



VERISIGN™

February 15, 2013

VIA FED EX AND EMAIL

John Jeffrey, Esq.
General Counsel and Secretary
Internet Corporation for Assigned Names and Numbers
12025 Waterfront Drive, Suite 300
Los Angeles, CA 90094-2536

Re: Proposed Changes to Registry Agreement

Dear John:

I am writing by way of follow-up to Verisign's letter to you dated January 30, 2013 and to raise additional concerns with ICANN's new gTLD program.

The January 30th letter expressed Verisign's concerns about ICANN's continued changes to the new gTLD program process. Specifically, we highlighted in our letter the delay in key milestones in the new gTLD program, including our concerns with the announcement ICANN made during the January 11 webinar wherein ICANN moved the deadline, yet again, for its posting of the results of the String Similarity Review. We cited, among other things, that ICANN's delay in executing its String Similarity Review in a timely manner has the potential to prejudice applicants. We also pointed out that the March 13 objection deadline contravenes ICANN's Guidebook commitment to complete the Initial Evaluation Review before the objection period closes. We look forward to your response to our January 30 letter.

We also wish to take this opportunity to express our growing concern with other elements of the new gTLD program. On February 5, 2013, ICANN held a webinar during which ICANN announced a number of proposed changes to the Registry Agreement ("RA") to be executed by new gTLD registry operators. Later that day ICANN posted the proposed changes to the RA for an abbreviated 21-day comment period. As with the issues raised in our January 30 letter, we are concerned both with the timing and the substance of ICANN's proposed RA changes. ICANN's decision to propose these substantial changes now, after many years of multi-stakeholder comment, has the potential to disrupt the expectations of the parties and, in our view, undermine the multi-stakeholder model that ICANN has committed to uphold.

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One problem with the timing of the proposed changes is that ICANN is also requiring applicants to formally submit public interest commitments on March 5, 2013, just a few days after the RA comment period closes on February 26. The March 5 date is too soon after the comment period closes in our view because we expect substantial comments to be made to the proposed public interest commitment section to the RA (Specification 11). Further, the March 5 submission date falls before the receipt of possible GAC objections, which Specification 11 seems designed in part to address. ICANN should not rush its review of the comments of this or any proposed changes and should change the March 5 date to permit a reasonable amount of time after the section is finalized and after possible GAC objections is received for parties to submit commitments.

Another timing concern is that applicants that wish to submit public interest commitments under ICANN's timeline will be forced to make such commitments *before* ICANN has disclosed the new dispute procedure it contemplates creating to resolve disputes under Specification 11. We cannot, nor should any careful applicant, decide to submit public interest commitments without knowing how, and especially who, will decide enforcement disputes that might arise. We do not believe that ICANN's timeline is consistent with ICANN's obligations under the Affirmation of Commitments. See, e.g., Affirmation of Commitments Section 9.1(d).

Further, some of the proposed substantive changes to the RA will upset the reasonable expectations of applicants. For example, ICANN's attempt to obtain a unilateral right to impose certain RA amendments (as proposed in Section 7.6) is particularly problematic because ICANN previously sought a similar right during the development of the RA in the draft application guidebook process. We remind you that in light of comments from the community, Version 4 of the draft application guide issued in May 2010 did not contain an amendment process that included such a right. ICANN appears to be revisiting, at this late date, what is, or should be, a settled issue and using the shortest possible public comment period to do so. Applicants, such as Verisign, have made significant investments in reasonable reliance that such unilateral amendment rights would not be part of the RA.

We have similar concerns with other proposed changes. For example, ICANN is seeking to broaden its assignment rights under Section 7.5 in a way that was already rejected through consensus by the community. In November 2012, in Version 5 of the draft application guide, ICANN agreed, in light of community comments, to add language to clarify that an assignment not requiring consent of Registry Operator pursuant to any ICANN reorganization would only be to an entity in the same jurisdiction in which ICANN is currently organized. ICANN's proposed changes to Section 7.5 remove this limitation thereby upsetting applicants' expectations. We believe this and other proposed changes undermine ICANN's credibility and is inconsistent with its obligations under the Affirmation of Commitments. See, e.g., Affirmation of Commitments, Section 7.

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We trust that ICANN will carefully consider the implications of its proposed RA changes. We look forward to your response.

Very truly yours,

A handwritten signature in cursive script, reading "Tom Indelicato" followed by a stylized flourish that appears to be "TCH".

Thomas C. Indelicato
Vice President and Associate General Counsel