



Internet Governance Caucus	Date	2020-02-04
c/o Sheetal Kumar <sheetal@gp-digital.org>	Reference	Letter from the Internet Governance Caucus re: the sale of .org
Via email		

Dear Internet colleagues,

Thank you for your letter of 19 December in respect of a transaction the Internet Society (ISOC) has pending with Ethos Capital in respect of Public Interest Registry (PIR). We understand that the letter represents the views of many or perhaps most of the 147 members of IGC listed at <https://igcaucus.org/igc-members-september-2019/>. We take your remarks seriously and thank you for them.

We understand the concern you express about the potential for a conflict in the interests of a commercial organization and the interests of the users served by that organization, but we question whether that potential is limited to commercial organizations. It seems that it is possible that the interests of any registry operator and the users of that registry might conflict; indeed, when PIR has suspended the registration of domain names due to those domain names being involved in behavior called “DNS abuse”, it seems obvious that such actions are contrary to the interest of the registrant in question. Administering such a system fairly is what good registry operators do, and as you acknowledge in your letter PIR has a reputation for exemplary management. It is that very reputation that Ethos wishes to acquire, so it would be against their own interest to change the PIR policies in this regard. For that reason, we do not believe that there will be conflicts between user desires and registry policies that are any different before and after the closing of this transaction.

We are surprised to hear advanced the argument that PIR contributed to the Internet Society’s legitimacy or influence with respect to Internet infrastructure. The Internet Society’s oversight of PIR was ever mindful of concerns that were raised about potential interference in PIR’s operations. This tension was never far away, and it has tended to dampen ISOC’s ability to engage effectively with policies developed at ICANN, lest people accuse ISOC of conflict of interest. PIR has not appeared in Internet Society plans for its activities for many years, because the domain name business does not need the attention of the Internet Society.

We wish to clarify that there was no “urgency” to divest of PIR. There was never a plan to sell PIR, but when approached with an excellent offer we believed we had a fiduciary obligation to examine it seriously. We concluded that it was a good idea, and proceeded accordingly. The process was no more secret than any other standard business process in a competitive and rapidly-changing market area. That ISOC needed to treat such an event as confidential business information is, of course, distressing; but it is yet another reason why on the whole it seemed good to proceed with the transaction. As a result of this transaction, the



Internet Society will be able to use standard endowment management practices as the core of its funding strategy.

We have shared with ICANN much more information about this transaction than any prior change of indirect control (some of it since your letter), and we have published a great deal about the pending transaction in the interests of transparency. We intend to continue this practice. Some information remains confidential due to the nature of business relationships, and we cannot and will not publish it.

We respectfully disagree with the characterization of this transaction as representing a significant change for the Internet community. The same organization, with the same management team and policies, will be operating .org and the other PIR-operated TLDs before and after the transaction closes. There is no evidence of any impending human rights impact, or effect on registrants or users of .org domains. There were early concerns people expressed about price changes, but Ethos has committed to limit any price increases in line with the previous agreement with ICANN. We also feel no obligation to protect "domainers" who are for-profit businesses that invest in .ORG domain names in order to sell them to the highest bidder, and who are among those who have been speaking most vehemently against this transaction. Ethos has also promised to set up a Stewardship Council that will be responsible for ensuring the continued robust anti-censorship policies of PIR – policies above and beyond the censorship resistance implicit in ICANN agreements with registries.

The registries that PIR operates, including .org, and the registrants they serve, all deserve the attention of dedicated oversight that comes from an investor who wishes to build the business. You are right that the Internet Society has looked after PIR for 17 years. But of course, much has changed on the Internet in that period. In the current arrangement, a core part of PIR's mission is to ensure that the Internet Society is funded annually, and that is money that cannot be invested in PIR's future. At the same time, as the Internet has changed over time, it has come under greater threat than ever. This transaction will allow the Internet Society to concentrate on its efforts to help ensure the remainder of the world can get reliable, high-quality, affordable connections to the Internet. It will allow us also to keep up our work to defend the Internet model of networking against the incursions of those who want to turn it into a walled garden of entertainment and distraction – whether those attackers are private businesses or governments. We will only be able to do that if .org – a domain upon which we too rely – is strong and vital. We believe that this transaction can ensure that, and that is why we negotiated the terms we did with Ethos Capital.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'G. Camarillo'.

Gonzalo Camarillo
Chair the Board of Trustees

A handwritten signature in black ink, appearing to be 'Andrew Sullivan'.

Andrew Sullivan
President & CEO