**INTERNET SOCIETY STATEMENT IN RESPONSE TO QUESTIONS
REGARDING THE PRELIMINARY RECOMMENDATION
TO AWARD THE .ORG REGISTRY TO ISOC**

We would like to thank the ICANN staff and the evaluation teams for their preliminary recommendation that ISOC be the successor registry operator for .ORG.   ISOC believes that the independent analysis undertaken by four separate groups provided an objective mechanism to ensure that the various bids were carefully and fairly reviewed.

Since the draft recommendation was published, the Internet Society (ISOC) has received a few questions that we feel it would be helpful to address.

- First, it is important to reiterate the structure of the registry as proposed within our application. ISOC is a not-for-profit corporation that is operated exclusively for educational, charitable, and scientific purposes. Should the staff's recommendation be approved, ISOC will form a new not-for-profit company to run the .ORG registry - the "Public Interest Registry" (PIR) - whose Board will be appointed by ISOC, but which will operate independently, giving each company the necessary room to fulfill their separate but complementary missions.

- Second, some have speculated that ISOC will use revenues from the .ORG registry to fund ISOC programs. As a separate, not-for-profit entity, PIR will support .ORG operations, service improvements, and the marketing and other outreach programs detailed in the proposal. Some of these programs will leverage ISOC's proven mechanisms, enabling PIR's outreach to commence without a lengthy start up period. Disposition of any surplus funds will be at the sole discretion of the PIR Board.

- Third, some have questioned ISOC's financial preparedness to support .ORG. We have arrangements in place that will allow us to fulfill our responsibilities to .ORG without financial difficulty, and both ISOC and Afilias (our chosen back-end service provider) are in a sound position to implement the bid in a timely and secure manner.

  As our proposal states, PIR will be a separate legal entity and isolated from ISOC financially; it will have a separate Board and distinctly separate operations. PIR, not ISOC, will enter into the registry management agreement with ICANN, will carry out the registry functions and will have no financial dependence on ISOC, and vice versa.

  The agreement between Afilias and PIR will ensure that adequate funds are available to support the transition. Under the terms of our agreement, Afilias will cover the start-up and transition costs and will be repaid by PIR for these expenses over the course of our agreement.

  As a not-for-profit, member-funded organization, ISOC deals with the same challenges and variables that most not-for-profits face from time to time. As previously disclosed, in 1999 ISOC sustained losses incurred by our annual conference and developing country education workshops. This loss was forecasted at the time, but we made the conscious decision to continue with these important activities. ISOC has since made various moves that have significantly strengthened our financial footing, enabling it to steadily improve over the last two years. Last year, we posted a healthy net surplus of US$152,382. Over the 10 years of our incorporated existence, ISOC has weathered a few challenges and has always continued to function as a strong and productive organization.

As the foremost not-for-profit focused on Internet issues, ISOC has a globally diverse membership (65% outside of North America representing 182 countries) and Board of Directors (59% outside of North America) and will be a responsible and knowledgeable steward for the .ORG domain. We believe that ISOC's globally representative Board and membership will allow us to support PIR in a way that will leverage insights pertinent to the challenges and concerns of regions across the world. This is further evidenced by the close to 600 letters of support ISOC has received to date from over 82 countries.

We believe ISOC brings the best technical capacity to .ORG through its back-end service provider Afilias, who has unmatched experience in running and operating a large-scale, EPP-based, gTLD registry (.INFO). Afilias currently manages close to one million domain names, and has existing relationships with registrars that represent 99% of .ORG registrants today. Drawing on its experience to help launch the EPP-v6 based .AU registry, Afilias' plans would allow an orderly transition of the .ORG registry from its current operator to PIR, and use innovative RRP to EPP proxy technology to provide registrars a trouble-free transition to the new registry operator. This disciplined process will help .ORG remain stable and secure during and after the transition to the new registry operator.

ISOC's proposal also clearly outlines a plan to revitalize .ORG, based on its own expertise in the Internet and non-commercial communities, and this will further .ORG's heritage as the home of non-commercial entities on the Internet. This plan includes a global marketing and public relations program focused on educating non-commercial organizations on the uses of the Internet, with the development of other input mechanisms such as a .ORG Advisory Council and various Web-based tools and features. These will allow .ORG registrants to have a role in the management of .ORG that is absent today.

In addition to this, PIR and Afilias will modernize .ORG with new technical standards by upgrading the registry system to support the new, faster EPP protocol and reducing registration to resolution time from hours to minutes. In addition, the proposal includes new registry services such as name locking, site linking, directory, and ID certification designed to deliver tailored, valuable services to meet the unique needs of .ORG registrants.

Overall, we believe ISOC's experience as a not-for-profit organization combined with our expertise in the Internet area, and therefore resultant familiarity with the non-commercial community's problems and needs, coupled with Afilias' expertise as a stable and proven back end provider, enables us to fully meet all the criteria set forth by the ICANN Board.

We are preparing a formal response to the preliminary staff report. However, in the interim supplemental information can be found at www.isoc.org. We thank the ICANN staff and evaluation teams for their diligence and we welcome the opportunity to answer additional questions with regards to ISOC or our proposal.

Sincerely,
Lynn St. Amour
President and CEO
Internet Society