January 6, 2020

The Honorable Ron Wyden
United States Senate
219 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable Richard Blumenthal
United States Senate
706 Hart Senate Office Building
Washington, D.C. 20510

The Honorable Elizabeth Warren
United States Senate
317 Hart Senate Office Building
Washington, D.C. 20510

The Honorable Anna Eshoo
United States House of Representatives
241 Cannon Office Building
Washington, D.C. 20515

Dear Senator Wyden, Senator Blumenthal, Senator Warren and Congresswoman Eshoo:

Thank you for your letter of December 23, 2019, regarding the agreement reached among the Internet Society, Public Interest Registry (PIR) and Ethos Capital with respect to the .ORG top-level domain. We welcome this chance to respond to your questions, and want to assure you that we have kept, and will continue to keep, the interests of .ORG registrants and users, and of the public, first and foremost in the operation of PIR.

On November 13, 2019, our organizations announced that Ethos would acquire PIR from the Internet Society in a transaction that is designed and intended to serve the public interest in two distinct ways: (1) by ensuring the long-term growth and development of the .ORG domain, and (2) by providing essential support for the ongoing work of the Internet Society. The acquisition was approved unanimously by both the Board of Directors of PIR and the Board of Trustees of the Internet Society.

The Internet Society and PIR believe that the sale to Ethos will enhance and support .ORG’s continued growth and make the domain even more reliable and useful for non-profit organizations and other .ORG users. For context, the Internet Society currently is the sole member of PIR and relies on PIR’s revenue to meet its annual operating budget. By necessity, this constrains the resources PIR has available to invest in developing new products and services to support the non-profit community and other users. Under Ethos’ ownership, PIR will be better able to invest in serving registrants’ needs, including by introducing new products and services.

We embraced this acquisition precisely because we have long recognized that .ORG is a special domain. As https://www.keypointsabout.org/ makes clear, we believe that .ORG is a vital part of the work of the nonprofit community and other mission-driven organizations, past and present, and that it will continue to play an important role in their digital future. This is the case
even though, when the Internet Corporation for Assigned Names and Numbers (ICANN) awarded the operation of .ORG to the Internet Society in 2002, that agreement did not require that .ORG be operated by a non-profit entity or by a non-governmental organization. In fact, from 1993 to 2003, .ORG was operated by a for-profit company. This transaction and a return to for-profit status will support .ORG’s ability to continue to adapt to the changing Internet and domain name landscape.

We also believe that this transaction will enhance the Internet Society’s ability to serve its charitable mission. The Internet Society has two basic aims. It works to connect the half of the world’s population that does not have, or cannot afford, Internet access – including in the United States in both rural and urban areas. It also works to defend the Internet against daily attacks by those who seek to undermine it – whether they be governments attempting to use the Internet as a means of social control or private sector efforts to limit access. This work requires substantial and stable investment over a long period of time. With the sale to Ethos, the Internet Society will be able to secure its future funding to continue its important work. When the acquisition is complete, the Internet Society will be free of dependence on any single company or Internet-related industry for financial support. The organization will instead have a substantial new endowment, which will ensure its ability to continue efforts to build a more accessible, inclusive and secure Internet around the world.

As Vint Cerf, an Internet pioneer, founding President of the Internet Society and former Chairman of the Board of ICANN, said in support of the acquisition: “When the Internet Society won the bid to operate the .ORG registry, it enabled a productive and sustainable future for the organization. Public Interest Registry exercised its stewardship to the benefit of the registrants and the Internet Society’s mission. I am looking forward to supporting Ethos Capital and PIR in any way I can as they continue to expand the utility of the .ORG top-level domain in creative and socially responsible ways.”

Expanding the work of PIR and the services it provides to users in innovative and socially responsible ways will be key. The Ethos and PIR teams bring decades of experience to the operation of top-level domains and the work of PIR, and are excited to put that knowledge to work to create an even stronger PIR and .ORG. In this respect, PIR and Ethos have announced a number of commitments to serve .ORG users related to pricing and operation of the registry.

Importantly, Ethos and PIR commit to anchor PIR in a Public Benefit LLC structure prior to completing the transaction. This form of structure will enshrine the mission of PIR in the governing documents. It is one of the primary ways Ethos expects to provide accountability for the governance of PIR, and to provide assurance to .ORG registrants and users that Ethos will uphold its commitments. The Statement of Public Benefit embodied in the company’s Certificate of Formation will specifically state PIR’s commitments to devoting resources to serve a public benefit. This will include the commitment described below to adhere to PIR’s historical pricing practices.
Ethos will maintain PIR’s historical practices on pricing. At less than $10 per year, .ORG remains one of the most affordable domains in the marketplace. Ethos has committed to limit any potential increase in the price of a .ORG domain registration to no more than 10% per year on average, even though today there are no regulatory pricing constraints on PIR or virtually every other domain name registry. Based on domain prices today, a 10% increase would equate to about $1. As such, .ORG will continue to be one of the most affordable domain names in the world.

Ethos plans to embed its pricing commitments in the Public Benefit LLC being established. Any changes to these commitments would be subject to a formal process involving both the PIR Board and the PIR Stewardship Council that is under formation. Keeping pricing reasonable is especially important to attract new .ORG registrants now that there is a vibrant and highly competitive domain name market in which users can choose from over 1,000 top-level domains.

It should be noted that shortly after announcement of the transaction, speculators that warehouse .ORG and other domain names, with the aim of selling them later for huge profits, fueled rumors about potentially extreme price increases. What might be a relatively modest increase for a nonprofit organization holding a single registration, would mean something substantially different for a speculator holding tens of thousands of domain names. We responded to these unfounded claims by providing clear guidance on PIR’s plans with respect to reasonable pricing.

As you note, Ethos has announced formation of the Stewardship Council, which will be established within 90 days of the transaction closing. The Council will be an independent and transparent body that will serve as a resource for both PIR and .ORG registrants.

Ethos and PIR have begun drafting a charter for the Council, which will be available for public comment. The charter will outline the scope, authority, independence and selection process for the Council. Once established, the Council will seek input from .ORG registrants to convey advice and recommendations to PIR’s leadership on key matters. The Council will also be a leading voice in recommending new services and capabilities to be offered through the .ORG platform to serve the mission-driven community.

In addition, the Council will oversee a Community Enablement Fund that will invest in initiatives serving .ORG users. For example, the fund will finance the .ORG Impact Awards, which will recognize the success and positive impact of non-profit organizations. The Fund will also benefit PIR’s educational and outreach efforts around the world.

The initial stewards on the Council will be selected by the Board of PIR from among persons knowledgeable in the fields of mission-driven, charitable and non-profit organization management across a broad spectrum. This may include social entrepreneurship, community development, economic empowerment, social advocacy, human rights and general philanthropy. One of the first priorities for the Council will be to create a nomination process
and selection committee. That body, in conjunction with the PIR board, will be the entity that selects the Council members. The Council will meet at least twice a year, and members will have staggered, overlapping terms of up to three years.

Ethos has also made commitments with respect to freedom of expression and upholding human rights more broadly. PIR and Ethos take the preservation of freedom of expression seriously, and the registry’s commitment to free speech will continue unabated. Notably, the Council will be empowered to ratify strong rules protecting freedom of expression and safeguarding against censorship.

To protect and promote human rights, PIR and Ethos have proudly engaged with ARTICLE 19, a nongovernmental organization dedicated to helping people around the world freely express themselves and actively engage in public life without fear of discrimination in furtherance of Article 19 of the Universal Declaration of Human Rights. As PIR and Ethos stated in a recent announcement with ARTICLE 19 regarding a new initiative to bolster how Internet registrars and registries can support human rights, “Ethos and PIR are united in our commitment to maintaining the highest level of integrity in the registry’s operations and upholding .ORG’s reputation and position as the most trusted platform for mission-driven organizations, individuals and others on the Internet.”

Similarly, we take the safety of Internet users seriously. While PIR and Ethos recognize that the domain name system is not usually an appropriate tool to address website content questions and speech issues, if a site hosted on a .ORG domain engages in specific imminent threats of violence or distributes child sexual abuse materials (CSAM), PIR will not hesitate to take action under its existing Anti-Abuse Policy – just as it has always done.

PIR’s anti-abuse and takedown principles and procedures across all of our TLDs are public and transparent, and that will not change. In 2019 the registry suspended more than 36,000 .ORG domain names for technical abuse of the DNS (i.e., phishing, malware, botnets, etc.) while it suspended only ten domain names based on their website content. Of these names, eight were suspended for distribution of CSAM, and two were dedicated to the illegal distribution of opioids. Neither CSAM nor the illegal distribution of opioids are protected speech in the United States.

PIR will be a Pennsylvania limited liability company, and therefore under the jurisdiction of U.S. courts, including with respect to any takedown request processed in accordance with U.S. law.

A number of the above commitments are also contained in the filings and information that we have provided to ICANN. We have agreed to ICANN’s request to publicly post our registry transfer request and our answers to its questions in accordance with the principles set forth in ICANN’s Documentary Information Disclosure Policy. In addition, PA public court filings will be made available on PIR’s website.
In closing, all three parties — PIR, Ethos and the Internet Society – are dedicated to ensuring a smooth and seamless transition, and to continuing the mission-driven purpose of .ORG and PIR. PIR’s operation of .ORG will continue as usual, with the same excellent management team and registry services operator. Ethos is committed to investing in the long-term vitality of .ORG and its users, and intends to serve the needs of the community for many years to come. For all of these reasons, we believe this acquisition serves the public interest.

Sincerely,

Andrew Sullivan
President and CEO of the Internet Society

Jon Nevett
President and CEO of Public Interest Registry

Erik Brooks
Founder and CEO of Ethos Capital