

QUARTERLY REPORT ON THE TRANSITION OF THE STEWARDSHIP OF THE INTERNET ASSIGNED NUMBERS AUTHORITY (“IANA”) FUNCTIONS (Q3 FY2016)

The Consolidated Appropriations Act, 2016, Public Law 114-113, directs the National Telecommunications and Information Administration (“NTIA”) to report on all aspects of the proposed transition of the U.S. government’s stewardship role over the IANA functions. This report covers activities from April 1, 2016 to June 31, 2016. NTIA’s previous reports and detailed background can be found on NTIA’s website.¹ As required by Public Law 114-113, NTIA will continue to update this report on a quarterly basis.

I. Status of IANA Stewardship Transition Proposal

A. IANA Stewardship Transition Proposal Assessment

On March 10, 2016, ICANN delivered to NTIA the Internet multistakeholder community’s proposal to transition the U.S. Government’s stewardship role for the Internet Assigned Numbers Authority (IANA). Upon receiving the proposal, NTIA worked with U.S. Government agencies to review the proposal and ensure that it met the criteria outlined by NTIA in March 2014.² On June 9, 2016, NTIA announced that the proposal met its criteria.³ Specifically, NTIA found that the proposal has broad community support and:

- Supports and enhances the multistakeholder model;
- Maintains the security, stability, and resiliency of the Internet Domain Name System (DNS);
- Meets the needs and expectations of the global customers;
- Maintains the openness of the Internet; and
- Does not replace NTIA’s role with a government-led or intergovernmental organization solution.

NTIA also evaluated the proposal against relevant portions of an internal control framework, as recommended by the U.S. Government Accountability Office,⁴ and found that the proposal adheres to internal control principles. In addition, a panel of corporate governance experts reviewed the ICANN accountability enhancements and concluded that the plan is consistent with sound

¹ These reports and other NTIA publications on this topic can be found at: <http://www.ntia.doc.gov/category/iana-functions>.

² See NTIA’s March 2014 announcement at: <http://www.ntia.doc.gov/press-release/2014/ntia-announces-intent-transition-key-internet-domain-name-functions>.

³ See NTIA’s June 9, 2016 announcement and assessment of the proposal at: <https://www.ntia.doc.gov/press-release/2016/iana-stewardship-transition-proposal-meets-criteria-complete-privatization>.

⁴ See the U.S. Governmental Accountability Office’s August 2015 report on Internet Management at: <http://www.gao.gov/assets/680/672055.pdf>.

principles of good governance.⁵ NTIA's full assessment report is available at https://www.ntia.doc.gov/files/ntia/publications/combined_iana_stewardship_transition_assessment_report.pdf.

Industry and civil society stakeholders have praised the proposed transition and NTIA's assessment.⁶ For example, the Internet Association, Computer & Communications Industry Association (CCIA), and the Internet Infrastructure Coalition (i2 Coalition) said "[t]he internet economy applauds NTIA for its deliberative and thorough work" and further stated they believe the transition proposal provides "the internet with the best path forward for self-governance."⁷ The U.S. Council for International Business said "NTIA's approval of the plan highlights its strength and the broad support it has received from all stakeholders."⁸ The U.S. Chamber of Commerce said it "appreciates the thorough analysis put forth by NTIA" and that it continues to "support the long-planned transition of IANA functions and the much-needed improvements to overall ICANN accountability."⁹ Freedom House stated that "NTIA's announcement brings us another step closer to ensuring that the internet remains an open platform."¹⁰ The Internet Society's Kathy Brown said NTIA's assessment "reaffirms the value and power of the multistakeholder bottom-up process" and "puts to rest any concern about capture or control of IANA by any one stakeholder."¹¹ Former Homeland Security Secretary Michael Chertoff and retired Vice Chairman of the Joint Chiefs of Staff James Cartwright recently stated that "we support this stewardship transition, as it will pave the way for American values and the free and open Internet around the world."

B. NTIA Engagement

In releasing its assessment report, NTIA notified ICANN Board Chairman Steve Crocker that NTIA had completed its assessment of the IANA Stewardship Transition Proposal and requested that ICANN provide an implementation planning status report to NTIA by August 12, 2016.¹² Chairman Crocker confirmed that ICANN will deliver this report¹³ assessing whether ICANN can complete all of the transition-related planning work by the September 30, 2016, expiration of the IANA functions contract.

⁵ See Corporate Governance Report at:

https://www.ntia.doc.gov/files/ntia/publications/attachment_6_corporate_governance_report.pdf.

⁶ See NTIA Blog "What They're Saying: Reaction to NTIA's Assessment of the IANA Stewardship Transition Proposal": <https://www.ntia.doc.gov/blog/2016/what-they-re-saying-reaction-ntia-s-assessment-iana-stewardship-transition-proposal>.

⁷ See the IA, CCIA, and i2 Coalition statement at: <https://internetassociation.org/internet-association-ccia-i2coalition-statement-on-the-ntia-report-on-the-icann-transition-proposals/>.

⁸ See USCIB's statement at: <http://www.uscib.org/uscib-hails-us-approval-of-internet-stewardship-transition-proposal-2/>.

⁹ See the U.S. Chamber of Commerce's statement at: <https://www.uschamber.com/press-release/us-chamber-statement-ntia-support-icann-transition-plan>.

¹⁰ See Freedom House's statement at: <https://freedomhouse.org/article/us-moves-privatize-oversight-internet-domain-name-system>.

¹¹ See the Internet Society's statement at: <https://www.internetsociety.org/blog/public-policy/2016/06/important-next-step-iana-stewardship-transition-ntia-says-proposal-meets>.

¹² See NTIA's letter to ICANN Board Chairman Steve Crocker at: https://www.ntia.doc.gov/files/ntia/publications/crocker_transmittal_letter_20160609.pdf.

¹³ See ICANN Board Chairman Steven Crocker's response to NTIA at: <https://www.icann.org/en/system/files/correspondence/marby-to-strickling-06jun16-en.pdf>.

NTIA briefed Congressional staff on June 8, 2016, in advance of releasing its report. On June 9, 2016, NTIA officially notified Congress of the release of its assessment report and an outline of the next steps.¹⁴ Additionally, NTIA sent a letter to Senators John Thune and Marco Rubio informing them that NTIA separately analyzed the recommendations they outlined in their July 2014 letter to ICANN and found that the IANA Stewardship Transition Proposal adequately addressed each recommendation.¹⁵ NTIA also transmitted to Congress on June 9 an exchange of letters between NTIA and ICANN regarding the operation of U.S. Government-administered top-level domains (TLDs) reaffirming the U.S. Government's sole administrative authority over the .mil, .gov, .us, and .edu TLDs and that no change would be made to these TLDs without the express approval of the U.S. Government.¹⁶

NTIA attended ICANN56 in Helsinki, Finland from June 27 through June 30, 2016, during which it represented the U.S. Government on the Government Advisory Council (GAC) and monitored the deliberations of the Cross Community Working Group on Enhanced Accountability on further enhancements to ICANN's accountability and transparency.

II. Transition Timing and Next Steps

The next step in the transition is for ICANN to deliver its implementation status report on or around August 12, 2016. NTIA will continue to provide timely updates to Congress in addition to quarterly written reports as the process continues.

III. Conclusion

For the last 18 years, the U.S. Government has worked closely with businesses, civil society groups, governments, and technical experts to develop a multistakeholder, private sector-led system for the global coordination of the Internet DNS. NTIA's announcement in 2014 initiated the final step in the privatization process by asking ICANN to convene global stakeholders to develop a transition plan. The two years of effort by the Internet multistakeholder community to develop the transition plan reflect truly historic and unprecedented work. NTIA believes that the plan developed by the community has strengthened the multistakeholder process and will result in ICANN's becoming even more directly accountable to the customers of the IANA functions and to the broader Internet community. The proposal also ensures the continued leadership of the private sector in making decisions related to the technical underpinning of the Internet. NTIA appreciates

¹⁴ See NTIA's letter to Members of Congress at:

https://www.ntia.doc.gov/files/ntia/publications/ntia_letter_to_congress_transmitting_ntias_assessment_of_iana_transition_proposal_06.09.16.pdf.

¹⁵ See NTIA's letter to Senators Thune and Rubio at:

https://www.ntia.doc.gov/files/ntia/publications/ntia_letter_to_senators_thune_and_rubio_on_iana_transition_06.09.16.pdf.

¹⁶ As stated in NTIA's June 9, 2016 letter to Members of Congress: "Also, to address questions raised by a few Members of Congress, please be assured the operation of and responsibility for the .mil and .gov domains will not be impacted by the transition. ICANN cannot reassign the .mil, .gov, .edu, or .us domains without the approval of the U.S. Government. However, to ease all concerns, NTIA and ICANN have reaffirmed that the U.S. Government is the sole administrator of .mil, .gov, .edu, and .us and that no change can be made to these domains without the express approval of the U.S. Government." See Exchange of Letters – U.S. Government Administered TLDs at:

<https://www.ntia.doc.gov/page/exchange-letters-us-government-administered-tlds>.

the interest of Congress in this important topic and its support for the multistakeholder approach to Internet governance.¹⁷

¹⁷ See S.Con.Res.50, 112th Congress (2011-2012), available at <https://www.congress.gov/bill/112th-congress/senate-concurrent-resolution/50/text>.