



Internet Corporation for Assigned Names and Numbers

31 March 2004

Via E-mail: bruce.tonkin@melbourneit.com

Bruce Tonkin, Chair
ICANN Generic Names Supporting Organization Council

Re: Policy Advice Concerning the Designation of a Successor Operator for .net

Dear Bruce,

At its meeting in Rome, Italy, on 6 March 2004, ICANN's Board of Directors adopted the following resolution numbered 04.18:

.net Registry Agreement Expiration Date and Initial Procedure for Designating Successor Registry Operator

Whereas, Section 5.1 of the .net Registry Agreement entered into between ICANN and VeriSign on 25 May 2001 provides that the agreement will expire no later than 30 June 2005
<<http://www.icann.org/tlds/agreements/verisign/registry-agmt-net-25may01.htm>>;

Whereas, Section 5.2 of the .net Registry Agreement obligates ICANN to adopt an open, transparent procedure for designating a successor Registry Operator by no later than one year prior to the end of the agreement, which would be 30 June 2004;

Resolved, [04.18] that in order to prepare for the designation of a transparent procedure by 30 June 2004, the Board authorizes the President to take steps to initiate the process as specified in Section 5.2 of the .net Registry Agreement for designating a successor operator for the .net registry, including referrals and requests for advice to the GNSO and other relevant committees and organizations as appropriate.

As indicated in the text of the resolution, ICANN is taking steps to initiate the process for designating a successor operator for the .net registry. This letter is a formal request for guidance from the GNSO concerning the criteria for designating a successor operator for .net. Specifically, §5.2.4 of the .net Registry Agreement (below) identifies certain criteria to be taken into account in the selection of a successor. That paragraph also

calls for the establishment of a consensus policy regarding the identification and definition of these criteria. Accordingly, the GNSO Council is requested to issue a consensus statement defining criteria and conditions to be applied in the selection of a successor registry operator. In developing the scope of its recommendations, the GNSO should be guided by the example criteria listed in para. 5.2.4, below, e.g. a balancing of: stability of the Internet, promotion of competition, consumer choice, functional capabilities, performance specifications, commercial terms, relevant experience, and the demonstrated capability to manage similar databases at the required scale.

For your reference, the following is the complete text of §5.2 of the current .net Registry Agreement, which specifies the "procedure for subsequent agreement":

5.2 Procedure for Subsequent Agreement.

5.2.1 Not later than one year prior to the end of the term of this Agreement, ICANN shall, in accordance with [Section 2.1](#), adopt an open, transparent procedure for designating a successor Registry Operator. The requirement that this procedure be opened one year prior to the end of the Agreement shall be waived in the event that the Agreement is terminated prior to its expiration.

5.2.2 Registry Operator or its assignee shall be eligible to serve as the successor Registry Operator and neither the procedure established in accordance with subsection 5.2.1 nor the fact that Registry Operator is the incumbent shall disadvantage Registry Operator in comparison to other entities seeking to serve as the successor Registry.

5.2.3 If Registry Operator or its assignee is not designated as the successor Registry Operator, Registry Operator or its assignee shall cooperate with ICANN and with the successor Registry Operator in order to facilitate the smooth transition of operation of the registry to successor Registry Operator. Such cooperation shall include the timely transfer to the successor Registry Operator of an electronic copy of the Registry Database and of a full specification of the format of the data.

5.2.4 ICANN shall select as the successor Registry Operator the eligible party that it reasonably determines is best qualified to perform the registry function under terms and conditions developed pursuant to [Subsection 4.3](#) of this Agreement, taking into account all factors relevant to the stability of the Internet, promotion of competition, and maximization of consumer choice, including without limitation: functional capabilities and performance specifications proposed by the eligible party for its operation of the registry, the price at which registry services are proposed to be provided

by the party, the relevant experience of the party, and the demonstrated ability of the party to manage domain name or similar databases at the required scale.

5.2.5 In the event that a party other than Registry Operator or its assignee is designated as the successor Registry Operator, Registry Operator shall have the right to challenge the reasonableness of ICANN's failure to designate Registry Operator or its assignee as the successor Registry Operator pursuant to Section 5.9 below. Any such challenge must be filed within 10 business days following any such designation, and shall be decided on a schedule that will produce a final decision no later than 60 days following any such challenge.

As an additional reference point, the GNSO may want to consider the work of the DNSO with respect to the reassignment of the .org registry. On 4 June 2001, at its meeting in Stockholm, Sweden, ICANN's Board referred to the Names Council for its consideration the issues raised by the scheduled transition of the operation of the .org top-level domain from VeriSign to a new entity. The DNSO Council responded by forming a task force to study the issue and prepare a report. On 17 January 2002, the DNSO Council adopted the "Report of the Dot Org Task Force", which ICANN used as the basis for the procedure for designating a successor operator for .org adopted at the 14 March 2002 Board meeting in Accra, Ghana <<http://www.icann.org/accra/org-topic.htm>>. Additional background on the .org reassignment ([to Public Interest Registry](#)) is available at <<http://www.icann.org/tlds/org/>>.

I have noted that the Council has already taken the proactive step of placing this issue on its agenda for its next meeting (1 April 2004). In order to facilitate further planning for the procedure for designating the successor operator, I would very much appreciate hearing from you at your earliest convenience regarding your tentative timeline for the completion of your policy process on this issue.

Thank you very much for your anticipated further cooperation in this matter.

Best regards,

Paul Verhoef
Vice President, Policy Development Support
ICANN