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June 9, 2009

Via E-Mail and Regular Mail
John O. Jeffrey,
General Counsel & Secretary
Internet Corporation For Assigned Names And Numbers
4676 Admiralty Way, Suite 330
Marina Del Rey, California 90292
Jeffrey@icann.org

Re: .name: Shortfall In Transaction Fees Due To Unreported 1-Year Activations

Dear John,

As I previously reported to you, VeriSign, has discovered that a number of 1-year .name registrations resulting from the conversion of free trial participants to paying status were not properly reported. As a result, a total of 3,520 transactions for the period from July, 2007 through April 2009 were not reported. Key- Systems was the registrar for these unreported transactions.

One-year activations were the only category that went unreported between July 1, 2007 and April 30, 2008:

| Registration<br>Term | Period       | Total<br>Transactions | Rate | Amount<br>Due |
|----------------------|--------------|-----------------------|------|---------------|
| 1- Yr or Less        | Jul07- Dec08 | 2,767                 | .15  | \$415.05      |
| 1- Yr or Less        | Jan09-Mar09  | 553                   | .15  | \$ 82.95      |
| 1- Yr or Less        | Apr09        | 200                   | .15  | \$ 30.00      |
| Total                |              | 3,520                 |      | \$528.00      |

Note 1:Registrations for less than a year (1 mo. or 3 mos.) are treated and recorded as 1-year registrations.

Note 2: 10-year registrations were treated as a 1-yr. registration with a 9-year renewal. The 9-yr renewal has been reported to ICANN, but not the first year of the 10-year registration.

Note 3: Additional detail by month is contained in Schedule A, attached.

Accordingly, the amounts invoiced for the period between July 1, 2007 and December 31, 2008 along with the amount to be invoiced by ICANN for the first quarter of 2009 are short by \$415.05 and \$82.95 respectively, and unless adjusted the amount to be invoiced for the second quarter for 2009 will be short by \$30.00.

Verisign proposes that all 3,520 unreported transactions be added to the 1-year-add column of Table 8 for Key-Systems in the .name ICANN monthly report for May 2009. This would enable ICANN to use its standard method of calculating and processing transaction fees and not require a separate invoice or non-standard process to collect the amounts owed.

If this approach is not acceptable, please let us know by June 15, 2009, otherwise we will add the transactions to the report to be filed on June 20, 2009.





If you have any questions, please feel free to contact me at 703-948-4524.

Sincerely,

Jonathan Spencer

Vice President and Associate General Counsel

cc: Kurt Pritz, SVP Services, ICANN
Craig Schwartz, Chief gTLD Registry Liaison, ICANN
Barbara Steele
Michael Mainwold





## SCHEDULE A

|         | Unreported to ICANN |
|---------|---------------------|
| 2007-07 | 21                  |
| 2007-08 | 23                  |
| 2007-09 | 35                  |
| 2007-10 | 55                  |
| 2007-11 | 35                  |
| 2007-12 | 36                  |
| 2008-01 | 29                  |
| 2008-02 | 62                  |
| 2008-03 | 70                  |
| 2008-04 | 63                  |
| 2008-05 | 204                 |
| 2008-06 | 580                 |
| 2008-07 | 623                 |
| 2008-08 | 154                 |
| 2008-09 | 194                 |
| 2008-10 | 251                 |
| 2008-11 | 235                 |
| 2008-12 | 97                  |
| 2009-01 | 175                 |
| 2009-02 | 174                 |
| 2009-03 | 204                 |
| 2009-04 | 200                 |
|         | 3,520               |