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March 10, 2011

**Via Email and FedEx**

Mr. Rod Beckstrom  
President and CEO  
Internet Corporation for Assigned Names and Numbers  
4676 Admiralty Way  
Suite 330  
Marina Del Rey, California 90292

Dear Mr. Beckstrom:

Thank you for your letter dated December 22, 2010 clarifying that Neustar will be entitled to serve as both a registry and registrar for new gTLDs subject to the limitations and restrictions set forth in the final Applicant Guidebook. While we appreciate this confirmation, we note that Neustar's .biz agreement currently contains a provision that states that it "shall not acquire, directly or indirectly, control of, or a greater than fifteen percent ownership interest in, any ICANN-accredited registrar."<sup>1</sup> In order for us to truly be able to serve as both a registry operator and a registrar in a given top-level domain, this provision will either have to be modified or deleted in its entirety.

ICANN has already acknowledged on numerous occasions that permitting cross-ownership of registries and registrars "enhance efficiencies and almost certain will result in benefits to consumers in the form of lower prices and enhanced services."<sup>2</sup> Moreover, the ICANN Board "thinks that its decision to allow cross-ownership of registries and registrars in the new gTLD Program will have a positive Community impact, as it will, at a minimum, help foster competition and innovation" and it "sees no security, stability and resiliency issues relating to the DNS arising from its decision on cross-ownership."<sup>3</sup> Neustar certainly supports this initiative to promote open and fair competition not only with respect to new gTLDs, but with existing gTLDs as well.

We are therefore writing this letter to formally request that ICANN immediately commence a process to enable Neustar to seek accreditation as a registrar. We believe that this can be accomplished by deleting Section 7.1(c) of the .BIZ Registry Agreement in its entirety. In addition, in the event that we are successful in receiving accreditation by ICANN to serve as a registrar, Neustar would be amenable to

<sup>1</sup> Section 7.1(c) of the .BIZ Registry Agreement dated December 8, 2006.

See <http://www.icann.org/en/tlds/agreements/biz/registry-agmt-27apr10.htm>.

<sup>2</sup> See <http://www.icann.org/en/minutes/draft-cross-ownership-rationale-04feb11-en.pdf> at pg. 14.

<sup>3</sup> Id at 16.



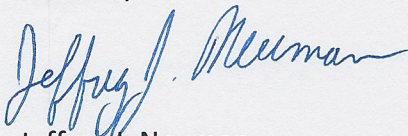
adding new language similar to that contained in Section 2.14 of the new gTLD Agreement<sup>4</sup> which includes the final form of Registry Code of Conduct into the .BIZ Agreement. This Code of Conduct would contain language no more restrictive than the final Code of Conduct included in the new gTLD Agreement; provided that language at least as restrictive is included in all future registry agreements (for new or existing gTLDs). In the event that such a code is not completed by the time that Neustar applies to become an ICANN-Accredited Registrar, we would ask for language that binds us to the then-current version of the code, but allows for it to be amended to reflect the final Code as adopted by the Board of Directors in the Final Applicant Guidebook.

We are asking for this language now to allow Neustar to compete fairly for new gTLDs on the same terms and conditions as registrars entering the new gTLD registry market. Those registrars, who are actively providing domain registration services to their registrants in the existing gTLDs are making commitments to new gTLD applicants that we cannot make with certainty absent our requested amendment. It is critical to resolve this issue immediately to ensure that Neustar is able to compete on a level playing field with the new entrants into the marketplace and to promote the efficiencies and innovation for consumers as advocated by the ICANN Board. Failure to act immediately to approve our request will have an adverse effect on our ability to compete on a level playing field and be contrary to the "core values" set forth in the ICANN Bylaws.<sup>5</sup>

Neustar also requests that ICANN publish this letter as soon as possible so that we can address any questions that the Board, Staff or Community has on our request to amend the .BIZ Registry Agreement and our application to become an ICANN-Accredited registrar.

Please let us know if you have any questions. We are available to discuss this matter further in San Francisco.

Sincerely,



Jeffrey J. Neuman  
Vice President, Law & Policy

Cc: Peter Dengate Thrush, Chairman (via email)  
John Jeffrey, General Counsel (via email)  
Kurt Pritz, SVP Stakeholder Relations (via email)

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<sup>4</sup> <http://www.icann.org/en/topics/new-gtlds/draft-agreement-specs-clean-12nov10-en.pdf>.

<sup>5</sup> The ICANN Bylaws state that "In promoting its mission, the following core values should guide the decisions and actions of ICANN . . . 5. When feasible and appropriate, depending on market mechanisms to provide a competitive environment. 6. Introducing and promoting competition in the registration of domain names where practicable and beneficial in the public interest." <http://www.icann.org/en/general/bylaws.htm>.