

February 14, 2006

Dr. Vinton G. Cerf
Chairman of the Board
Internet Corporation for Assigned Names and Numbers
4676 Admiralty Way, Suite 330
Marina del Rey, California 90292-6601

Dear Dr. Cerf:

The Internet Corporation for Assigned Names and Numbers (ICANN) Board is poised to make a historic decision on a proposed agreement to settle pending litigation with VeriSign and to extend VeriSign's contract as the registry operator for the .com domain. We are writing to voice our deep concern about this proposal. Even if this is, indeed, VeriSign's "last and best offer," it must not be ICANN's.

We represent some of ICANN's largest accredited registrars. Collectively, we have approximately 25 million .com domain names under management, and 57 percent of .com names. Our companies employ many different business models that cater to many different types of customers. Despite these differences, we agree that additional safeguards are needed to uphold competition, transparency and accountability in this fledgling market.

ICANN's staff recently revised the proposed ICANN-VeriSign settlement and .com registry agreements. Unfortunately, the changes do not go to the heart of the matter. We focus here on the need to change the following, damaging provisions:

1. **Pricing:** The proposed revisions provide VeriSign with the unprecedented capability to increase prices by 7 percent annually in four of the next six years without cost-justification.
2. **Perpetual management rights:** The proposed revisions would modify the renewal clauses so that the contract is essentially non-cancellable and ICANN's right to rebid is taken away.

The proposed agreement still harms the Internet community by allowing unjustified price increases in most future years at a time when fees for .com should be decreasing, not rising. Even VeriSign last year agreed to drop fees by more than 40 percent for .net to win an extension of that registry agreement.

The revised proposal changes the "presumptive renewal" provision to deny any competition when the contract ends in 2012, locking in VeriSign as the .com registry operator, without the counterbalance of a competitive bid process. This is particularly troubling because VeriSign, as the authorized registry operator for the .net and .com domain names, controls 85 percent of the U.S. market, as .com alone accounts for 75 percent of domain names registered by U.S. registrants. The guarantee of an unregulated monopoly runs counter to the reasons behind why ICANN was created, the policies of the

anti-trust laws of the United States, and the competition policies of many nations worldwide.

At the United Nations' World Summit on the Information Society (WSIS) last year, arguments were made that the hands-off, market-based approach to ICANN administration is working. The current ICANN management structure upheld at WSIS must not be called into question in the future by ceding control of the .com registry operation to one U.S. operator essentially forever, and without competition or regulation.

This letter highlights areas that deserve immediate attention. Other key concerns on which you will be hearing from us include a need for public accountability and third party verification of the \$200 million investments in the .com infrastructure required of VeriSign under the current contract, and a requirement that VeriSign follow ICANN's consensus policy for introducing new registry services, such as selling traffic data relating to .com domain names.

We urge you and your fellow Board members to sign a final agreement that preserves competition and promotes market-based pricing. What is before you for consideration achieves neither result. Thank you for your diligent efforts on these critical issues.

Respectfully,



Bob Parsons
Founder and President
Go Daddy Group Inc.



Champ Mitchell
Chairman and Chief Executive Officer
Network Solutions



Elliot Noss
President and Chief Executive Officer
Tucows Inc.



Theo Hnarakis
Chief Executive Officer
Melbourne IT




David Moore
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Peter Dengate Thrush
Paul Twomey
Suzanne Woolf