,133,000	4,316,000

Change in net assets	15,442,000	11,437,000
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**UNRESTRICTED NET ASSETS**

Beginning of year	64,708,000	53,271,000
End of year	\$ 80,150,000	\$ 64,708,000



**INTERNET CORPORATION FOR ASSIGNED NAMES AND NUMBERS****STATEMENTS OF CASH FLOWS****YEARS ENDED JUNE 30,****2011****2010***Amounts are rounded to the nearest thousand in US Dollars***CASH FLOWS FROM OPERATING ACTIVITIES**

Change in net assets	\$	15,442,000	\$	11,437,000
Adjustments to reconcile change in net assets to cash provided by operating activities:				
Depreciation expense		1,490,000		1,485,000
Bad debt expense		686,000		140,000
Realized and unrealized gain		(6,006,000)		(4,241,000)
Changes in operating assets and liabilities				
Accounts receivable		969,000		(5,106,000)
Prepaid expenses		120,000		142,000
Other assets		290,000		(50,000)
Accounts payable and accrued liabilities		2,514,000		(4,071,000)
Deferred revenue		(1,128,000)		2,399,000
Net cash provided by operating activities		14,377,000		2,135,000

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchases of capital assets		(2,479,000)		(1,143,000)
Proceeds from disposal of capital assets		-		91,000
Purchases of investments		(30,000)		(11,000,000)
Net cash used in investing activities		(2,509,000)		(12,052,000)

**NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS**

11,868,000 (9,917,000)

**CASH AND CASH EQUIVALENTS**

Beginning of year		17,205,000		27,122,000
End of year	\$	29,073,000	\$	17,205,000

# INTERNET CORPORATION FOR ASSIGNED NAMES AND NUMBERS

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1 - ORGANIZATION

The Internet Corporation for Assigned Names and Numbers (ICANN) was established in September 1998 under the laws of the state of California as a non-profit public benefit corporation.

ICANN coordinates a select set of the Internet's technical management functions, such as the assignment of protocol parameters, the management of the domain name system, the allocation of Internet protocol (IP) address space, and the management of the root server system. Categories of Internet domains include Generic Top Level Domains (gTLDs), examples of which are *.com*, *.net*, *.org*, and *.edu* domains, Country Code Top Level Domains (ccTLDs), examples of which are *.us*, *.uk*, *.de* and *.fr*, and Internationalized Domain Name (IDN) ccTLDs for countries that use non-Latin based languages.

ICANN's primary sources of revenue are generated from domain name registration activities and DNS service providers as follows:

**Registry fees.** ICANN has contracts with registry operators of 22 generic top-level domains (gTLDs) such as dot-asia, dot-com and dot-jobs. Registry fees are described in the respective registry agreements. Based on those agreements, registries pay a fixed fee, transaction-based fee, or both.

**Registrar fees.** ICANN accredits registrars in accordance with the Registrar Accreditation Agreement (RAA). The RAA provides for the following types of fees:

- Application fees are paid one time by prospective registrars at the time of the application
- Annual accreditation fees are fees that all registrars are required to pay annually to maintain accreditation.
- Per-registrar variable fees are based upon a set amount divided by the number of accredited registrars and is based on a validated concept that ICANN often expends the same quantum of effort in providing services to a registrar regardless of size. However, some registrars may qualify for "forgiveness" of two-thirds of the standard per-registrar variable fee.
- Transaction-based fees are assessed on each annual increment of an add, transfer, or renewal domain name registration transaction.
- Add Grace Period (AGP) deletion fees are charged to registrars that delete added names within the grace period in excess of a threshold.

**Address registry fees.** ICANN coordinates with organizations responsible for the assignment and administration of Internet addresses (RIRs). RIR's contribute annually to ICANN.

## INTERNET CORPORATION FOR ASSIGNED NAMES AND NUMBERS

### NOTES TO FINANCIAL STATEMENTS

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#### NOTE 1 - ORGANIZATION (Continued)

*Application fees* are non-refundable and are paid at the time of application by applicants seeking to become an ICANN accredited domain name registrar.

- ICANN recognizes revenue as follows: Transaction fees are determined based upon an established rate per registration times the volume and number of contract years of the underlying domain registration. Transaction fees are earned and recognized in the year the billed fee applies (e.g., 1/10<sup>th</sup> of a registration transaction fee will be recognized in each year of a 10 year domain name registration).
- Fixed fee amounts and timing are due in accordance with the underlying agreements and are not event dependent, and are therefore recognized when billed.
- Application fees are non-refundable, and are recognized at the time the application fees are received.
- Accreditation fee amounts and timing are due in accordance with agreements and are not event dependent, and are recognized ratably monthly over the term of the accreditation.

*Deferred revenue* is recorded when fees are billed but not yet earned.

Deferred revenue consists of the following as of June 30:

	2011	2010
	<u>                    </u>	<u>                    </u>
Deferred registrar income - transactions	\$ 4,371,000	\$ 5,122,000
Deferred registrar income - unbilled	2,196,000	2,557,000
Deferred registrar income - accreditation	3,679,000	992,000
Deferred registry income - transactions	<u>1,229,000</u>	<u>3,932,000</u>
Total deferred revenue	<u>\$ 11,475,000</u>	<u>\$ 12,603,000</u>

ICANN has three supporting organizations which serve as advisory bodies to the ICANN board of directors with respect to internet policy issues and structure within three specialized areas, including the system of IP addresses and the domain name system. The three supporting organizations are the Address Supporting Organization (ASO), the Generic Names Supporting Organization (GNSO) and the Country Code Domain Name Supporting Organization (CCNSO). These supporting organizations are the primary source of substantive policy recommendations for matters lying within their respective specialized areas. The supporting organizations are not separately incorporated entities. Transactions handled by ICANN on behalf of the GNSO are included in the accompanying financial statements.

ICANN provides accounting support to the Registrar Constituency, a constituency within the ICANN community which serves as the representative for registrars and their customers. The accompanying financial statements do not reflect the financial results of the Registrar Constituency.

## INTERNET CORPORATION FOR ASSIGNED NAMES AND NUMBERS

### NOTES TO FINANCIAL STATEMENTS

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#### NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

**Basis of presentation** - The financial statements of ICANN have been prepared in accordance with generally accepted accounting principles in the United States. ICANN recognizes contributions, including unconditional promises to give, as revenue in the period received. Contributions and net assets are classified based on the existence or absence of donor-imposed restrictions. As such, the net assets of ICANN and the changes therein are classified and reported as follows:

- **Unrestricted net assets** - Net assets that are not subject to donor-imposed stipulations and that may be expendable for any purpose in performing the objectives of ICANN. ICANN's Board adopted an investment policy in November 2007. This investment policy established a Board designated Reserve Fund that limits use of the Reserve Fund based upon specific Board actions. All investments are designated under the Reserve Fund.
- **Temporarily restricted assets** - Net assets subject to donor-imposed stipulations that may or will be met either by actions of ICANN and/or the passage of time. As the restrictions are satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying financial statements as net assets released from restrictions.
- **Permanently restricted net assets** - Net assets for which the donor has stipulated that the principal be maintained in perpetuity, but permits ICANN to use, or expend, all or part of the income derived from the donated assets for general or specific purposes, subject to statutory regulations.

As of June 30, 2011 and 2010, ICANN had no permanently or temporarily restricted net assets.

**Cash and cash equivalents** - Cash and cash equivalents include deposits in bank, money market accounts and marketable commercial paper. ICANN considers all cash and financial instruments with original maturities of three months or less to be cash and cash equivalents.

**Accounts receivable, net** - Accounts receivable net of allowances for doubtful accounts are \$15,068,000 and \$16,723,000 as of June 30, 2011 and 2010, respectively. On a periodic basis, ICANN adjusts its allowance based on an analysis of historical collectability, current receivables aging, and assessment of specific identifiable customer accounts considered at risk or uncollectible.

ICANN had bad debt expense of approximately \$686,000 and \$140,000 during the years ended June 30, 2011 and 2010, respectively.

## INTERNET CORPORATION FOR ASSIGNED NAMES AND NUMBERS

### NOTES TO FINANCIAL STATEMENTS

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#### NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Investments** - Investments in marketable securities are carried at fair value, based on quoted market prices.

Accounting Standards Codification ("ASC") 820, *Fair Value Measurements*, establishes a framework for measuring fair value and expands disclosures about fair value measurements. ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The standard describes three levels of inputs that may be used to measure fair value:

- |         |   |
|---------|---|
| Level 1 | Quoted prices in active markets for identical assets or liabilities.  |
| Level 2 | Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in active markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. |
| Level 3 | Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.   |

The following is a description of the valuation methodologies used for instruments measured at fair value on a recurring basis and recognized in the accompanying statement of financial position, as well as the general classification of such instruments pursuant to the valuation hierarchy. Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities include money market funds, mutual funds, asset backed securities, government securities, preferred securities, and common stock. Level 2 or 3 securities include securities where quoted market prices are not available and fair values are estimated by using pricing models, quoted prices of securities with similar characteristics or discounted cash flows. ICANN has no assets or liabilities with Level 2 or 3 inputs as of the date of the financial statements.

**Capital assets** - Capital assets consist of capitalized computer equipment, software, furniture and fixtures and leasehold improvements and are stated at cost or, for contributed items, at fair value at date of contribution. Capital assets are depreciated using the straight-line method over their estimated useful lives, which range from three to seven years. Leasehold improvements are amortized using the straight-line method over the shorter of their estimated useful life or the remaining lease term. Acquisitions in excess of \$10,000 and one year useful life are capitalized.

**Advertising costs** - Advertising costs are expensed in the period incurred. Advertising costs amounted to approximately \$24,000 and \$62,000, for the years ended June 30, 2011 and 2010, respectively.

## INTERNET CORPORATION FOR ASSIGNED NAMES AND NUMBERS

### NOTES TO FINANCIAL STATEMENTS

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#### NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Income taxes** - ICANN is exempt from Federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. Accordingly, no provision for income taxes has been made in the accompanying financial statements. However, ICANN is subject to income taxes on any net income that is derived from a trade or business, regularly carried on, and not in furtherance of the purposes for which it was granted exemption. No income tax provision has been recorded as the net income, if any, from any unrelated trade or business, in the opinion of management, is not material to the basic financial statements taken as a whole.

ICANN, under the provisions of ASC 740, *Income Taxes*, had no uncertain tax positions requiring accrual as of June 30, 2011 and 2010.

**Functional allocation of expenses** - Expenses that can be identified to a specific program or supporting service are charged directly to the related program or supporting service. Expenses that are associated with more than one program or supporting service are allocated based on methods determined by management. ICANN's expenses are classified approximately as follows for the fiscal years ended June 30:

	2011	2010
Program services	\$ 42,108,000	\$ 40,680,000
Support services: management and general	17,876,000	17,967,000
Total expenses	<u>\$ 59,984,000</u>	<u>\$ 58,647,000</u>

**Use of estimates** - The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Reclassifications** - Certain 2010 amounts have been reclassified in the financial statements to conform to the 2011 presentation. These reclassifications have no impact on net assets.

**Subsequent events** - ASC 855, *Subsequent Events*, establishes general standards of accounting for and disclosure of events that occur after the statement of financial position date but before financial statements are issued. ICANN recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the statement of financial position, including the estimates inherent in the process of preparing the financial statements. ICANN does not recognize subsequent events that provide evidence about conditions that did not exist at the date of the statement of financial position but arose after the financial position date and before the financial statements are available to be issued. ICANN has evaluated subsequent events through September 16, 2011, which is the date the financial statements were available to be issued.



## INTERNET CORPORATION FOR ASSIGNED NAMES AND NUMBERS

### NOTES TO FINANCIAL STATEMENTS

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#### NOTE 3 - CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject ICANN to concentrations of credit risk consist primarily of cash and cash equivalents, accounts receivable and investments. ICANN places its cash with major financial institutions. Cash held at these financial institutions may, at times, exceed the amount insured by the Federal Deposit Insurance Corporation. Concentration of credit risk with respect to receivables is mitigated by the diversity of registries/registrar comprising ICANN's registry/registrar base. ICANN places its investments with a major investment broker. The investments held are subject to volatility of the market and industries in which they are invested.

ICANN had two major registries/registrars totaling approximately \$36,606,000 or 53% of the total support in fiscal year 2011 and \$34,453,000 or 53% of the total support in fiscal year 2010. ICANN had accounts receivable amounting to approximately \$4,329,000 and \$4,765,000 due from these two major registries/registrars at June 30, 2011 and 2010, respectively.

#### NOTE 4 - ACCOUNTS RECEIVABLE

Accounts receivable is comprised of the following as of June 30:

	<u>2011</u>	<u>2010</u>
gTLD registries and registrars	\$ 14,019,000	\$ 15,466,000
IP address registries	-	823,000
ccTLD's	1,116,000	818,000
IDN Fast track	772,000	156,000
Other	<u>145,000</u>	<u>10,000</u>
	16,052,000	17,273,000
Less: allowance for doubtful accounts	<u>(984,000)</u>	<u>(550,000)</u>
	<u>\$ 15,068,000</u>	<u>\$ 16,723,000</u>

**INTERNET CORPORATION FOR ASSIGNED NAMES AND NUMBERS**

**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 5 - INVESTMENTS**

Investments consist of the following as of June 30, 2011:

	Fair Value Measurements Using			Total
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Equities - domestic	\$ 18,436,000	\$ -	\$ -	\$ 18,436,000
Equities - international	5,460,000	-	-	5,460,000
Fixed income - domestic	27,820,000	-	-	27,820,000
	<u>\$ 51,716,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51,716,000</u>

Investments consist of the following as of June 30, 2010:

	Fair Value Measurements Using			Total
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Money market funds	\$ 1,313,000	\$ -	\$ -	\$ 1,313,000
Mutual funds	15,084,000	-	-	15,084,000
Asset backed securities	8,169,000	-	-	8,169,000
Government securities	6,874,000	-	-	6,874,000
Preferred securities	17,000	-	-	17,000
Common stock	14,223,000	-	-	14,223,000
	<u>\$ 45,680,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,680,000</u>

**INTERNET CORPORATION FOR ASSIGNED NAMES AND NUMBERS****NOTES TO FINANCIAL STATEMENTS**

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**NOTE 5 - INVESTMENTS (Continued)**

Net investment gain is comprised of the following for the years ended June 30:

	<u>2011</u>	<u>2010</u>
Dividend and interest income	\$ 2,121,000	\$ 2,374,000
Realized and unrealized gains	4,222,000	2,125,000
Management fees and other	<u>(337,000)</u>	<u>(258,000)</u>
Total net investment gain	<u>\$ 6,006,000</u>	<u>\$ 4,241,000</u>

**NOTE 6 - CAPITAL ASSETS**

Capital assets consist of the following as of June 30 (useful lives of respective asset class in parentheses):

	<u>2011</u>	<u>2010</u>
Computer equipment (Three years)	\$ 5,097,000	\$ 4,062,000
Computer software (Three years)	520,000	277,000
Furniture and fixtures (Seven years)	295,000	295,000
Leasehold improvements (Varies per lease)	1,394,000	608,000
Construction in progress (None)	<u>416,000</u>	<u>-</u>
	7,722,000	5,242,000
Less: accumulated depreciation	<u>(4,071,000)</u>	<u>(2,581,000)</u>
	<u>\$ 3,651,000</u>	<u>\$ 2,661,000</u>

**NOTE 7 - LEGAL MATTERS**

In the ordinary course of business, ICANN is occasionally named as a defendant in lawsuits and may be involved in other alternative dispute resolution proceedings. Management is unable at this time to determine the probable outcome or the effect, if any, that these matters may have on the financial position and the ongoing operations of ICANN. Accordingly, the accompanying financial statements do not include a provision for any losses that may result from ICANN's current involvement in legal matters.

## INTERNET CORPORATION FOR ASSIGNED NAMES AND NUMBERS

### NOTES TO FINANCIAL STATEMENTS

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#### NOTE 8 - RELATED PARTY TRANSACTIONS

During the year ended June 30, 2010, Dr. Paul Twomey, ICANN's former President and Chief Executive Officer, provided services to ICANN through a professional services agreement with Argo Pacific Party Limited (Argo Pacific), an Australian Proprietary Company. Dr. Twomey is the owner/founder of Argo Pacific.

Payments were made to Argo Pacific under a contractual arrangement with ICANN (the terms of which were approved by the ICANN Board of Directors) for the provision of Dr. Twomey's professional services, benefits allowance, and for related expenses (incidental travel, telecommunications, computer supplies, and office supplies). This contractual arrangement terminated on December 31, 2009.

Pursuant to the agreement, during the year ended June 30, 2010, Argo Pacific was paid \$95,000 associated with Dr. Twomey's employee benefits, \$296,000 in base compensation, and \$218,000 in bonus payments. A portion of these bonus payments were made for services rendered during the year ended June 30, 2009. Argo Pacific's agreement with ICANN is denominated in Australian Dollars. Reimbursements made to Argo Pacific for related expenses such as travel, telecommunications, and office supplies amounted to \$3,000 for the year ended June 30, 2010. Total payments made to Argo Pacific for the year ended June 30, 2010 were approximately \$611,000. There were no outstanding amounts due to Argo Pacific as of June 30, 2010.

A portion of ICANN's President and Chief Executive Officer Rod Beckstrom's services were provided to ICANN through a professional services agreement with The Rod Beckstrom Group. Rod Beckstrom is the owner/founder of The Beckstrom Group. Pursuant to the agreement, during the year ended June 30, 2010, The Beckstrom Group was paid \$27,000 for services rendered during the period of June 18-30, 2009.

Dr. Bruce Tonkin is a voting member of the Board of Directors. Dr. Tonkin is also Chief Strategy Officer of Melbourne IT, an ICANN accredited registrar. Revenue from Melbourne IT amounted to \$767,000 and \$833,000 for the years ended June 30, 2011 and 2010, respectively, under the fee structure of the standard Registrar Accreditation Agreement. To avoid any conflict of interest between ICANN and Melbourne IT, Dr. Tonkin abstains from voting on all matters he identifies as potential conflicts of interest that come before the Board.

Additionally, during years ended June 30, 2011 and 2010, the following voting Board members identified that they may have conflicts in accordance with ICANN's Conflicts of Interest Policy: Harald Tveit Alvestrand, Sebastien Bachollet, Steve Crocker, Chris Disspain, Bill Graham, Rita Rodin Johnston, Mike Silber and Kuo-Wei Wu.

## INTERNET CORPORATION FOR ASSIGNED NAMES AND NUMBERS

### NOTES TO FINANCIAL STATEMENTS

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#### NOTE 9 - COMMITMENTS

ICANN leases its offices and certain other facilities under operating lease agreements. The lease agreements have various termination clauses requiring three to thirty-four months' rent for early termination. Minimum future payments under operating leases for the future years ending June 30 are approximately:

2012	\$	2,019,000
2013		900,000
2014		811,000
2015		851,000
2016		893,000
Thereafter		<u>2,361,000</u>
Total	\$	<u>7,835,000</u>

Rent expense amounted to approximately \$2,684,000 and \$2,113,000 for the years ended June 30, 2011 and 2010, respectively. ICANN also has pass-through and additional charges from certain sublessors that are not included in the minimum expected payments above. The pass-through and additional charges cannot be reasonably estimated for future periods. Pass-through and additional charges amounted to approximately \$299,000 and \$247,000 for the years ended June 30, 2011 and 2010, respectively.

#### NOTE 10 - DEFINED CONTRIBUTION PENSION PLAN

ICANN's 401(k) Plan (the "Plan") is available to all employees in the United States at the first of the month following hire date with ICANN. ICANN contributes 5% of employee's salary to the Plan regardless of employee contributions. ICANN also matches employee contributions up to 10% of the employee's annual salary. Employer contributions recognized for the years ended June 30, 2011 and 2010 amounted to approximately \$1,967,000 and \$1,598,000, respectively. The June 30, 2011 and 2010 payroll contributions were \$117,000 and \$107,000, respectively.

An internal audit of the 401(k) plan performed by ICANN revealed that between 2005 and 2008, some untimely payments to the Plan consisting of employee deferrals were made after the date required under the Department of Labor's regulations. To correct this error and to compensate for all lost interest, ICANN made a corrective payment to the Plan and reported the correction to the Department of Labor through the Department's Voluntary Fiduciary Correction Program. Contributions were made to affected participants of the Plan to compensate for the lost earnings resulting from the late payments. On January 31, 2011, the Department of Labor issued a no action letter in recognition of ICANN's voluntary compliance.

The above noted internal audit also revealed errors related to administration of the Plan. ICANN filed an application with the Internal Revenue Service ("IRS") for making the necessary corrections to the Plan under the IRS's Voluntary Correction Program. On July 18, 2011, the IRS issued a compliance letter constituting enforcement resolution and accepting ICANN's application for making necessary corrections to the Plan. Management intends to make those corrections by December 15, 2011.



**INTERNET CORPORATION FOR  
ASSIGNED NAMES AND NUMBERS**

**INDEPENDENT AUDITOR'S REPORT**

**AND**

**FINANCIAL STATEMENTS**

**JUNE 30, 2010 and 2009**



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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors (Board)  
Internet Corporation for Assigned Names and Numbers

We have audited the accompanying statements of financial position of Internet Corporation for Assigned Names and Numbers (ICANN) as of June 30, 2010 and 2009, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the management of ICANN. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of ICANN's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ICANN as of June 30, 2010 and 2009, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.



Los Angeles, California  
October 11, 2010

# INTERNET CORPORATION FOR ASSIGNED NAMES AND NUMBERS

## STATEMENTS OF FINANCIAL POSITION

YEARS ENDED JUNE 30,

2010

2009

*Amounts are rounded to the nearest thousand in US Dollars*

### ASSETS

Cash and cash equivalents	\$ 17,205,000	\$ 27,122,000
Accounts receivable, net	16,723,000	11,758,000
Investments	45,680,000	30,439,000
Prepaid expenses	329,000	919,000
Other assets	395,000	345,000
Capital assets, net	2,661,000	2,646,000
Total assets	<u>\$ 82,993,000</u>	<u>\$ 73,229,000</u>

### LIABILITIES AND NET ASSETS

Liabilities		
Accounts payable and accrued liabilities	\$ 5,682,000	\$ 9,753,000
Deferred revenue	12,603,000	10,205,000
Total liabilities	<u>18,285,000</u>	<u>19,958,000</u>
Unrestricted net assets	<u>64,708,000</u>	<u>53,271,000</u>
Total liabilities and net assets	<u>\$ 82,993,000</u>	<u>\$ 73,229,000</u>

# INTERNET CORPORATION FOR ASSIGNED NAMES AND NUMBERS

## STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30,

2010

2009

*Amounts are rounded to the nearest thousand in US Dollars*

### UNRESTRICTED SUPPORT AND REVENUE

Registry	\$ 31,915,000	\$ 24,536,000
Registrar	30,189,000	32,680,000
R.I.R.	823,000	823,000
ccTLD	1,666,000	1,568,000
IDN ccTLD Fast track request fees	236,000	-
Contributions	939,000	637,000
Total support and revenue	<u>65,768,000</u>	<u>60,244,000</u>

### EXPENSES

Personnel	24,958,000	19,768,000
Travel and meetings	10,609,000	10,458,000
Professional services	14,605,000	12,698,000
Administration	8,335,000	7,530,000
Bad debt expense	140,000	837,000
Total expenses	<u>58,647,000</u>	<u>51,291,000</u>

### OTHER INCOME (LOSS)

Interest income	75,000	227,000
Investment gain (loss)	4,241,000	(2,334,000)
Total other income (loss)	<u>4,316,000</u>	<u>(2,107,000)</u>
Change in net assets	<u>11,437,000</u>	<u>6,846,000</u>

### UNRESTRICTED NET ASSETS

Beginning of year	<u>53,271,000</u>	<u>46,425,000</u>
End of year	<u>\$ 64,708,000</u>	<u>\$ 53,271,000</u>

**INTERNET CORPORATION FOR ASSIGNED NAMES AND NUMBERS****STATEMENTS OF CASH FLOWS****YEARS ENDED JUNE 30,****2010****2009***Amounts are rounded to the nearest thousand in US Dollars***CASH FLOWS FROM OPERATING  
ACTIVITIES**

Change in net assets	\$ 11,437,000	\$ 6,846,000
Adjustments to reconcile change in net assets to cash provided by operating activities:		
Depreciation expense	1,485,000	1,105,000
Bad debt expense	140,000	837,000
Unrealized (gain) loss	(4,241,000)	2,334,000
Loss on exchange of capital asset	-	63,000
Changes in operating assets and liabilities		
Accounts receivable	(5,106,000)	(139,000)
Prepaid expenses	142,000	(906,000)
Other assets	(50,000)	59,000
Accounts payable and accrued liabilities	(4,071,000)	4,352,000
Deferred revenue	<u>2,399,000</u>	<u>1,063,000</u>
 Net cash provided by operating activities	 <u>2,135,000</u>	 <u>15,614,000</u>

**CASH FLOWS FROM INVESTING  
ACTIVITIES**

Purchases of capital assets	(1,143,000)	(2,497,000)
Proceeds from disposal of capital assets	91,000	-
Purchases of investments	<u>(11,000,000)</u>	<u>(8,000,000)</u>
 Net cash used in investing activities	 <u>(12,052,000)</u>	 <u>(10,497,000)</u>

**NET INCREASE (DECREASE) IN CASH  
AND CASH EQUIVALENTS**

(9,917,000) 5,117,000

**CASH AND CASH EQUIVALENTS**

Beginning of year	<u>27,122,000</u>	<u>22,005,000</u>
 End of year	 <u>\$ 17,205,000</u>	 <u>\$ 27,122,000</u>

# INTERNET CORPORATION FOR ASSIGNED NAMES AND NUMBERS

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1 - ORGANIZATION

The Internet Corporation for Assigned Names and Numbers (ICANN) was established in September 1998 under the laws of the state of California as a non-profit public benefit corporation.

ICANN coordinates a select set of the Internet's technical management functions, such as the assignment of protocol parameters, the management of the domain name system, the allocation of Internet protocol (IP) address space, and the management of the root server system. Categories of Internet domains include Generic Top Level Domains (gTLDs), examples of which are *.com*, *.net*, *.org*, and *.edu* domains, Country Code Top Level Domains (ccTLDs), examples of which are *.us*, *.uk*, *.de*, and *.fr*, and Internationalized Domain Name (IDN) ccTLDs for countries that use non-Latin based languages.

ICANN's primary sources of revenue are generated from domain name registration activities and DNS service providers as follows:

**Registry Fees.** ICANN has contracts with registry operators of 17 generic top-level domains (gTLDs) such as dot-asia, dot-com and dot-jobs. Registry fees are described in the respective registry agreements. Based on those agreements, registries pay a fixed fee, transaction-based fee, or both.

**Registrar Fees.** ICANN accredits registrars in accordance with the Registrar Accreditation Agreement (RAA). The RAA provides for the following types of fees:

- Application fee are paid one time by prospective registrars at the time of the application
- Annual accreditation fee are fees that all registrars are required to pay annually to maintain accreditation.
- Per-registrar variable fee is based upon a set amount divided by the number of accredited registrars and is based on a validated concept that ICANN often expends the same quantum of effort in providing services to a registrar regardless of size. However, some registrars may qualify for “forgiveness” of two-thirds of the standard per-registrar variable fee.
- Transaction-based fees are assessed on each annual increment of an add, transfer, or renewal domain name registration transaction.
- Add Grace Period (AGP) deletion fees are charged to registrars that delete added names within the grace period in excess of a threshold.

**Address registry fees.** ICANN coordinates with organizations responsible for the assignment and administration of Internet addresses (RIRs). RIR's contribute annually to ICANN.



# INTERNET CORPORATION FOR ASSIGNED NAMES AND NUMBERS

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1 - ORGANIZATION (Continued)

*Application fees* are non-refundable and are paid at the time of application by applicants seeking to become an ICANN accredited domain name registrar.

- ICANN recognizes revenue as follows: Transaction fees are determined based upon an established rate per registration times the volume and number of contract years of the underlying domain registration. Transaction fees are earned and recognized in the year the billed fee applies (e.g., 1/10<sup>th</sup> of a registration transaction fee will be recognized in each year of a 10 year domain name registration).
- Fixed fee amounts and timing are due in accordance with the underlying agreements and are not event dependent, and are therefore recognized when billed.
- Application fees are non-refundable, and are recognized at the time the application fees are received.
- Accreditation fee amounts and timing are due in accordance with agreements and are not event dependent, and are recognized ratably monthly over the term of the accreditation.

*Deferred revenue* is recorded when fees are billed but not yet earned.

Deferred revenue consists of the following as of June 30:

	2010	2009
Deferred registrar income - transactions	\$ 5,122,000	\$ 5,069,000
Deferred registrar income - unbilled	2,557,000	-
Deferred registrar income - accreditation	992,000	1,642,000
Deferred registry income - transactions	3,932,000	3,494,000
Total deferred revenue	<u>\$ 12,603,000</u>	<u>\$ 10,205,000</u>

ICANN has three supporting organizations which serve as advisory bodies to the ICANN board of directors with respect to internet policy issues and structure within three specialized areas, including the system of IP addresses and the domain name system. The three supporting organizations are the Address Supporting Organization (ASO), the Generic Names Supporting Organization (GNSO), and the Country Code Domain Name Supporting Organization (CCNSO). These supporting organizations are the primary source of substantive policy recommendations for matters lying within their respective specialized areas. The supporting organizations are not separately incorporated entities. Transactions handled by ICANN on behalf of the GNSO are included in the accompanying financial statements.

ICANN provides accounting support to the Registrar Constituency, a constituency within the ICANN community which serves as the representative for registrars and their customers. The accompanying financial statements do not reflect the financial results of the Registrar Constituency.

# INTERNET CORPORATION FOR ASSIGNED NAMES AND NUMBERS

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

**Basis of presentation** - The financial statements of ICANN have been prepared in accordance with generally accepted accounting principles in the United States. ICANN recognizes contributions, including unconditional promises to give, as revenue in the period received. Contributions and net assets are classified based on the existence or absence of donor-imposed restrictions. As such, the net assets of ICANN and the changes therein are classified and reported as follows:

- **Unrestricted net assets** - Net assets that are not subject to donor-imposed stipulations and that may be expendable for any purpose in performing the objectives of ICANN. ICANN's Board adopted an investment policy in November 2007. This investment policy established a Board designated Reserve Fund which limits use of the Reserve Fund based upon specific Board actions. All investments are designated under the Reserve Fund.
- **Temporarily restricted assets** - Net assets subject to donor-imposed stipulations that may or will be met either by actions of ICANN and/or the passage of time. As the restrictions are satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying financial statements as net assets released from restrictions.
- **Permanently restricted net assets** - Net assets for which the donor has stipulated that the principal be maintained in perpetuity, but permits ICANN to use, or expend, all or part of the income derived from the donated assets for general or specific purposes, subject to statutory regulations.

As of June 30, 2010 and 2009, ICANN had no permanently or temporarily restricted net assets.

**Cash and cash equivalents** - Cash and cash equivalents include deposits in bank, money market accounts, and marketable commercial paper. ICANN considers all cash and financial instruments with maturities of three months or less when purchased by ICANN to be cash and cash equivalents.

**Accounts receivable, net** - Accounts receivable net of allowances for doubtful accounts are \$16,723,000 and \$11,758,000 as of June 30, 2010 and 2009, respectively. On a periodic basis, ICANN adjusts its allowance based on an analysis of historical collectability, current receivables aging, and assessment of specific identifiable customer accounts considered at risk or uncollectible. ICANN had two major registries/registrars totaling approximately \$34,453,000 or 53% of the total support in fiscal year 2010 and \$27,642,000 or 45% of the total support in fiscal year 2009. ICANN had accounts receivable amounting to approximately \$4,765,000 and \$3,991,000 due from these two major registries/registrars at June 30, 2010 and 2009, respectively.

ICANN had bad debt expense of approximately \$140,000 and \$837,000 during the years ended June 30, 2010 and 2009, respectively.

# INTERNET CORPORATION FOR ASSIGNED NAMES AND NUMBERS

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Investments** - Investments in marketable securities are carried at fair value, based on quoted market prices.

Accounting Standards Codification (“ASC”) 820, *Fair Value Measurements*, establishes a framework for measuring fair value and expands disclosures about fair value measurements. ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The standard describes three levels of inputs that may be used to measure fair value:

- |         |   |
|---------|---|
| Level 1 | Quoted prices in active markets for identical assets or liabilities.  |
| Level 2 | Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in active markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. |
| Level 3 | Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.   |

The following is a description of the valuation methodologies used for instruments measured at fair value on a recurring basis and recognized in the accompanying statement of financial position, as well as the general classification of such instruments pursuant to the valuation hierarchy. Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities include money market funds, mutual funds, asset backed securities, government securities, preferred securities, and common stock. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics or discounted cash flows. ICANN has no Level 2 or 3 assets as of the date of the financial statements.

**Capital assets** - Capital assets consist of capitalized computer equipment, software, furniture and fixtures and leasehold improvements and are stated at cost or, for contributed items, at fair market value at date of contribution. Capital assets are depreciated using the straight-line method over their estimated useful lives, which range from three to seven years. Leasehold improvements are amortized using the straight-line method over the shorter of their estimated useful life or the remaining lease term. Acquisitions in excess of \$10,000 and one year useful life are capitalized. In June 2009, ICANN revised the estimated useful lives of computer equipment from five years to three years. The change in estimate was accounted for on a prospective basis.

**Advertising costs** - Advertising costs are expensed in the period incurred. Advertising costs amounted to approximately \$62,000 and \$173,000, for the years ended June 30, 2010 and 2009, respectively.

# INTERNET CORPORATION FOR ASSIGNED NAMES AND NUMBERS

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Income taxes** - ICANN is exempt from Federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. Accordingly, no provision for income taxes has been made in the accompanying financial statements.

ICANN adopted the provisions of ASC 740-10, *Accounting for Uncertainty in Income Taxes* on July 1, 2009. ASC 740-10 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements. ASC 740-10 also prescribes a recognition threshold and measurement standard for the financial statement recognition and measurement for an income tax position taken or expected to be taken in a tax return. Only tax positions that meet the more-likely-than-not recognition threshold at the effective date may be recognized or continue to be recognized upon adoption. In addition, ASC 740-10 provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. The adoption of ASC 740-10 did not have a significant impact on ICANN's financial statements.

As of June 30, 2010 and 2009, ICANN had no uncertain tax positions requiring accrual.

**Functional allocation of expenses** - Expenses that can be identified to a specific program or supporting service are charged directly to the related program or supporting service. Expenses that are associated with more than one program or supporting service are allocated based on methods determined by management. ICANN's expenses are classified approximately as follows for the fiscal years ended June 30:

	2010	2009
Program services	40,680,000	\$ 36,687,000
Support services: management and general	17,967,000	14,604,000
Total expenses	<u>\$ 58,647,000</u>	<u>\$ 51,291,000</u>

**Concentration of credit risk** - Financial instruments which potentially subject ICANN to concentrations of credit risk consist primarily of cash and cash equivalents, accounts receivable, and investments. ICANN places its cash with major, creditable financial institutions. Cash held at these financial institutions may, at times, exceed the amount insured by the Federal Deposit Insurance Corporation. Concentration of credit risk with respect to receivables is mitigated by the diversity of registries/registrars comprising ICANN's registry/registrar base. ICANN places its investments with a major, creditable investment broker. The investments held are subject to volatility of the market and industries in which they are invested.

**Use of estimates** - The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

# INTERNET CORPORATION FOR ASSIGNED NAMES AND NUMBERS

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Reclassifications** - Certain 2009 amounts have been reclassified in the financial statements to conform to the 2010 presentation. These reclassifications have no impact on net assets.

**Recent accounting pronouncements** - In June 2009, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update No. 2009-1 Topic 105, Generally Accepted Accounting Principles (“Topic 105”), which established the FASB Accounting Standards Codification (the “Codification” or “ASC”) as the official single source of authoritative accounting principles recognized by the FASB to be applied by nongovernmental entities in the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. The Codification superseded all existing accounting standards. All other accounting guidance not included in the Codification is now considered non-authoritative. Following the Codification, the Financial Accounting Standards Board will not issue new standards in the form of Statements, FASB Staff Positions or Emerging Issues Task Force Abstracts. Instead, it will issue Accounting Standards Updates (“ASU’s”) that will serve to update the Codification, provide background information about the guidance and provide the basis for conclusions on the changes to the Codification. The Codification does not change existing accounting principles generally accepted in the United States of America, but it changes the way it is organized and presented. The Codification is effective for annual periods ending after September 15, 2009.

### NOTE 3 - ACCOUNTS RECEIVABLE

Accounts receivable is comprised of the following as of June 30:

	2010	2009
gTLD registries and registrars	\$ 15,466,000	\$ 11,875,000
IP address registries	823,000	-
ccTLD's	818,000	766,000
IDN Fast track	156,000	-
Other	10,000	40,000
	<u>17,273,000</u>	<u>12,681,000</u>
Less: allowance for doubtful accounts	<u>(550,000)</u>	<u>(923,000)</u>
	<u>\$ 16,723,000</u>	<u>\$ 11,758,000</u>

**INTERNET CORPORATION FOR ASSIGNED NAMES AND NUMBERS**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 4 - INVESTMENTS**

Investments consist of the following as of June 30, 2010:

	Fair Value Measurements Using			Total
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Quoted Prices or Other Inputs in Active Markets for Identical Assets (Level 2)	Significant Unobservable Inputs (Level 3)	
Money market funds	\$ 1,313,000	\$ -	\$ -	\$ 1,313,000
Mutual funds	15,084,000	-	-	15,084,000
Asset backed securities	8,169,000	-	-	8,169,000
Government securities	6,874,000	-	-	6,874,000
Preferred securities	17,000	-	-	17,000
Common stock	14,223,000	-	-	14,223,000
	<u>\$ 45,680,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,680,000</u>

Investments consist of the following as of June 30, 2009:

	Fair Value Measurements Using			Total
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Quoted Prices or Other Inputs in Active Markets for Identical Assets (Level 2)	Significant Unobservable Inputs (Level 3)	
Money market funds	\$ 968,000	\$ -	\$ -	\$ 968,000
Mutual funds	10,780,000	-	-	10,780,000
Asset backed securities	8,450,000	-	-	8,450,000
Government securities	2,373,000	-	-	2,373,000
Common stock	7,868,000	-	-	7,868,000
	<u>\$ 30,439,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,439,000</u>

# INTERNET CORPORATION FOR ASSIGNED NAMES AND NUMBERS

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 4 - INVESTMENTS (Continued)

Net investment gain (loss) is comprised of the following for the years ended June 30:

	2010	2009
Dividend and interest income	\$ 2,374,000	\$ 2,230,000
Realized and unrealized gains (losses)	2,125,000	(4,373,000)
Management fees and other	(258,000)	(191,000)
Total net investment gain (loss)	<u>\$ 4,241,000</u>	<u>\$ (2,334,000)</u>

### NOTE 5 - CAPITAL ASSETS

Capital assets consist of the following as of June 30 (useful lives of respective asset class in parentheses):

	2010	2009
Computer equipment (Three years)	\$ 4,062,000	\$ 3,525,000
Computer software (Three years)	277,000	267,000
Furniture and fixtures (Seven years)	295,000	295,000
Leasehold improvements (Varies per lease)	608,000	230,000
	<u>5,242,000</u>	<u>4,317,000</u>
Less: accumulated depreciation	<u>(2,581,000)</u>	<u>(1,671,000)</u>
	<u>\$ 2,661,000</u>	<u>\$ 2,646,000</u>

### NOTE 6 - LEGAL MATTERS

In the ordinary course of business, ICANN is occasionally named as a defendant in lawsuits and may be involved in other alternative dispute resolution proceedings. Management is unable at this time to determine the probable outcome or the effect, if any, that these matters may have on the financial position and the ongoing operations of ICANN. Accordingly, the accompanying financial statements do not include a provision for any losses that may result from ICANN's current involvement in legal matters.

### NOTE 7 - RELATED PARTY TRANSACTIONS

During the years ended June 30, 2010 and 2009, Dr. Paul Twomey, ICANN's former President and Chief Executive Officer, provided services to ICANN through a professional services agreement with Argo Pacific Party Limited (Argo Pacific), an Australian Proprietary Company. Dr. Twomey is the owner/founder of Argo Pacific.



# INTERNET CORPORATION FOR ASSIGNED NAMES AND NUMBERS

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 7 - RELATED PARTY TRANSACTIONS (Continued)

Payments were made to Argo Pacific under a contractual arrangement with ICANN (the terms of which were approved by the ICANN Board of Directors) for the provision of Dr. Twomey's professional services, benefits allowance, and for related expenses (incidental travel, telecommunications, computer supplies, and office supplies). This contractual arrangement terminated on December 31, 2009.

Pursuant to the agreement, during the year ended June 30, 2010, Argo Pacific was paid \$95,000 associated with Dr. Twomey's employee benefits, \$296,000 in base compensation, and \$218,000 in bonus payments. A portion of these bonus payments were made for services rendered during the year ended June 30, 2009. Argo Pacific's agreement with ICANN is denominated in Australian Dollars. During the year ended June 30, 2009, Argo Pacific was paid \$161,000 associated with Dr. Twomey's employee benefits, \$505,000 in base compensation, and \$113,000 in bonuses. Reimbursements made to Argo Pacific for related expenses such as travel, telecommunications, and office supplies amounted to \$3,000 and \$18,000 for the years ending June 30, 2010 and 2009, respectively. Total payments made to Argo Pacific for the years ended June 30, 2010 and 2009, were approximately \$611,000, and \$797,000, respectively. There were no outstanding amounts due to Argo Pacific as of June 30, 2010. There was \$6,000 of expense reimbursements included in accounts payable and accrued expenses for Argo Pacific as of June 30, 2009; there was none as of June 30, 2010.

A portion of ICANN's President and Chief Executive Officer Rod Beckstrom's services were provided to ICANN through a professional services agreement with The Rod Beckstrom Group. Rod Beckstrom is the owner/founder of The Beckstrom Group. Pursuant to the agreement, during the year ended June 30, 2010, The Beckstrom Group was paid \$27,000 for services rendered during the period of June 18-30, 2009.

Dr. Bruce Tonkin is a voting member of the Board of Directors. Dr. Tonkin is also Chief Strategy Officer of Melbourne IT, an ICANN accredited registrar. Revenue from Melbourne IT amounted to \$833,000 and \$1,010,000 for the years ended June 30, 2010 and 2009, respectively, under the fee structure of the standard Registrar Accreditation Agreement. To avoid any conflict of interest between ICANN and Melbourne IT, Dr. Tonkin abstains from voting on all matters he identifies as potential conflicts of interest which come before the Board.

Unsecured non-interest bearing advances to two officers totaling \$21,000 as of June 30, 2009 were paid off and no balances remain as of June 30, 2010.

Additionally, the following voting Board members have identified potential conflicts in accordance with ICANN's Conflicts of Interest Policy: Harald Tveit Alvestrand, Steve Crocker, Rita Rodin Johnston, Mike Silber and Kuo-Wei Wu.

# INTERNET CORPORATION FOR ASSIGNED NAMES AND NUMBERS

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 8 - COMMITMENTS

ICANN leases its offices and certain other facilities under operating lease agreements. The lease agreements have various termination clauses requiring three to thirty-four months' rent for early termination. Minimum future payments under operating leases for the future years ending June 30 are approximately:

2011	\$	1,988,000
2012		1,910,000
2013		873,000
2014		811,000
2015		851,000
Thereafter		<u>3,254,000</u>
Total	\$	<u>9,687,000</u>

Rent expense amounted to approximately \$2,113,000 and \$1,586,000 for the years ended June 30, 2010 and 2009, respectively. ICANN also has pass-through and additional charges from certain sublessors which are not included in the minimum expected payments above. The pass-through and additional charges cannot be reasonably estimated for future periods. Pass-through and additional charges amounted to approximately \$247,000 and \$196,000 for the years ended June 30, 2010 and 2009, respectively.

### NOTE 9 - DEFINED CONTRIBUTION PENSION PLAN

ICANN's 401(k) Plan (the "Plan") is available to all employees in the United States at the first of the month following hire date with ICANN. ICANN contributes 5% of employee's salary to the plan regardless of employee contributions. ICANN also matches employee contributions up to 10% of the employee's annual salary. Employer contributions recognized for the years ended June 30, 2010 and 2009 amounted to approximately \$1,598,000 and \$1,341,000, respectively. The June 30, 2010 payroll contribution of \$107,000 was funded on June 30, 2010. The June 30, 2009 payroll contribution funding of \$97,000 was outstanding as of that date and was funded July 6, 2009.

An internal audit of the 401(k) plan performed by ICANN revealed that between 2005 and 2008, several untimely payments to the Plan consisting of employee deferrals were made after the date required under the Department of Labor's regulations. To correct this error and to compensate for all lost interest, ICANN made a corrective payment to the Plan and reported the correction to the Department of Labor through the Department's Voluntary Fiduciary Correction Program. Contributions were made to affected participants of the plan to compensate for the lost interest resulting from the late payments.

The above noted internal audit also revealed errors related to administration of the Plan. ICANN has filed an application with the Internal Revenue Service ("IRS") for making the necessary corrections to the Plan under the IRS's Voluntary Correction Program. Upon acceptance of the proposed corrections by the IRS, ICANN will make additional adjustments to affected Plan accounts.

# INTERNET CORPORATION FOR ASSIGNED NAMES AND NUMBERS

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 10 - SUBSEQUENT EVENTS

Effective for the year ended June 30, 2010, ASC 855, *Subsequent Events*, establishes general standards of accounting for and disclosure of events that occur after the statement of position date but before financial statements are issued. ASC 855 defines subsequent events as events or transactions that provide additional evidence about conditions that existed at the date of the statement of financial position date as well as events that provide evidence about conditions that did not exist at the date of the statement of financial position but arose after such date. ICANN evaluated all events after the year end and determined that it does not have any material subsequent events through October 11, 2010, which is the date the financial statements were issued, for events requiring recording or disclosure in the financial statements for the year ended June 30, 2010.

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**INTERNET CORPORATION FOR  
ASSIGNED NAMES AND NUMBERS**

**INDEPENDENT AUDITOR'S REPORT**

**AND**

**FINANCIAL STATEMENTS**

**JUNE 30, 2009 and 2008**

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors (Board)  
Internet Corporation for Assigned Names and Numbers

We have audited the accompanying statements of financial position of Internet Corporation for Assigned Names and Numbers (ICANN) as of June 30, 2009 and 2008, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the management of Internet Corporation for Assigned Names and Numbers. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of ICANN's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Internet Corporation for Assigned Names and Numbers as of June 30, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

*Moss Adams LLP*

Los Angeles, California  
October 15, 2009



# INTERNET CORPORATION FOR ASSIGNED NAMES AND NUMBERS

## STATEMENTS OF FINANCIAL POSITION

YEARS ENDED JUNE 30,

2009

2008

*Amounts are rounded to the nearest thousand in US Dollars*

### ASSETS

Cash and cash equivalents	\$ 27,122,000	\$ 22,005,000
Accounts receivable, net	11,758,000	12,456,000
Investments	30,439,000	24,773,000
Prepaid expenses	919,000	14,000
Other assets	345,000	404,000
Capital assets, net	2,646,000	1,316,000
Total assets	<u>\$ 73,229,000</u>	<u>\$ 60,968,000</u>

### LIABILITIES AND NET ASSETS

Liabilities		
Accounts payable and accrued liabilities	\$ 9,753,000	\$ 5,402,000
Deferred revenue	10,205,000	9,141,000
Total liabilities	<u>19,958,000</u>	<u>14,543,000</u>
Unrestricted net assets	<u>53,271,000</u>	<u>46,425,000</u>
Total liabilities and net assets	<u>\$ 73,229,000</u>	<u>\$ 60,968,000</u>

# INTERNET CORPORATION FOR ASSIGNED NAMES AND NUMBERS

## STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30,

2009

2008

*Amounts are rounded to the nearest thousand in US Dollars*

### UNRESTRICTED

### SUPPORT AND REVENUE

Domain name registry and registrar fees	\$	54,821,000	\$	45,299,000
Address registry fees		823,000		823,000
Accreditation fees		3,853,000		3,667,000
Application fees		103,000		115,000
Other revenue		644,000		471,000
Total support and revenue		<u>60,244,000</u>		<u>50,375,000</u>

### EXPENSES

Personnel		19,768,000		16,746,000
Travel and meetings		10,458,000		9,449,000
Professional services		12,698,000		8,854,000
Administration		7,530,000		4,957,000
Bad debt expense (recovery)		837,000		(462,000)
Total expenses		<u>51,291,000</u>		<u>39,544,000</u>

### Other (loss) income

Interest income		227,000		585,000
Investment (loss)		(2,334,000)		(227,000)
Total other (loss) income		<u>(2,107,000)</u>		<u>358,000</u>

### Change in net assets

		<u>6,846,000</u>		<u>11,189,000</u>
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### UNRESTRICTED NET ASSETS

Beginning of year		<u>46,425,000</u>		<u>35,236,000</u>
End of year	\$	<u>53,271,000</u>	\$	<u>46,425,000</u>

# INTERNET CORPORATION FOR ASSIGNED NAMES AND NUMBERS

## STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30,

2009

2008

*Amounts are rounded to the nearest thousand in US Dollars*

### CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 6,846,000	\$ 11,189,000
Adjustments to reconcile change in net assets to cash provided by operating activities:		
Depreciation expense	1,105,000	259,000
Bad debt expense (recovery)	837,000	(462,000)
Unrealized loss	2,334,000	227,000
Loss on exchange of capital asset	63,000	-
Changes in operating assets and liabilities		
Accounts receivable	(139,000)	2,976,000
Prepaid expenses	(906,000)	256,000
Other assets	59,000	(307,000)
Accounts payable and accrued liabilities	4,352,000	1,133,000
Deferred revenue	1,063,000	1,697,000
Net cash provided by operating activities	<u>15,614,000</u>	<u>16,968,000</u>

### CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of capital assets	(2,497,000)	(994,000)
Purchases of investments	<u>(8,000,000)</u>	<u>(25,000,000)</u>
Net cash used in investing activities	<u>(10,497,000)</u>	<u>(25,994,000)</u>

### NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

5,117,000 (9,026,000)

### CASH & CASH EQUIVALENTS

Beginning of year	<u>22,005,000</u>	<u>31,031,000</u>
End of year	<u>\$ 27,122,000</u>	<u>\$ 22,005,000</u>

# INTERNET CORPORATION FOR ASSIGNED NAMES AND NUMBERS

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1 - ORGANIZATION

The Internet Corporation for Assigned Names and Numbers (ICANN) was established in September 1998 under the laws of the state of California as a non-profit public benefit corporation.

ICANN coordinates a select set of the Internet's technical management functions, such as the assignment of protocol parameters, the management of the domain name system, the allocation of Internet protocol (IP) address space, and the management of the root server system. Categories of Internet domains include Generic Top Level Domains (gTLDs) examples of which are *.com*, *.net*, *.org*, and *.edu* domains and Country Code Top Level Domains (ccTLDs), examples of which are *.us*, *.uk*, *.de*, and *.fr*. ICANN recognizes revenue when services are rendered. ICANN's primary sources of revenue are from domain name registration activities and DNS service providers as follows:

- **Domain name registry and registrar fees** for the registration and administration of Internet domain names. These fees include: 1) *Transaction fees from registrants of domain names via ICANN accredited registrars and gTLD registries* which are charged based upon a set rate per domain name registration, renewal, or transfer, and 2) *Fixed fees* which are amounts paid by registrars and registries based on amounts set in their contracts for services rendered and/or rights given. ICANN also receives contributions and grants from other organizations.
- **Address registry fees** from organizations responsible for the assignment and administration of Internet addresses.
- **Accreditation fees** from ICANN accredited registrars for initial and annual accreditation renewal.
- **Application fees** from applicants seeking to become an ICANN accredited domain name registrar.

ICANN has three supporting organizations which serve as advisory bodies to the ICANN board of directors with respect to internet policy issues and structure within three specialized areas, including the system of IP addresses and the domain name system. The three supporting organizations are the Address Supporting Organization (ASO), Generic Names Supporting Organization (GNSO), and the Country Code Domain Name Supporting Organization (CCNSO). These supporting organizations are the primary source of substantive policy recommendations for matters lying within their respective specialized areas. The supporting organizations are not separately incorporated entities. Transactions handled by ICANN on behalf of GNSO are included in the accompanying financial statements.

ICANN provides accounting support to the Registrar Constituency, a constituency within the ICANN community which serves as the representative for registrars and their customers. The accompanying financial statements do not reflect the financial results of the Registrar Constituency.

# INTERNET CORPORATION FOR ASSIGNED NAMES AND NUMBERS

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

**Basis of presentation** - The financial statements of ICANN have been prepared on the accrual basis of accounting. ICANN recognizes contributions, including unconditional promises to give, as revenue in the period received. Contributions and net assets are classified based on the existence or absence of donor-imposed restrictions. As such, the net assets of ICANN and the changes therein are classified and reported as follows:

- **Unrestricted net assets** - Net assets that are not subject to donor-imposed stipulations and that may be expendable for any purpose in performing the objectives of ICANN. ICANN's Board adopted an investment policy in November 2007. This investment policy established a Board designated Reserve Fund which limits use of the Reserve Fund based upon specific Board actions. All investments are designated under the Reserve Fund.
- **Temporarily restricted assets** - Net assets subject to donor-imposed stipulations that may or will be met either by actions of ICANN and/or the passage of time. As the restrictions are satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying financial statements as net assets released from restrictions.
- **Permanently restricted net assets** - Net assets for which the donor has stipulated that the principal be maintained in perpetuity, but permits ICANN to use, or expend, all or part of the income derived from the donated assets for general or specific purposes, subject to statutory regulations.

As of June 30, 2009 and 2008, ICANN had no permanently or temporarily restricted net assets.

**Cash and cash equivalents** - Cash and cash equivalents include deposits in bank, money market accounts, and marketable commercial paper. ICANN considers all cash and financial instruments with maturities of three months or less when purchased by ICANN to be cash and cash equivalents.

**Accounts receivable, net** - Accounts receivable are net of allowances for doubtful accounts of \$923,000 and \$600,000 as of June 30, 2009 and 2008, respectively. On a periodic basis, ICANN adjusts its allowance based on an analysis of historical collectibility, current receivables aging, and assessment of specific identifiable customer accounts considered at risk or uncollectible. ICANN had two major registries/registrars totaling approximately \$27,642,000 or 45% of the total support in fiscal year 2009 and \$22,237,000 or 44% of total support and revenue in fiscal year 2008. ICANN had accounts receivable amounting to approximately \$3,991,000 and \$3,881,000 due from these two major registries/registrars at June 30, 2009 and 2008, respectively.

ICANN had bad debt expense of approximately \$837,000 and recovery of bad debt expense of approximately \$462,000 during the years ended June 30, 2009 and 2008, respectively.

**Investments** - Investments in marketable securities are carried at fair value, based on quoted market prices.

# INTERNET CORPORATION FOR ASSIGNED NAMES AND NUMBERS

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Effective July 1, 2008, ICANN adopted Statement of Financial Accounting Standard (SFAS) No. 157, "Fair Value Measurements" which defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. SFAS No. 157 has been applied prospectively as of the beginning of the year. SFAS No. 157 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. SFAS No. 157 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The investments held by ICANN are Level 1 assets, which are defined as assets with quoted prices in active markets with other observable inputs.

**Capital assets** - Capital assets consist of capitalized computer equipment, software, furniture and fixtures and leasehold improvements and are stated at cost or, for contributed items, at fair market value at date of contribution. Capital assets are depreciated using the straight-line method over their estimated useful lives, which range from three to seven years. Leasehold improvements are amortized using the straight-line method over the shorter of their estimated useful life or the remaining lease term. Acquisitions in excess of \$10,000 and one year useful life are capitalized. In June 2009, ICANN revised the estimated useful lives of computer equipment from five years to three years. The change in estimate is accounted for on a prospective basis.

**Deferred revenue** - Revenue is recognized during the period earned, regardless of when the fee is billed. All transaction years are billed during the quarter in which the transaction agreement is signed. However, a registrar may elect to have their multi-year transaction fees billed on a deferred basis. Fees relating to future periods are recorded as deferred revenue until earned.

**Advertising costs** - Advertising costs are expensed in the period incurred. Advertising costs amounted to approximately \$173,000 and \$94,000, for the years ended June 30, 2009 and 2008, respectively.

**Income taxes** - ICANN is exempt from Federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. Accordingly, no provision for income taxes has been made in the accompanying financial statements.

Pursuant to FASB Staff Position (FSB) Financial Interpretation (FIN) 48-3, management has elected to defer the application of FIN 48-"Accounting for Uncertainty in Income Taxes" to fiscal years beginning after December 15, 2008. ICANN evaluates uncertain tax positions in accordance with FASB Statement No. 5, Accounting for Contingencies whereby the effect of the uncertainty would be recorded if the outcome was considered probable and reasonably estimable. As of June 30, 2009 and 2008, there were no uncertain tax positions requiring accrual.

# INTERNET CORPORATION FOR ASSIGNED NAMES AND NUMBERS

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Functional allocation of expenses** - Expenses that can be identified to a specific program or supporting service are charged directly to the related program or supporting service. Expenses that are associated with more than one program or supporting service are allocated based on methods determined by management. ICANN's expenses are classified approximately as follows for the fiscal years ended June 30:

	2009	2008
Program services	\$ 36,687,000	\$ 28,631,000
Support services: management and general	14,604,000	10,913,000
Total expenses	<u>\$ 51,291,000</u>	<u>\$ 39,544,000</u>

**Concentration of credit risk** - Financial instruments which potentially subject ICANN to concentrations of credit risk consist primarily of cash and cash equivalents, accounts receivable, and investments. ICANN places its cash with major, creditable financial institutions. Cash held at these financial institutions may, at times, exceed the amount insured by the Federal Deposit Insurance Corporation. Concentration of credit risk with respect to receivables is mitigated by the diversity of registries/registrars comprising ICANN's registry/registrar base. ICANN places its investments with a major, creditable investment broker. The investments held are subject to volatility of the market and industries in which they are invested.

**Use of estimates** - The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Reclassifications** - Certain 2008 amounts have been reclassified in the financial statements to conform to the 2009 presentation. These reclassifications have no impact on net assets.

### NOTE 3 - ACCOUNTS RECEIVABLE

Accounts receivable is comprised of the following as of June 30:

	2009	2008
gTLD registries and registrars	\$ 11,875,000	\$ 11,779,000
IP address registries	-	823,000
ccTLD's	766,000	451,000
Other	40,000	3,000
	<u>12,681,000</u>	<u>13,056,000</u>
Less: allowance for doubtful accounts	<u>(923,000)</u>	<u>(600,000)</u>
	<u>\$ 11,758,000</u>	<u>\$ 12,456,000</u>



# INTERNET CORPORATION FOR ASSIGNED NAMES AND NUMBERS

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 4 - INVESTMENTS

Investments consist of the following as of the years ended June 30:

	<u>2009</u>	<u>2008</u>
Equity investments	\$ 8,110,000	\$ 8,190,000
Fixed income investments	<u>22,329,000</u>	<u>16,583,000</u>
Total	<u>\$ 30,439,000</u>	<u>\$ 24,773,000</u>

Net investment loss is comprised of the following for the years ended June 30:

	<u>2009</u>	<u>2008</u>
Security earnings	\$ 2,230,000	\$ 587,000
Realized and unrealized losses	(4,373,000)	(702,000)
Management fees and other	<u>(191,000)</u>	<u>(112,000)</u>
Total net investment (loss)	<u>\$ (2,334,000)</u>	<u>\$ (227,000)</u>

### NOTE 5 - CAPITAL ASSETS

Capital assets consist of the following as of June 30:

	<u>2009</u>	<u>2008</u>
Computer equipment	\$ 3,525,000	\$ 1,453,000
Computer software	267,000	20,000
Furniture and fixtures	295,000	322,000
Leasehold improvements	<u>230,000</u>	<u>294,000</u>
	4,317,000	2,089,000
Less: accumulated depreciation	<u>(1,671,000)</u>	<u>(773,000)</u>
	<u>\$ 2,646,000</u>	<u>\$ 1,316,000</u>

### NOTE 6 - LEGAL MATTERS

In the ordinary course of business, ICANN is occasionally named as a defendant in lawsuits and may be involved in other alternative dispute resolution proceedings. Management is unable at this time to determine the probable outcome or the effect, if any, that these matters may have on the financial position and the ongoing operations of ICANN. Accordingly, the accompanying financial statements do not include a provision for any losses that may result from ICANN's current involvement in legal matters.

# INTERNET CORPORATION FOR ASSIGNED NAMES AND NUMBERS

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 7 - RELATED PARTY TRANSACTIONS

During the years ended June 30, 2009 and 2008, ICANN's President and Chief Executive Officer (CEO), Dr. Paul Twomey's services were provided to ICANN through a professional services agreement with Argo Pacific Party Limited (Argo Pacific), an Australian Proprietary Company. Dr. Twomey is the owner/founder of Argo Pacific.

Payments were made to Argo Pacific under a contractual arrangement with ICANN (the terms of which have been approved by the ICANN Board of Directors) for the provision of Dr. Twomey's professional services, benefits allowance, and for related expenses (incidental travel, telecommunications, computer supplies, and office supplies).

Pursuant to the agreement, during the year ended June 30, 2009, Argo Pacific was paid \$213,000 associated with Dr. Twomey's employee benefits, \$453,000 in base compensation, and \$113,000 in bonuses. Argo Pacific's agreement with ICANN is denominated in Australian Dollars. ICANN's functional currency is in US Dollars, thus the payments to Argo Pacific are impacted by exchange rate fluctuations between the US dollar and Australian dollar. During the year ended June 30, 2008, Argo Pacific was paid \$256,000 associated with Dr. Twomey's employee benefits, \$543,000 in base compensation, and \$148,000 in bonuses. Reimbursements made to Argo Pacific for related expenses such as travel, telecommunications, and office supplies amounted to \$18,000 and \$25,000 for the years ending June 30, 2009 and 2008, respectively. Total payments made to Argo Pacific for the years ended June 30, 2009 and 2008, were approximately \$797,000 and \$972,000, respectively.

Amounts included in accounts payable and accrued liabilities, due to Argo Pacific, were \$7,000 as of June 30, 2009 and 2008.

In addition to the specific disclosures above, ICANN may enter into or consider participation in small, arm's length transactions between ICANN and certain taxable organizations in which certain of ICANN's directors or officers (or members of their families) may have an affiliation. Under ICANN's Conflicts of Interest policy, all officers and directors are required to disclose any potential conflicts before entering into discussion on such matters. In addition, the Board Committee responsible for conflicts of interest reviews all of the Board member conflicts of interest statements. As of June 30, 2009 and 2008, there were no significant conflicts of interests that existed.

There are two unsecured non-interest bearing advances to two officers. The advances total \$21,000 as of June 30, 2009.

# INTERNET CORPORATION FOR ASSIGNED NAMES AND NUMBERS

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 8 - COMMITMENTS

ICANN leases its offices and certain other facilities under operating lease agreements. The lease agreements have various termination clauses requiring three to thirty four months rent for early termination. Minimum expected payments under operating leases for the future years ending June 30 are approximately:

2010	\$	1,751,000
2011		1,219,000
2012		1,111,000
2013		<u>77,000</u>
Total	\$	<u><u>4,158,000</u></u>

Rent expense amounted to approximately \$1,586,000 and \$1,211,000 for the years ended June 30, 2009 and 2008, respectively. ICANN also has pass-through and additional charges from certain sublessors which are not included in the minimum expected payments above. The pass-through and additional charges cannot be reasonably estimated for future periods. Pass-through and additional charges amounted to approximately \$196,000 and \$143,000 for the years ended June 30, 2009 and 2008, respectively.

### NOTE 9 - DEFINED CONTRIBUTION PENSION PLAN

ICANN's 401(k) Plan (the "Plan") is available to all employees in the United States at the first of the month following hire date with ICANN. ICANN contributes 5% of employee's salary to the plan regardless of employee contributions. ICANN also matches employee contributions up to 10% of the employee's annual salary. Employer contributions recognized for the years ended June 30, 2009 and 2008 amounted to approximately \$1,341,000 and \$1,083,000, respectively.

### NOTE 10 - SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the Statement of Financial Position date but before financial statements are available to be issued. ICANN recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the Statement of Financial Position, including the estimates inherent in the process of preparing the financial statements. ICANN's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the Statement of Financial Position but arose after the Statement of Financial Position date and before financial statements are available to be issued.

ICANN has evaluated subsequent events through October 15, 2009, which is the date the financial statements are available for issuance. The following subsequent events did not exist as of the Statement of Financial Position date but arose before the financial statements were issued.

On July 1, 2009, Rod Beckstrom was elected President and CEO of ICANN by the Board of Directors, succeeding Dr. Paul Twomey. Dr. Twomey will serve as Senior President through December 31, 2009 to facilitate the transition to Mr. Beckstrom.

On September 9, 2009, \$11,000,000 was transferred from the Operating fund to the Reserve Fund with Board approval.

# INTERNET CORPORATION FOR ASSIGNED NAMES AND NUMBERS

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 10 - SUBSEQUENT EVENTS (Continued)

On September 30, 2009, ICANN executed an Affirmation of Commitments document which replaced the expiring Joint Project Agreement with the Department of Commerce. The document ensures a long standing commitment to the ICANN model in order to coordinate the Internet's unique identifiers and places review of ICANN's performance in the hands of the ICANN community.

MOSSES ADAMS



**INTERNET CORPORATION FOR  
ASSIGNED NAMES AND NUMBERS**

**INDEPENDENT AUDITORS' REPORT**

**AND**

**FINANCIAL STATEMENTS**

**JUNE 30, 2008 and 2007**

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**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors (Board)  
The Internet Corporation for Assigned Names and Numbers

We have audited the accompanying statements of financial position of Internet Corporation for Assigned Names and Numbers (ICANN) as of June 30, 2008 and 2007, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the management of Internet Corporation for Assigned Names and Numbers. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Internet Corporation for Assigned Names and Numbers as of June 30, 2008 and 2007, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

*Moss Adams LLP*

Los Angeles, California  
October 6, 2008

# INTERNET CORPORATION FOR ASSIGNED NAMES AND NUMBERS

## STATEMENTS OF FINANCIAL POSITION

**JUNE 30,** **2008** **2007**

*Amounts are rounded to the nearest thousand in US Dollars*

### ASSETS

Cash and cash equivalents	\$ 22,005,000	\$ 31,031,000
Accounts receivable, net	12,456,000	14,970,000
Investments	24,773,000	-
Prepaid expenses	14,000	270,000
Other assets	404,000	97,000
Property and equipment, net	1,316,000	582,000
Total assets	<u>\$ 60,968,000</u>	<u>\$ 46,950,000</u>

### LIABILITIES AND NET ASSETS

Liabilities		
Accounts payable and accrued liabilities	\$ 5,402,000	\$ 4,270,000
Deferred revenue	9,141,000	7,444,000
Total liabilities	<u>14,543,000</u>	<u>11,714,000</u>
Unrestricted net assets	<u>46,425,000</u>	<u>35,236,000</u>
Total liabilities and net assets	<u>\$ 60,968,000</u>	<u>\$ 46,950,000</u>



# INTERNET CORPORATION FOR ASSIGNED NAMES AND NUMBERS

## STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2008 2007

*Amounts are rounded to the nearest thousand in US Dollars*

### UNRESTRICTED

#### SUPPORT AND REVENUE

Domain name registry and registrar fees	\$ 45,299,000	\$ 38,348,000
Address registry fees	823,000	823,000
Accreditation fees	3,667,000	3,597,000
Application fees	115,000	270,000
Interest income and other income	<u>829,000</u>	<u>433,000</u>
Total support and revenue	<u>50,733,000</u>	<u>43,471,000</u>

#### EXPENSES

Personnel	16,746,000	13,784,000
Travel and meetings	9,449,000	6,203,000
Professional services	8,854,000	5,864,000
Administration	4,957,000	3,219,000
Bad debt recovery	<u>(462,000)</u>	<u>(2,429,000)</u>
Total expenses	<u>39,544,000</u>	<u>26,641,000</u>
Change in net assets	<u>11,189,000</u>	<u>16,830,000</u>

#### UNRESTRICTED NET ASSETS

Beginning of year	<u>35,236,000</u>	<u>18,406,000</u>
End of year	<u>\$ 46,425,000</u>	<u>\$ 35,236,000</u>

# INTERNET CORPORATION FOR ASSIGNED NAMES AND NUMBERS

## STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30,

2008

2007

*Amounts are rounded to the nearest thousand in US Dollars*

### CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 11,189,000	\$ 16,830,000
Adjustments to reconcile change in net assets to cash (used in) provided by operating activities:		
Depreciation expense	259,000	139,000
Bad debt recoveries	(462,000)	(2,429,000)
Unrealized loss	227,000	-
Changes in operating assets and liabilities		
Accounts receivable	2,976,000	975,000
Prepaid expenses	256,000	(48,000)
Other assets	(307,000)	(42,000)
Accounts payable and accrued liabilities	1,133,000	1,788,000
Deferred revenue	<u>1,697,000</u>	<u>2,490,000</u>
Net cash provided by operating activities	<u>16,968,000</u>	<u>19,703,000</u>

### CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of property and equipment	(994,000)	(462,000)
Purchases of investments	<u>(25,000,000)</u>	<u>-</u>
Net cash used in investing activities	<u>(25,994,000)</u>	<u>(462,000)</u>

### NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS

(9,026,000) 19,241,000

### CASH & CASH EQUIVALENTS

Beginning of year	<u>31,031,000</u>	<u>11,790,000</u>
End of year	<u>\$ 22,005,000</u>	<u>\$ 31,031,000</u>

# INTERNET CORPORATION FOR ASSIGNED NAMES AND NUMBERS

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1 - ORGANIZATION

The Internet Corporation for Assigned Names and Numbers (ICANN) was established in September 1998 under the laws of the state of California as a non-profit public benefit corporation. ICANN coordinates a select set of the Internet's technical management functions, such as the assignment of protocol parameters, the management of the domain name system, the allocation of Internet protocol (IP) address space, and the management of the root server system. Categories of Internet domains include Generic Top Level Domains (gTLDs) examples of which are *.com*, *.net*, *.org*, and *.edu* domains and Country Code Top Level Domains (ccTLDs), examples of which are *.us*, *.uk*, *.de*, and *.fr*. ICANN's primary sources of revenue are from domain name registration activities and DNS service providers as follows:

- **Domain name registry and registrar fees** for the registration and administration of Internet domain names. These fees include: 1) *Transaction fees from registrants of domain names via ICANN accredited registrars and gTLD registries* which are charged based upon a set rate per domain name registration, renewal, or transfer, and 2) *Fixed fees* which are amounts paid by registrars and registries in amounts set by contract for services rendered and/or rights given. ICANN also receives contributions and grants from other organizations.
- **Address registry fees** from organizations responsible for the assignment and administration of Internet addresses.
- **Accreditation fees** from ICANN accredited registrars for initial and annual renewal accreditation.
- **Application fees** from applicants seeking to become an ICANN accredited domain name registrar.

ICANN has three supporting organizations which serve as advisory bodies to the ICANN board of directors with respect to internet policy issues and structure within three specialized areas, including the system of IP addresses and the domain name system. The three supporting organizations are the Address Supporting Organization (ASO), Generic Names Supporting Organization (GNSO), and the Country Code Domain Name Supporting Organization (CCNSO). These supporting organizations are the primary source of substantive policy recommendations for matters lying within their respective specialized areas. The supporting organizations are not separately incorporated entities. Transactions handled by ICANN on behalf of GNSO are included in the accompanying financial statements.

# INTERNET CORPORATION FOR ASSIGNED NAMES AND NUMBERS

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

**Basis of presentation** - The financial statements of ICANN have been prepared on the accrual basis of accounting. ICANN recognizes contributions, including unconditional promises to give, as revenue in the period received. Contributions and net assets are classified based on the existence or absence of donor-imposed restrictions. As such, the net assets of ICANN and the changes therein are classified and reported as follows:

- **Unrestricted net assets** - Net assets that are not subject to donor-imposed stipulations and that may be expendable for any purpose in performing the objectives of ICANN. ICANN's Board adopted an investment policy in November 2007. This investment policy established a Board designated Reserve Fund which limits use of the Reserve Fund based upon specific Board actions. All investments are designated under the Reserve Fund.
- **Temporarily restricted assets** - Net assets subject to donor-imposed stipulations that may or will be met either by actions of ICANN and/or the passage of time. As the restrictions are satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying financial statements as net assets released from restrictions.
- **Permanently restricted net assets** - Net assets subject to donor-imposed stipulations that resources be maintained in perpetuity. Investment income generated from these funds is available for general support of ICANN's programs and operations unless otherwise stipulated by the donor.

As of June 30, 2008 and 2007, ICANN had no permanently or temporarily restricted net assets.

**Cash and cash equivalents** - Cash and cash equivalents include deposits in bank, money market accounts, and marketable commercial paper. ICANN considers all cash and financial instruments with maturities of three months or less when purchased by ICANN to be cash and cash equivalents.

## INTERNET CORPORATION FOR ASSIGNED NAMES AND NUMBERS

### NOTES TO FINANCIAL STATEMENTS

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#### NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Accounts receivable** - ICANN carries its accounts receivable on invoiced amounts less allowances for doubtful accounts. On a periodic basis, ICANN evaluates its accounts receivable and establishes allowances based on overdue accounts and a history of past write-offs. ICANN had two major registries/registrar totaling approximately \$22,237,000 or 44% of total support and revenue in 2008 and one major registry/registrar totaling approximately \$14,394,000 or 34% of total support and revenue in 2007. ICANN had accounts receivable amounts totaling approximately \$3,881,000 and \$2,150,000 due from the major registries/registrar at June 30, 2008 and 2007, respectively.

ICANN recovered approximately \$462,000 and \$2,429,000 of bad debt expense during years ended June 30, 2008 and 2007, respectively.

**Investments** – Investments in marketable securities are carried at fair value, based on quoted market prices. In November 2007, the Board adopted an investment policy which established a Board designated Reserve Fund. All funds in investments are reserved by the Board as the Reserve Fund.

**Property and equipment** - Property and equipment are stated at cost or, for contributed items, at fair market value at date of contribution. The equipment, furniture and fixtures are being depreciated using the accelerated method over estimated useful lives of three to seven years. Leasehold improvements are being depreciated using the straight-line method over the useful life or the remaining lease term, whichever is shorter. Acquisitions of property and equipment in excess of \$10,000 are capitalized.

**Deferred revenue** – Revenue is recognized during the period that the transaction associated with a fee relates, regardless of when the transaction fee was billed. Unless a registrar elects to have their multi-year transaction fees billed on a deferred basis, all transaction years are billed during the quarter in which the transaction agreement was signed. Fees relating to future periods are recorded as deferred revenue until earned. Fees for which deferred billing has been elected are billed and recorded as revenues in the year the transactions associated with the fees occur.

**Advertising costs** - Advertising costs are expensed in the period incurred. Advertising expense amounted to approximately \$94,000 and \$16,000, for the years ended June 30, 2008 and 2007, respectively.

**Income taxes** - ICANN is exempt from federal and state income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. Accordingly, no provision for income taxes has been made in the accompanying financial statements.

# INTERNET CORPORATION FOR ASSIGNED NAMES AND NUMBERS

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Functional allocation of expenses** - Expenses that can be identified with a specific program or supporting service are charged directly to the related program or supporting service. Expenses that are associated with more than one program or supporting service are allocated based on methods determined by management. ICANN's expenses are classified approximately as follows for the fiscal years ended June 30:

	<u>2008</u>	<u>2007</u>
Program services	\$ 28,631,000	\$ 19,300,000
Support services: management and general	<u>10,913,000</u>	<u>7,341,000</u>
Total expenses	<u>\$ 39,544,000</u>	<u>\$ 26,641,000</u>

**Concentration of credit risk** - Financial instruments which potentially subject ICANN to concentrations of credit risk consist primarily of cash and cash equivalents, accounts receivable, and investments. ICANN places its cash with major and creditable financial institutions. The cash held at these financial institutions may, at times, exceed the amount insured by the Federal Deposit Insurance Corporation. Concentration of credit risk with respect to receivables is mitigated by the diversity of registries/registrar comprising ICANN's registry/registrar base. ICANN places its investments with a major and creditable investment broker. The investments held are subject to the volatility of the market and industry in which it is invested.

**Use of estimates** - The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Reclassifications** - Certain 2007 amounts have been reclassified in the financial statements to conform to the 2008 presentation. These reclassifications have no impact on net assets.

# INTERNET CORPORATION FOR ASSIGNED NAMES AND NUMBERS

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 3 - ACCOUNTS RECEIVABLE

Accounts receivable is comprised of the following as of June 30:

	<u>2008</u>	<u>2007</u>
gTLD registries and registrars	\$ 11,779,000	\$ 13,875,000
IP address registries	823,000	2,172,000
ccTLD's	451,000	232,000
Other	<u>3,000</u>	<u>12,000</u>
	13,056,000	16,291,000
Less: allowance for doubtful accounts	<u>(600,000)</u>	<u>(1,321,000)</u>
	<u>\$ 12,456,000</u>	<u>\$ 14,970,000</u>

### NOTE 4 - INVESTMENTS

Investments consist of the following as of the year ended June 30, 2008:

Stocks	\$ 8,190,000
Bonds	<u>16,583,000</u>
Total	<u>\$ 24,773,000</u>

There were no investments for the year ended June 30, 2007.

### NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment consists of the following at June 30:

	<u>2008</u>	<u>2007</u>
Computer equipment	\$ 1,453,000	\$ 752,000
Computer software	20,000	20,000
Furniture and fixtures	322,000	194,000
Leasehold improvements	<u>294,000</u>	<u>130,000</u>
	2,089,000	1,096,000
Less: accumulated depreciation	<u>(773,000)</u>	<u>(514,000)</u>
	<u>\$ 1,316,000</u>	<u>\$ 582,000</u>

## **INTERNET CORPORATION FOR ASSIGNED NAMES AND NUMBERS**

### **NOTES TO FINANCIAL STATEMENTS**

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#### **NOTE 6 - LEGAL MATTERS**

In the ordinary course of business, ICANN is occasionally named as a defendant in lawsuits and may be involved in other alternative dispute resolution proceedings. Management is unable at this time to determine the probable outcome or the effect, if any, that these matters may have on the financial position and the ongoing operations of ICANN. Accordingly, the accompanying financial statements do not include a provision for any losses that may result from ICANN's current involvement in legal matters.

#### **NOTE 7 - RELATED PARTY TRANSACTIONS**

ICANN's President and Chief Executive Officer (CEO), Dr. Paul Twomey's services are currently provided to ICANN through a professional services agreement with Argo Pacific Party Limited (Argo Pacific), an Australian Proprietary Company. Dr. Twomey has an interest in Argo Pacific.

Payments were made to Argo Pacific under a contractual arrangement with ICANN (the terms of which have been approved by the ICANN Board of Directors) for the provision of Dr. Twomey's professional services, benefits allowance, and for related expenses (incidental travel, telecommunications, computer supplies, and office supplies).

Pursuant to the agreement, during the year ended June 30, 2008, Argo Pacific was paid \$256,000 associated with Dr. Twomey's employee benefits, \$543,000 in base compensation, and \$148,000 in bonuses. Argo Pacific's agreement with ICANN is denominated in Australian Dollars. ICANN's functional currency is in US Dollars, thus the payments to Argo Pacific are impacted by exchange rate fluctuations between the US dollar and Australian dollar. During the year ended June 30, 2007, Argo Pacific was paid \$219,000 associated with Dr. Twomey's employee benefits, \$451,000 in base compensation, and \$210,000 in bonuses. These bonuses were for service during the fiscal year ending June 30, 2004, 2005, and 2006. Furthermore, during the year ended June 30, 2007, Argo Pacific received \$24,000 in foreign currency adjustments for years prior to 2007 and received \$37,000 in foreign currency adjustments for the 2007 year. Reimbursements made to Argo Pacific for related expenses such as travel, telecommunications, and office supplies amounted to \$25,000 and \$26,000 for the years ending June 30, 2008 and 2007, respectively. Total payments made to Argo Pacific for the years ended June 30, 2008 and 2007, were approximately \$972,000, and \$967,000, respectively.

Included in accounts payable and accrued liabilities to Argo Pacific as of June 30, 2008 and 2007 was \$7,000 and \$143,000, respectively.



## INTERNET CORPORATION FOR ASSIGNED NAMES AND NUMBERS

### NOTES TO FINANCIAL STATEMENTS

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#### NOTE 8 - COMMITMENTS

ICANN leases its offices and certain other facilities under operating lease agreements with termination clauses from three to twelve months. Rent expense amounted to approximately \$1,211,000 and \$535,000 for the years ended June 30, 2008 and 2007, respectively. Minimum payments under the cancelable operating leases for the future years ending June 30 are approximately:

2009	\$	1,189,000
2010		1,014,000
2011		823,000
2012		800,000
2013		<u>67,000</u>
Total	\$	<u>3,893,000</u>

ICANN has probable pass-through and additional charges from the sublessor which are not included in the minimum payments above. The pass-through and additional charges cannot be reasonably estimated for future periods. Pass-through and additional charges amounted to approximately \$494,000 and \$254,000 for the years ended June 30, 2008 and 2007, respectively.

#### NOTE 9 - DEFINED CONTRIBUTION PENSION PLAN

ICANN's 401(k) Plan (the "Plan") is available to all employees in the United States at the first of the month following hire date with ICANN. ICANN contributes 5% of employee's salary to the plan regardless of employee contributions. ICANN also matches employee contributions up to 10% of the employee's annual salary. Employer contributions for the years ended June 30, 2008 and 2007 amounted to approximately \$1,083,000 and \$709,000, respectively.

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### **3. Project Funding Strategy**

In this Tab 3, ICANN will present its project funding strategy.

#### **I. IANA Functions Cost**

The cost to ICANN of performing the IANA Functions will be included in the overall costs of ICANN operations. To fund such operations, ICANN collects revenues, mainly in the form of fees, from contracted and non-contracted parties.

#### **II. IANA Functions Fees**

ICANN will not establish, and will not collect, any fees from third parties during the entire term of the resultant contract, including options, through September 30, 2019 for performing the IANA Functions.

#### **III. Plan for Funding of the IANA Department**

##### **A. No Cost to Government**

As stated previously, ICANN will not charge the U.S. Government for the costs of performing the IANA Functions.

Below is an overview of the resources that fund the ICANN operations, including performance of the IANA Functions, at no cost to the Federal government.

##### **B. Overview of ICANN's Financial Resources**

ICANN possesses financial resources, described as follows, that support the performance of the IANA Functions defined in the RFP, as well as the other ICANN activities, and day-to-day operations.

ICANN's resources consist of revenues that:

- (i) Largely result from defined contractual relationships
- (ii) Largely result from long term or renewable contractual relationships
- (iii) Come from a large number of different activities
- (iv) Have increased steadily since the creation of ICANN (see table 1 below)

Financial resources to fund ICANN's operating activities come primarily from registrant transactional fees, which are paid to ICANN via generic Top-Level Domain (gTLD) registries and registrars that are accredited by, and contracted with, ICANN. Additionally, Regional Internet Registries (RIRs) and many country code Top-Level Domain (ccTLD) registries contribute annually to ICANN.

ICANN also receives revenue from organizations that sponsor the Public Meetings that ICANN currently holds three times per year.

In 2012, ICANN will receive application fees in relation to the New gTLD Program. Those fees are designed to exclusively cover the costs of processing the applications to new top-level domain names. The IANA Functions will not be funded by such application fees.

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## **C. Major Revenue Sources**

**Registry Fees:** ICANN currently has contracts with registry operators of 18 generic top-level domains (gTLDs) such as .ASIA, .COM and .ORG. Registry fees are described in the respective registry agreements. Based on those agreements, registries pay a fixed fee, or a transaction-based fee, or both.

**Registrar Fees:** include the following:

- Application fees (fixed)
- Annual Accreditation fees (fixed)
- Accreditation fees (variable)
- Per Registrar fees (variable)
- Transaction fees (variable)

A transaction corresponds to each time a registrar: (i) registers a new domain name for its customer; (ii) has a customer transfer a domain name to the registrar from another registrar; or (iii) has a customer renew a domain name registration. The volume of transactions has steadily increased over the past years and was approximately 130 million during FY11 (July 2010 to June 2011).

**Regional Internet Registry (RIR) Contributions:** The RIRs traditionally contribute financially once a year and support ICANN's efforts by attending meetings, inviting ICANN to attend RIR meetings, and participating in the Address Supporting Organization, one of ICANN's policy development bodies.

**Country Code TLD Contributions:** Several ccTLDs have entered agreements with ICANN including exchanges of letters, accountability frameworks, and sponsorship agreements. In addition, many ccTLDs contribute to ICANN without a formal agreement.

## **D. Contractually Committed Revenues**

As of May 2012, 98% of ICANN's revenue is supported by currently active contracts. Contracted parties represent 96% of the total number of ICANN's sources of revenue.

Over the past three years, more than 96% of expiring contracts have been renewed.

The contracts currently in effect provide for committed revenues of US\$13 million at minimum for the next 10 years. This revenue is committed for the next ten years, even if all contracts currently in effect are not renewed upon expiration.

The average Registry contract is over 6.5 years. As of June 1, 2012, there are 3.8 years remaining until renewal on average. Further, generally there is a presumptive renewal in the Registry contracts, so risk of non-renewal is quite low.

The number of parties in the revenue base has demonstrated a growth, averaging 2.4% per year over the past three years (new parties net of terminations). The remainder of the customer base has generally remained steady during the same period.

The table below shows the growth of sources of revenue for the past three fiscal years since 30 June 2009.

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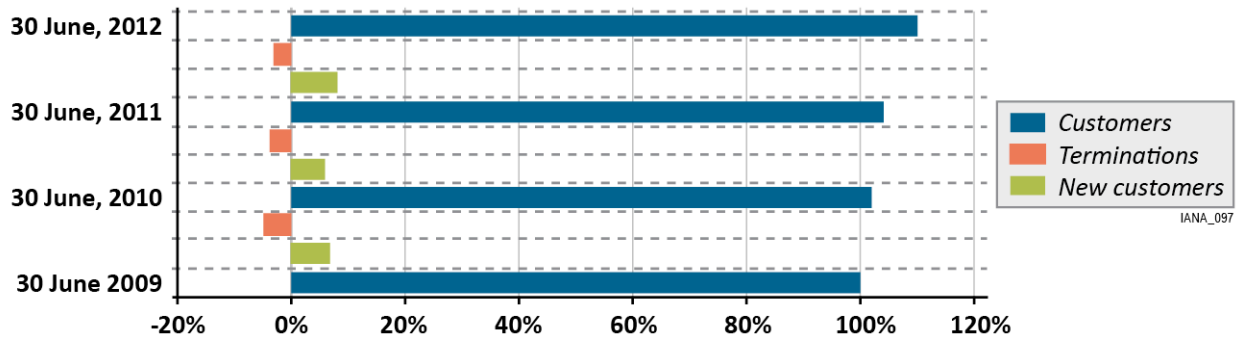


Figure D.1. Growth of Sources of Revenue

### E. Diversified Revenues

- ICANN has a revenue base of over 1,200 contracted or non-contracted parties.
- No individual party or category of parties exceeds 50% of ICANN’s total revenues.
- More than 36% of ICANN’s revenues come from fixed fees, mitigating the exposure of revenues to economic fluctuations.

### F. Steady Revenue Growth

- ICANN’s revenues have historically increased by more than 5% year over year.
- The New gTLD Program could lead to larger revenues from registries and registrars once registries approved through the New gTLD Program are contracted with ICANN and the NTIA has approved their entry into the root.

Figure E.1. Actual and Forecasted Revenue

FISCAL YEAR	REVENUES IN MILLION US\$	ACTUAL OR FORECAST*
2005/2006	23.5	Actual
2006/2007	34.2	Actual
2007/2008	50.4	Actual
2008/2009	60.2	Actual
2009/2010	65.8	Actual
2010/2011	69.3	Actual
2011/2012	70.8	Forecast
2012/2013	78.9	Forecast
2013/2014	106.4	Forecast
2014/2015	135.3	Forecast
2015/2016	136.8	Forecast
2016/2017	135.7	Forecast
2017/2018	138.5	Forecast
2018/2019	138.5	Forecast

\* The Forecast excludes potential new gTLD application fees.

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#### **IV. ICANN Operating Processes Affecting Financing**

ICANN's internal processes support its operational and financial stability and fiduciary responsibility:

- **Planning process:** ICANN reviews on an annual basis its Strategic Plan (three-year), defining strategic priorities. The annual Operating Plan translates strategic priorities into operational action plans. The annual Budget organizes the allocation of resources to ensure completion of the operating plan. Throughout the year, quarterly financial statements reviews, monthly management Key Performance Indicators (“KPIs”) reviews, reviews of actual spend versus budget on a monthly basis, and quarterly reforecast of fiscal year revenues and expenses provide to management the monitoring tools that ensure that resources are used in accordance with the Operating Plan and Budget in a prudent manner.
- **Systems infrastructure:** ICANN uses and continuously improves its systems infrastructure to ensure compliance and efficiency of operations:
  - Purchase Order system: to ensure that the commitment of resources is adequately approved as per the Bylaws.
  - Accounting Enterprise Resource Planning (“ERP”): ICANN has implemented the most recent Microsoft accounting system for mid size companies.
  - Human Resource (HR) management system: to improve compliance and efficiency (implementation in progress).
  - Document Management system: to support and enhance the integrity of legal and contractual documents, as well as the uniform version control of all documents company-wide.
- **Compliance tools and processes:**
  - Policies and procedures: ICANN uses documented and constantly updated and monitored policies and procedures to ensure that all staff complies with HR, Legal, Finance, Travel, and Project Management requirements.
  - Annual audit: Eleven years of unqualified certifications of ICANN's financial statements by a worldwide renowned independent audit firm.
  - Cash security: ICANN maintains a reserve fund aimed at covering one year of operational expenses (currently at 75% of target level). ICANN also keeps a level of operating cash on hand equivalent to three months of expenses to ensure the permanent ability to comply with expense commitments.

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## ***V. Intellectual Property Assertions***

Since its inception in 1998, ICANN has developed several proprietary software programs exclusively at private expense. ICANN retains complete ownership and title to all their software programs, and will retain title to any program under the resultant contract.

Enclosed with this Volume II is the Identification and Assertion of Restrictions on the Government's Use, Release, or Disclosure of Computer Software and Software Documentation at Exhibit 1 hereto (hereinafter the "Assertions"). Title to the Assertions in the exhibit will be retained by ICANN throughout the life-cycle of the resultant contract and will not be transferred to the government. These programs support ICANN activities, including ICANN's performance of the IANA Functions.

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**Identification and Assertion of Restrictions on the Government's Use, Release, or Disclosure of Computer Software and Software Documentation.**

These Assertions do not apply to restrictions based solely on copyright.

Except as provided below, computer software that The Internet Corporation for Assigned Names and Numbers (“ICANN” or “Contractor”) asserts it will be using during performance of the work, or should be furnished to the Government, with restrictions on use, release, or disclosure is identified below. The Contractor shall not use or deliver any software with restrictive markings unless the software is listed below.

In addition to the assertions made below, other assertions may be identified after award when based on new information or inadvertent omissions unless the inadvertent omissions would have materially affected the source selection decision. Such identification and assertion shall be submitted to the Contracting Officer as soon as practicable prior to the scheduled date for use or delivery of the software and signed by an official authorized to contractually obligate the contractor.

The Contractor asserts for itself, or the persons identified below, that the Government's rights to use, release, or disclose the following computer software should be restricted:

Technical Data and Computer Software to be Furnished	Basis for Assertion**	Asserted Rights Category***	Name of Person Asserting Restrictions****
Method of deploying OpenDNSSEC software with high availability	Exclusively Private Expense	Specifically Negotiated license	ICANN
Software to provide interaction with Root Zone Maintainer for DNSSEC in the Root Zone	Exclusively Private Expense	Specifically Negotiated license	ICANN
Software to process a Key Signing Request (“KSR”) during a Root Zone Key Ceremony	Exclusively Private Expense	Specifically Negotiated License	ICANN

Software to generate a new Root Zone Key Signing Key ("KSK")	Exclusively Private Expense	Specifically Negotiated license	ICANN
Procedures to manage the Root Zone KSK	Exclusively Private Expense	Specifically Negotiated License	ICANN
Software to manage IN-ADDR.ARPA and IP6.ARPA delegations	Exclusively Private Expense	Specifically Negotiated License	ICANN
Software for Root Zone management ("RZM")	Exclusively Private Expense	Specifically Negotiated License	ICANN
IANA Website Code Package	Exclusively Private Expense	Specifically Negotiated license	ICANN
IANA Intranet Package	Exclusively Private Expense	Specifically Negotiated License	ICANN
IANA WHOIS Package	Exclusively Private Expense	Specifically Negotiated License	ICANN
ICANN Registry Package	Exclusively Private Expense	Specifically Negotiated License	ICANN
PEN Application	Exclusively Private Expense	Specifically Negotiated License	ICANN
RT Customizations	Exclusively Private Expense	Specifically Negotiated License	ICANN


DNS Testing Toolkit	Exclusively Private Expense	Specifically Negotiated License	ICANN
IDNA Toolkit	Exclusively Private License	Specifically Negotiated License	ICANN

\*Generally, developments at private expense, either exclusively or partially, are the only basis for asserting restrictions on the Government's rights to use, release, or disclose computer software.

\*\*Indicate whether development was exclusively or partially at private expense. If development was not at private expense, enter the specific reason for asserting that the Government's rights should be restricted.

\*\*\*Enter asserted rights category (e.g., restricted or government purpose rights in computer software, government purpose license rights from a prior contract, rights in SBIR software generated under another contract, or specifically negotiated licenses).

\*\*\*\*Corporation, individual, or other person, as appropriate.

Date	May 29, 2012
Printed Name and Title	John Jeffrey General Counsel and Secretary
Signature	

(End of identification and assertion)

(4) When requested by the Contracting Officer, the Contractor shall provide sufficient information to enable the Contracting Officer to evaluate the Contractor's assertions. The Contracting Officer reserves the right to add the Contractor's assertions to the Attachment and validate any listed assertion, at a later date, in accordance with the procedures of the Validation of Asserted Restrictions—Computer Software clause of this contract.

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