

STATEMENT OF CONGRESSMAN RICK BOUCHER

Subcommittee on Communications Technology and the Internet Hearing Oversight of the Internet Corporation for Assigned Names and Numbers (ICANN)

June 4, 2009

The subcommittee will come to order.

Our discussion this morning focuses on the activities of the Internet Corporation for Assigned Names and Numbers, commonly known as ICANN.

Since 1998 ICANN has managed the designation and allocation of Internet domain names and addresses under various contractual arrangements with the U.S. Department of Commerce.

The original memorandum of understanding signed in November of 1998 has been renewed on several occasions, most recently as a Joint Project Agreement which is scheduled to expire on September 30 of this year. One matter upon which we will focus this morning is whether Department of Commerce oversight should be retained through renewal of the agreement or in the alternative whether the time has come for that oversight to be relinquished and for ICANN to operate after September 30 without supervision with respect to the allocation and designation of Internet domain names and addresses and associated functions.

It should be noted that under a separate contract which is not scheduled to expire, the Department of Commerce has conferred upon ICANN the management of the master files of the domain name system generally known as the root zone files. Under that non-expiring contract, ICANN also manages and coordinates the allocation of IP addresses.

In considering whether the expiring contract should be renewed or should expire without renewal, key questions are whether ICANN's decision making is sufficiently transparent or whether improvements are needed and whether under its existing structure and practices ICANN is sufficiently accountable to Internet stakeholders and the global community of Internet users. I'm sure that the witnesses and members will have views to express on those matters.

A second focus of today's hearing is on ICANN's proposal to introduce new generic top level domains which could involve descriptions of various types of activities, locations, brands or trademarked names.

It is suggested that the creation of new top level domains would promote competition among the registry operators of the TLDs and would enhance consumer choice.

Among the concerns that have been raised about proliferation of new TLDs is the cost to companies associated with protecting their brands if they have to purchase additional second level domain registrations under the new top level domains. Not only do they purchase their

exact brand name under the various TLDs but they generally also purchase common misspellings of their brand name as well.

As the number of TLDs grows the cost to companies to protect their brand names grows exponentially. Does the added competition and consumer choice arising from new TLDs offset that cost as a matter of public policy?

Other questions relate to ICANN's capacity to manage all of the new top level domains and assure the overall stability and security of the domain name system and whether ICANN can assure that an adequate amount of competition would in fact arise in the bidding process for the new TLDs.

We welcome our witnesses and their testimony this morning.