

December 18, 2019

The Honorable Peter B. Davidson
Office of the General Counsel
U.S. Department of Commerce
1401 Constitution Avenue NW
Washington, DC 20230

Dear Sir:

ASAE, the largest organization in the world representing the interests of trade and professional associations, strongly urges the Department of Justice and the federal government to halt the pending sale of Public Interest Registry (PIR) to the private equity firm Ethos Capital LLC. Public Interest Registry has managed the .ORG domain registry since 2002. There are roughly 10 million .ORG domains in operation, including most web addresses used by associations.

Without consulting or collaborating with .ORG stakeholders, Public Interest Registry announced in November it has reached an agreement to be acquired by Ethos for an undisclosed price. The deal is expected to close early next year. It is expected that Ethos' interest in acquiring Public Interest Registry is to increase .ORG registration and renewal fees. Doing so would subject millions of associations and nonprofit organizations to what would most likely be an unstable pricing environment, forcing them to divert valuable resources from their exempt purpose in order to protect their online brand.

On Dec. 9, the Internet Corporation for Assigned Names and Numbers (ICANN), the global entity that manages the Internet's address system, acknowledged the public outcry from the .ORG community by delaying the sale of PIR to afford PIR time to exhibit some transparency and provide .ORG stakeholders answers to questions about the recently announced acquisition. This delay is much needed; however, it does not reassure the .ORG community that the parties involved in this transaction have prioritized the interests of .ORG over real and envisioned profits.

The concern that Ethos will raise the fees to register and renew .ORG domain names has heightened since ICANN elected in June 2019 to remove the longstanding price cap of 10% for renewal of .ORG domain names. ASAE submitted comments to ICANN earlier this year arguing that removing the price cap would expose the vast association and tax-exempt sector to exploitative pricing in the years ahead. ICANN reasoned that competition will keep prices in check, but associations with established web addresses will not risk changing their web address and losing their online identity. Expecting that nonprofit organizations can easily switch from one domain name to another if they don't like the pricing structure ignores the reality that established nonprofits have a longstanding Internet presence built on a .ORG domain name – a name and online reputation that the organizations (not the registry operator) have spent decades cultivating.

Legacy gTLDs like .COM, .ORG and .NET were created through the U.S. government and entrusted to ICANN to manage. ICANN then contracted with various service providers to operate legacy gTLDs – not to own them.

In drafting the 2019 .ORG Registry Agreement, ICANN employed a misguided rationale that registry operators of legacy gTLDs should effectively be treated as owners entitled to whatever fees they deem appropriate even though they did not create the legacy domain names they currently manage. As ICANN reasons in its proposal, "This change

will not only allow the [.ORG] renewal agreement to better conform with the base registry agreement, but also takes into consideration the maturation of the domain name market and the goal of treating the Registry Operator equitably with registry operators of new gTLDs utilizing the base registry agreement.” It’s true that registry operators that won the right to sponsor new gTLDs can charge whatever price they see fit, but they also paid millions of dollars in some cases to acquire all of the value in their sponsored domain names, whereas the service contractors managing legacy domain names most assuredly did not. This is a crucial difference that ICANN should have taken greater care to enforce.

ICANN’s new Registry Agreement has clearly motivated Ethos to acquire Public Interest Registry and the .ORG top-level domain and is threatening the operational stability of the Internet. Given the profit-minded motives and lack of trust in the parties involved in the pending .ORG sale, the federal government must intercede to block the sale of Public Interest Registry and protect the online presence of the global nonprofit community.

Sincerely,



Susan Robertson, CAE
Interim President and CEO