

**Testimony of**

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**Before the  
Subcommittee on Communications and Technology  
Committee on Energy and Commerce  
United States House of Representatives**

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“Ensuring the Security, Stability, Resilience, and Freedom of the Global Internet”**

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Chairman Walden, Ranking Member Eshoo, and members of the Subcommittee, thank you for this opportunity to testify on behalf of the National Telecommunications and Information Administration (NTIA) regarding NTIA’s role and relationship with the Internet Corporation for Assigned Names and Numbers (ICANN), in particular NTIA’s recent announcement of our intent to transition key Internet domain name functions to the global multistakeholder community.

**NTIA’s Relationship with ICANN and the DNS**

The Domain Name System (DNS) is a critical component of the Internet infrastructure. It allows users to identify websites, mail servers and other Internet destinations using easy-to-understand names (e.g., www.ntia.doc.gov) rather than the numeric network addresses (e.g., 170.110.225.163) necessary to retrieve information on the Internet. A July 1, 1997, Executive Memorandum directed the Secretary of Commerce to privatize the Internet DNS in a manner that increases competition and facilitates international participation in its management. In June 1998,

NTIA issued a statement of policy on the privatization of the Internet DNS, known as the DNS White Paper.<sup>1</sup> The White Paper concluded that the core functions relevant to the DNS should be primarily performed through private sector management. To this end, NTIA stated that it was prepared to enter into an agreement with a new not-for-profit corporation formed by private sector Internet stakeholders to coordinate and manage policy for the Internet DNS. Private sector interests formed ICANN for this purpose, and, in the fall of 1998, NTIA entered into a Memorandum of Understanding (MOU) with ICANN to transition technical DNS coordination and management functions to the private sector.

The MOU did not simply turn over management of the DNS to ICANN. Rather, the purpose of this agreement was to design, develop, and test mechanisms, methods, and procedures to ensure that the private sector had the capability and resources to assume important responsibilities related to the technical coordination and management of the DNS. The MOU evolved through several iterations and revisions as ICANN tested these principles, learned valuable lessons, and matured as an organization.

The MOU culminated in 2009 with the *Affirmation of Commitments (Affirmation)*. The *Affirmation* signified a critical step in the successful transition to a multistakeholder, private-sector led model for DNS technical coordination, while also establishing an accountability framework of ongoing multistakeholder reviews of ICANN's performance. To date, two iterations of the Accountability and Transparency Review Team (ATRT) have occurred. These teams, on which NTIA has participated actively with a broad array of international stakeholders from industry, civil society, the Internet technical community and other governments, have served as a key accountability tool for ICANN – evaluating progress and recommending

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<sup>1</sup>"Statement of Policy, Management of Internet Names and Addresses," 63 Fed. Reg. 31741(1998).

improvements. We have seen marked improvements in ICANN's performance with the implementation of the 27 recommendations made by ATRT1 and have full confidence this maturation will continue with the ongoing implementation of the 12 recommendations of ATRT2.

Throughout the various iterations of NTIA's relationship with ICANN, NTIA has played no role in the internal governance or day-to-day operations of ICANN. NTIA has never had the contractual authority to exercise traditional regulatory oversight over ICANN.

### **The Internet Assigned Numbers Authority (IANA) Functions**

In the DNS White Paper, NTIA announced its intent to assure the continued secure and stable performance of certain DNS functions, initially through contracts, until the transition was complete. Specifically, this included the performance of the Internet Assigned Numbers Authority (IANA) functions. The IANA functions are a set of interdependent technical functions that enable the continued efficient operation of the Internet. The IANA functions include: (1) the coordination of the assignment of technical Internet protocol parameters; (2) the processing of change requests to the authoritative root zone file of the DNS and root key signing key (KSK) management; (3) the allocation of Internet numbering resources; and (4) other services related to the management of the .ARPA and .INT top-level domains (TLDs).

The IANA functions were initially performed under a series of contracts between the Department of Defense's Advanced Research Projects Agency (DARPA) and the University of Southern California (USC), as part of a research project known as the Terranode Network Technology (TNT). As the TNT project neared completion and the DARPA/USC contract neared expiration, USC entered into a transition agreement with ICANN under which ICANN

secured directly from USC all necessary resources, including key personnel, intellectual property, and computer facility access critical to the continued performance of the IANA functions. In 2000, NTIA then entered into a sole-source, no-cost-to-the-government contract with ICANN for the performance of these functions.

NTIA and ICANN have subsequently entered into contracts for the performance of the IANA functions in 2001, 2003, and 2006. On July 2, 2012, NTIA awarded ICANN, via a full and open competitive procurement process, the current IANA functions contract. The base period of performance for this contract is October 1, 2012 to September 30, 2015, and includes two separate, two-year option periods. If both option periods are exercised the contract would expire on September 30, 2019. All five contracts have been at no cost to the U.S. Government.

As the IANA functions operator, ICANN maintains, updates and makes publicly available registries related to the three IANA functions. First, ICANN is the central repository for protocol name and number registries used in many Internet protocols. It reviews and assigns unique values based on established policies and guidelines as developed by the Internet Engineering Task Force (IETF). Second, it coordinates allocations of IP (Internet Protocol) and AS (Autonomous System) numbers to the Regional Internet Registries (RIR) who then distribute IP and AS numbers to Internet Service Providers and others within their geographic regions. Third, ICANN processes root zone change requests for Top Level Domains (TLDs) and makes publicly available a Root Zone WHOIS database with current and verified contact information for all TLD registry operators. In all three cases ICANN as the IANA functions operator applies the policies developed by the interested parties when completing requests related to the various IANA functions customers.

NTIA's role in the IANA functions includes the clerical role of administering changes to the authoritative root zone file and, more generally, serving as the historic steward of the DNS via the administration of the IANA functions contract. The NTIA role does not involve the exercise of discretion or judgment with respect to such change requests. From the inception of ICANN, the U.S. Government and Internet stakeholders envisioned that the U. S. Government's role in the IANA functions would be temporary. The DNS White Paper stated that "agreement must be reached between the U.S. Government and the new corporation (ICANN) relating to the transfer of the functions currently performed by IANA."<sup>2</sup>

### **Next Steps in the Continued Transition of the NTIA Role**

On March 14, 2014, NTIA announced its intent to transition key Internet domain name functions to the global multistakeholder community. This marks a milestone toward the final phase of the privatization of the DNS first outlined by the U. S. Government in 1998. To accomplish this, we have called upon ICANN to convene a multistakeholder process to develop the transition plan. While looking to stakeholders and those most directly served by the IANA functions to work through the technical details, NTIA deliberately established a clear framework to guide the discussion. Specifically, we communicated to ICANN that the transition proposal must have broad community support and address four principles.

First, the transition proposal must support and enhance the multistakeholder model. Specifically, the process used to develop the proposal should be open, transparent, bottom-up, and garner broad, international stakeholder consensus support. In addition, the proposal should include measures to ensure that changes made to any of the three IANA administered databases

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<sup>2</sup> *Id.*

are consistent with the publicly documented IANA functions customer and partner accepted procedures which are developed through the multistakeholder model.

Second, the transition proposal must maintain the security, stability, and resiliency of the Internet DNS. For example, the decentralized distributed authority structure of the DNS needs to be preserved so as to avoid single points of failure, manipulation or capture. In addition, the integrity, transparency, and accountability of IP numbers, domain names, and Internet protocol assignments must be preserved. The IANA services also need to be resistant to attacks and data corruption, be able to fully recover from degradation, if it occurs, and be performed in a stable legal environment.

Third, the transition proposal must meet the needs and expectations of the global customers and partners of the IANA services. For example, mechanisms for the adherence to and development of customer service levels, including timeliness and reliability, should be clear, as should processes for transparency, accountability, and auditability. Consistent with the current system, the separation of policy development and operational activities should continue.

Fourth, the transition proposal must maintain the openness of the Internet. The neutral and judgment free administration of the technical DNS and IANA functions has created an environment in which the technical architecture has not been used to interfere with the exercise of free expression or the free flow of information. Any transition of the NTIA role must maintain this neutral and judgment free administration, thereby maintaining the global interoperability of the Internet.

In addition, NTIA explicitly stated that we would not accept a proposal that replaces the NTIA role with a government-led or an inter-governmental organization solution. This condition is consistent with the clear policy expressed in bipartisan resolutions unanimously adopted of the

U.S. Senate and House of Representatives (S.Con.Res.50 and H.Con.Res.127) during the 112<sup>th</sup> Congress, which affirmed the U. S. support for the multistakeholder model of Internet governance.

While the current IANA functions contract expires September 30, 2015, there are two separate two-year option periods that would extend the contract for up to four years. Accordingly, NTIA believes there is sufficient time for stakeholders to work through the ICANN-convened process to develop an acceptable transition proposal. NTIA has made clear that the transition proposal must have broad multistakeholder support and reflect the four key principles we outlined in our announcement. Before any transition takes place, the businesses, civil society and technical experts of the Internet must present a plan that ensures the uninterrupted, stable functioning of the Internet and its present openness. NTIA has repeatedly said that we will not accept a proposal that replaces the NTIA role with a government-led or inter-governmental organization solution.

### **Why Take this Step Now**

The Internet is vital to economic growth and innovation around the world. One key to maximizing this growth and innovation is to ensure that the broad Internet community – companies, technical groups, civil society and governments – continue to work together as equal partners in crafting the rules of the road for the Internet through the multistakeholder model. Some authoritarian regimes however do not accept this model and seek to move Internet governance issues, including the DNS, into the United Nations system in order to exert influence and control over the Internet. This played out during the 2012 World Conference on International Telecommunications in Dubai where the world split on fundamental issues of

Internet governance. This issue will likely resurface at the October 2014 International Telecommunication Union Plenipotentiary Conference, where we expect some countries to once again attempt to insert themselves in the middle of decisions impacting the Internet.

Some have argued that what NTIA is doing is tantamount to “giving away the Internet”. That could not be further from the truth. There is no one party – government or industry, including the U. S. Government – that controls the Internet. The Internet is a decentralized network of networks. What we have in fact done, is demonstrate leadership and strategic vision by laying out a framework with clear conditions to finalize a process that has been ongoing for 16 years. The ICANN convened process that is currently underway will help prevent authoritarian countries from exerting too much influence over the Internet by promoting the multistakeholder model that has made the Internet the success it is today. This is why a broad group of stakeholders have expressed their support for NTIA’s announcement. These include Internet technical community leaders, U.S. companies such as AT&T, Verizon, Microsoft, Google, Cisco, and Comcast, and public interest groups like Public Knowledge and the Center for Democracy and Technology, and associations like the Chamber of Commerce, the Computer and Communications Industry Association, and the Software and Information Industry Association. And bipartisan leaders in Congress have provided thoughtful comments that demonstrate clear support for the multistakeholder model of Internet governance.

## **Conclusion**

With the March 14 announcement, NTIA has taken the next step in the 16 –year process to privatize the coordination and management of the DNS. We believe the timing is right for this next step as the Internet technical organizations, including ICANN, have matured, with ICANN



having taken steps in recent years to improve its accountability, transparency, and technical competence. At the same time, international support continues to grow for the multistakeholder model of Internet governance, in some quarters, as evidenced by the continued success of the Internet Governance Forum and the resilient stewardship of the various Internet institutions.

ICANN last week began the process of convening stakeholders for the first of many public discussions on this topic. During this period, NTIA's role will remain unchanged. We have said we will not accept a transition plan that would replace the NTIA role with one led by governments or an inter-governmental organization and we have established a framework of four principles that the process must address. This must be a careful and thoughtful process. If a plan that meets these criteria cannot be implemented by Sept. 30, 2015, we can extend the contract for up to four years.

NTIA fully supports the need to ensure the continued growth, innovation and openness of the Internet to support economic development. This latest step, an important demonstration of the U.S. Government's commitment and confidence in the multistakeholder model, will help support these goals.

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