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Opening Statement of Rep. Henry A. Waxman
Ranking Member, Committee on Energy and Commerce
Hearing on ICANN's Generic Top-Level Domain Name Program
Subcommittee on Communications, Technology, and the Internet
December 14, 2011

I am pleased that the Subcommittee is holding this timely hearing on the Internet Corporation for Assigned Names and Numbers, or ICANN.

Two years ago Democratic members of this subcommittee, sent a letter to then Commerce Secretary Locke supporting the creation of a permanent instrument to replace the Joint Project Agreement between ICANN and the Department of Commerce. At the time, we stated that any such instrument must include a mechanism for the implementation of new generic Top Level Domains (gTLDs) to ensure "appropriate consultation with stakeholders" as well as periodic reviews.

Today we face the first real test of this new instrument, known as an "Affirmation of Commitments," which was signed by ICANN and the Department of Commerce in September 2009. I want to make sure that the process for the upcoming expansion of new gTLDs fully reflects the goals of transparency and accountability called for in the Affirmation of Commitments. I have three concerns that I hope today's panel will address.

First, cost. It has been estimated that the new gTLD application program will bring in \$92.5 million in revenue for ICANN, but only \$36 million of that will be spent on the launch of the program. An additional \$31 million will be set aside for a contingency reserve for litigation and other potential costs. I would like to hear more about how ICANN plans to utilize the substantial revenues coming in from this program.

Second, accountability. ICANN has created several new processes to address trademark protection concerns with the new gTLDs, such as a rapid system to take down infringing domain names and a one-stop clearinghouse to allow trademark holders to register and protect their marks. Nevertheless, ICANN has not yet selected the entities that will run these crucial new programs. With the new gTLD program scheduled for launch next month, I am interested to learn what ICANN plans to do about this critical challenge.

Finally, timing. I understand that the development of this new gTLD program has gone through a seven-year process involving thousands of stakeholders. It is not clear to me, however, why there is the urgency to launch up to 500 new gTLDs during the first round. I would like to hear today's witnesses discuss whether it makes more sense to consider a phased-launch to ensure that ICANN has the appropriate resources and procedures in place to react to actual demand. A phase-in might also give the global community more time to understand and absorb the impact of the program.

I am not opposed to the creation of new gTLDs. Expanding the number of gTLDs is consistent with ICANN's mission to promote competition and consumer choice. NTIA deserves credit for its diligent work with ICANN through the Government Advisory Committee and I know the agency will continue to monitor this issue closely.

Thank you again, Mr. Chairman, for holding today's hearing. I look forward to hearing from our expert panel.