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ICANN-VeriSign Brouhaha

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MELBOURNE, Australia -- Hasty approval of a revised contract with VeriSign could do lasting damage to ICANN's reputation, a series of passionate speakers said Monday at a public forum.

"This new agreement came as a surprise," said Philip Sheppard, an ICANN business constituency representative. "It cannot be accepted without providing due time for the Internet community to comment."

The constituency is one of seven that provide feedback to ICANN's names council which in turn advises ICANN's board of directors.

The board will meet Tuesday, following several days of meetings of the seven constituencies and the names council. Representatives of many of the groups said they hadn't had sufficient time to study the revised contract's terms, speakers said.

On March 1, ICANN announced it had negotiated a revised contract with VeriSign that would allow VeriSign to keep operating both its registry (top-level domain management) and its registrar (domain-name selling) businesses. But the revised deal would require VeriSign (VRSN) to relinquish control over the dot-net top-level domain in 2006, and dot-org in 2002.

VeriSign would maintain control over dot-com until 2007. Under a 1999 agreement with ICANN, VeriSign must divest either its registry or its registrar business by May 10 while retaining control of all three domains until 2007.

Thus, for VeriSign to meet its May 10 divestiture deadline under the existing contract, it will need to know by April whether or not its revised agreement with ICANN has been approved by ICANN's board, attorney Joe Sims said.

In outlining the revised contract to the public forum, ICANN executives took pains to portray the decision as an "either/or" choice between the existing contract and the proposed revisions. Speakers didn't see it that way.

Many saw the whole thing as a betrayal of ICANN's everybody-gets-their-say method of decision-making. "There is something much more serious than the content of these two options here, and this relates to the ICANN and the overall ICANN process," said Erica Roberts, a representative for the Internet registrar's constituency on ICANN's names council.

"If the DNSO and names council are not involved, and the matter is not referred to them for comment, it makes a mockery of ICANN's bottom-up process," she said.

The passionate exchanges over the contract energized a conference which, up to this point, has dealt mostly with relatively sleepy issues such as the long-term relationship between ICANN, country top-level domain managers and their respective national governments. Other issues involved the approaching entry of newly formed top-level domains to the Internet, a policy issue decided by ICANN last November.

While many speakers said ICANN should find a way to delay approval of any new contract, Sims said he was skeptical.

"While anything is possible, I'm telling you it's my judgment that there is no other choice than A or B," Sims said. "If we say we don't want B, it's my judgment they (VeriSign) will just go with choice A."

For his part, VeriSign CEO Stratton Scavos had to make the best of a tough room in outlining the benefits to the Internet community of the revised deal. He said the new agreement would provide VeriSign the certainty to engage in significant investment in the Internet, and tried to reassure the company's worried employees.

"While we are fully prepared to go down the divestiture road, we feel the revised agreement is better suited to the needs of the Internet community at large," he said. "Some (potential) bidders (for our registrar business) have told us they will just lay off our employees and that all they want is our customer lists."

Given the desire to get as much public comment as possible, Scavos was never asked if he would support a delay. However, such a delay wouldn't entirely be up to him. It would have also to be approved by the Department of Commerce, since VeriSign faces a May 10 deadline to divest its registrar business.

During the public forum, hapless ICANN chairman Vint Cerf was left vainly to keep speakers focused on the immediate issue of A or B. But he wasn't always successful, even with his own board.

"If left with a choice between A or B, I vote 'no,'" ICANN board member Karl Auerbach said at one point. "We should step back and not make a quick decision."

For his part, ICANN board member Ken Fockler worried about long-term damage to ICANN's reputation as a new international institutional animal, governed by laborious international consensus.

"My focus here is on ICANN and the bottom-up procedures, and the message that might be sent out about how we act," Fockler said. "I want to act on feedback, and not just act on my own choice."

It's unclear what will happen next, but the ICANN board can in theory approve the contract via a conference call, allowing a legal representative to go ahead and sign the revised contract with VeriSign. ICANN is next expected to meet in Stockholm, Sweden in mid-May.