Proposed Ethos Capital Takeover of .ORG Registry

Dear Maarten Botterman, Chairman of the ICANN Board of Directors,
Dear Göran Marby, CEO and President of ICANN,

First of all let us reiterate our deepest gratitude to you personally, ICANN as an organization and to the whole ICANN community for the outstanding contributions that helped to make the IGF 2019 in Berlin a great success.

Today we are writing to you on the issue of the proposed change of control of Public Interest Registry (PIR) from the Internet Society to the investment fund Ethos Capital. We appreciate that the ICANN Board reviews the transactions and considers it in the light of the public interest and are grateful that the Board has already agreed several times to postpone the decision to take into account all views.

The current COVID-19-crisis, in which many nonprofit organizations that are .ORG registrants play a crucial role, underlines the importance to take the interests of the nonprofit community into account when reviewing the transaction.

With regard to the potential impact of the transaction on the nonprofit community and
ICANN’s particular role in coordinating and managing the Internet’s infrastructure, we urge you to carefully examine the proposed change of control of PIR and to consider all possible consequences of an approval.

From our perspective, especially the following aspects are critical:

- **Sufficient information needed**: We have noted that there has been very little information provided by the parties about the transaction prior to the conclusion of the sales agreement and many details about the transaction are still unclear. It is regrettable that the usual discussion with all stakeholder groups did not take place before the announcement of the sale, although PIR is obviously a unique resource that was granted to ISOC by ICANN free of charge to develop the Internet for the benefit of all people.

  We are still lacking information on the new company Ethos Capital, which has no track record so far, about PIR’s financial situation after the sale as well as the chain of ownership and other financial involvement of the entities and persons involved in the transaction. It remains unclear to us how exactly the personnel and financial integration of leading (former) players of ICANN and ISOC with the planned new owner Ethos Capital will look like.

- **Governments need to have a say and guarantees**: It remains unclear to us, how legally secure the guarantees envisaged by Ethos Capital/PIR will be. A unilateral change by Ethos must be excluded. From our perspective, the voluntary Public Interest Commitments (PICs) proposed by PIR are insufficient.

  We share the opinion expressed by others that a simple majority in the proposed Stewardship Council should be sufficient in order to reject “Designated Policy Changes” and that the PIR Board should not play any role in the nomination of the Stewardship Council’s members.

Finally, we would like to echo the calls for more information on ICANN’s criteria in the review of the transaction and the further process.

Sincerely yours,
Dr. Rudolf Gridl  
Head of Division  
„Internet Governance and International Digital Dialogues“  
Federal Ministry for Economic Affairs and Energy  
MAG-Member

Wolfram von Heynitz  
Head of Division  
“Cyber Foreign Policy and Cyber Security Coordination Staff”  
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