The United States Senate

Committee on Commerce, Science & Transportation

Communications Subcommittee

Hearing on "ICANN Governance"

February 14, 2001

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Introduction

Mr. Chairman, Members of the Subcommittee,

Thank you for the opportunity to testify before today's hearing on the Internet Corporation for Assigned Names and Numbers or ICANN. This is the first in an important series of Internet-related hearings being conducted by the Subcommittee and we commend you and your colleagues for taking this initiative. My name is Roger Cochetti and I am Senior Vice-President for Policy of VeriSign Corporation, which merged with Network Solutions, Inc. (NSI) last year. Before joining VeriSign, I was with IBM Corporation for several years, where I coordinated many of IBM's Internet policies, including their approach to ICANN. This has given me some perspective on this important experiment in international cooperation.

VeriSign today is the largest and, we believe, the most important company anywhere to provide trusted services that make the Internet work.

VeriSign has been a global pioneer, and a primary force, in developing the technology and the market for Internet domain names and public key infrastructure (PKI)-based digital certificates -- commonly called digital signatures. We're also a leader in providing Web merchants with automated payments tools and services, as well as with a growing array of utility services that enable electronic commerce. These include Website hosting, e-mail, Website design, domain name search and re-sale, and other services.

Mr. Chairman, VeriSign is not a phone company, a retail Internet start-up, an Internet Service Provider or an Online Service Provider. We don't make computers, routers or other hardware. But we do make e-commerce possible by enabling merchants and enterprises to take advantage of the full potential of the Internet by providing services that are essential to electronic commerce, such as security, identity, payments, and authentication. Together, these services are key components of what is increasingly called the "logical infrastructure of the Internet." As such, we believe that we are a great example of an American company that is entirely Internet focused, and is bringing the benefits of e-commerce to people everywhere in the world.

More to the point of these hearings, Mr. Chairman, VeriSign today operates, and has operated since 1991, the global registries – that is the central data bases that permit what is called "resolution" – for .com, .net, and .org. "Resolution" is what happens when one inputs a URL in text form, such as "verisign.com," and is connected over the Internet to the machine that hosts the proper Website; in this example, our own. We're proud to say that these

databases sustain enormous volumes of daily use, deflect frequent cyber-attacks, and operate with very nearly no service interruptions. In fact, our .com, .net, and .org servers, which are located in twelve sites around the world, respond to upwards of two billion queries a day; a number that has historically doubled every six months. Due to our efforts, anyone from essentially any country anywhere in the world can sign up, on-line, for a ".com" registration in a matter of minutes. We've got over 28 million .com, .net, and .org registrations in our databases today and the number grew by an average of about 50,000 registrations a day last year.

In addition, in the highly competitive market for .com, .net, and .org end-user registration services, we operate one of the largest and most advanced registrars. Since the introduction of competition in the .com, .net, and .org registrar marketplace in 1999, the market share of the VeriSign registrar – called the NSI Registrar – has dropped from around 100% to less than half of all new registrations today, while a whole new industry of almost 80 competing registrars has grown up.

Just as important, at the request of the U.S. Commerce Department, we have operated for quite some time what is called the "A" Root Server. This remarkable facility is frequently called "the heart of the Internet" because it is the single point of integration of all the Internet's domain name services. In this server, we maintain the authoritative list of the Internet's top-level domains – everything from ".com" to ".gov" to ".uk" – and who is responsible for operating each of them. This list is called "The Root"; and from our server, it is distributed to a global network of secondary servers, which host identical copies of the files that we generate,

and who themselves distribute the data to every network connected to the Internet around the world.

Finally, also at the request of the U. S. Commerce Department, we operate at no charge, the domain name registries for ".us" and ".edu", as well as provide the registrar services for the thousands of colleges that use ".edu". We're pleased and proud to provide these as a public service, with the same high quality as our commercial services, until such time as they are spun out to permanent registries and registrars by the Commerce Department.

Because of our decade of commitment to these and related domain name services, the subject of today's hearing is very important to us. But it is also important to everyone who is using the Internet or thinking about using it in the future. Along with the competent operation of the registry and registrar services that make the Internet actually function, the technical coordination of these services (which is what ICANN addresses) is central to the smooth and stable operation of the medium. As it is structured today, the Internet requires both a central mechanism for technical coordination and the competent performance of the operational functions. ICANN is the leading provider of Internet technical coordination, particularly as it relates to domain names and Internet Protocol addresses; and we believe that we are the leading provider of Internet operational services, particularly in the area of domain name registration services.

Thus, we think it is appropriate for the Subcommittee to examine the role of ICANN in the Internet and we are pleased to share our thoughts on the subject with you. Mr. Chairman, as you and the Subcommittee members no doubt know, ICANN grew out of two fundamental goals: First, to create a non-governmental structure to coordinate Internet domain name and IP addressing functions; and second, to do so in a way that is globally viable. We are committed to both of these goals.

To achieve these twin goals, a non-profit organization was envisioned in 1998 that would operate on the principle of consensus of those affected, and bring together the diverse community of interests called "the Internet community." By using procedures that are designed to ensure something akin to due process and the protection of the rights of service providers and users alike, ICANN is organized to bring many diverse communities into a single conversation about where domain name and IP address services are headed, and with them the Internet itself.

Mr. Chairman, I believe that ICANN is a bold experiment. Although it is sometimes done by governments, technical coordination by the private sector is not new, but rarely has it been attempted on a global scale. International technical coordination of this sort is not new either, but it has never been attempted by a completely new organization for a medium that effects the daily lives of hundreds of millions of users. Finally, rarely in the history of private sector-based international technical coordination has the community of interested parties been either as diverse or as large as we have seen with ICANN and the domain name system.

But if ICANN is a bold experiment, we should not make the mistake of thinking that this experiment has concluded; or that it has been either successful or failed. We are early in the process of this experiment and we need more results before we can reach many useful conclusions. For example, of the five groups of service providers with whom ICANN must establish stable relationships for its coordination to work as planned, it has successfully done so with two: the operator of the generic Top-Level Domain registries (The VeriSign Registry); and the operators of the generic Top-Level Domain registrars (The NSI Registrar and its competitors.)

ICANN still has before it the establishment of stable relationships with the operators of the country code Top-Level Domain registries and registrars (such as ".uk" or ".fr") who today issue around a third of all domain names globally. It also has before it the establishment of stable relationships with the operators of the IP address registries, which issue the number blocks that are used to assign Internet numbers to networks and machines on the Internet. And finally, ICANN has yet to establish stable relationships with the operators of the system of secondary root servers, described above, that distribute the root of the Internet around the world.

In addition, we think it is fair to say that ICAN is still in a formative period in the development of both its budget process, the procedures by which its Councils and Board are selected, and the procedures that it uses to make fundamental decisions. Until we see a lot

more about how these processes and procedures come together, it would, in or view, be premature to reach many conclusions.

For our part, we are committed to ICANN's success. VeriSign is by far the largest contributor of funds to ICANN and I believe that we have voluntarily donated more money, above our dues, to ICANN than has anyone else. Recently, for example, we announced a new, $100,000 matching donation to the ICANN Domain Names Supporting Organization that will help that ICANN body hire its own professional staff. We intend to do more and we do not intend to sit on the sidelines just watching to see if ICANN can become a success.

Mr. Chairman, we thank you for your involvement in this important area and appreciate the Subcommittee's continued interest in ICANN. We look forward to the opportunity to work with both you and ICANN in helping move this organization forward to what we believe, and hope, will be a successful future.

Thank you.