

State of Tennessee



The Secretary of State
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Tre Hargett
Secretary of State

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November 15, 2013

The Honorable Edith Ramirez
Chairwoman
Federal Trade Commission
600 Pennsylvania Avenue, NW
Washington, DC 20580

The Honorable Julie Brill
Commissioner
Federal Trade Commission
600 Pennsylvania Avenue, NW
Washington, DC 20580

The Honorable Maureen Ohlhausen
Commissioner
Federal Trade Commission
600 Pennsylvania Avenue, NW
Washington, DC 20580

The Honorable Joshua Wright
Commissioner
Federal Trade Commission
600 Pennsylvania Avenue, NW
Washington, DC 20580

Dear Chairwoman Ramirez, Commissioner Brill, Commissioner Ohlhausen, and Commissioner Wright,

Along with the Federal Trade Commission, the National Association of Secretaries of State (NASS), of which I currently serve as President, has been following the Internet Corporation for Assigned Names and Numbers' (ICANN's) new generic top-level domain (gTLD) program for some time. We share the Commission's concerns (FTC release 12/11) about the potential for consumer fraud and abuse in new top-level domains (TLDs). We are particularly concerned about a special class of top-level domains commonly referred to as "corporate identifier" TLDs. Examples include: .CORP, .INC, and .LLP.

We recently learned that ICANN may consider awarding these highly-sensitive TLDs to registries that could sell domains to anyone, regardless of their legal standing with state registration authorities. We are concerned that instead of requiring entities to prove they are in good standing with a Secretary of State or Lieutenant Governor's office in order to register one of these domains, the ICANN Board is considering a move lax standard that would allow anyone to "attest" that they have the necessary standing to own one of these domains with no third party verification or validation. It is likely that those who wish to

perpetrate fraud and other crimes involving deception will take advantage of this process and provide false information to ensure they are able to register these domains.

NASS and many individual Secretaries have expressed our concerns in multiple letters to ICANN, clearly stating that any new business-related extension identifiers and the renewal thereof should only be extended to entities that are also legally and appropriately registered with the Secretary of State or the equivalent government agency in the U.S. This process would ostensibly include a verification of registration and good standing based upon a confirmation from the registrar.

To underscore the level of state agreement on this issue amongst state business registration authorities, Secretaries of State unanimously approved a resolution¹ at our July 2013 NASS national meeting calling on ICANN to accept the advice of ICANN's Government Advisory Committee and require higher levels of consumer protection. We also believe that the community application process ensures that safeguards and restrictions are enforced.

In closing, I hope the Commission urges the ICANN Board to support a stricter standard. The body should require a process that includes information verification for the protection of consumers and businesses, thereby reducing opportunities for fraud.

ICANN is meeting on November 18, 2013 to discuss this issue. I would appreciate any immediate attention and input that the Federal Trade Commission can provide.

Sincerely,



Tre Hargett
Secretary of State

¹ http://www.nass.org/index.php?option=com_docman&task=doc_download&gid=1435&Itemid=



Resolution of Recommendation to the International Corporation of Assigned Names and Numbers (ICANN) for Issuance of Corporate Internet Extensions

WHEREAS, the National Association of Secretaries of State (NASS) is an organization whose members include Secretaries of State and Lieutenant Governors of the 50 U.S. states and territories; and

WHEREAS, the majority of members are responsible for the administrative oversight of business entity registration processes in their respective states; and

WHEREAS, the International Corporation of Assigned Names and Numbers (ICANN) is in the process of awarding new Internet extensions that include business entity endings, including .INC, .LLC, .LLP and .CORP; and

WHEREAS, NASS and its members have followed this process closely and have expressed concerns regarding the potentially negative impacts of issuing generic gTLDs as corporate extensions, which we believe do not have enforceable safeguards to protect against misuse and could ultimately have a harmful effect on entities that are legally registered in the U.S. ; and

WHEREAS, NASS and many of its members have previously expressed in numerous letters to ICANN that these extensions may be unnecessary and irresponsible, but if allowed, should only be awarded to entities that are appropriately registered and in good-standing with Secretary of State or other state filing offices of jurisdiction; and

WHEREAS, there is a growing national concern relating to fraudulent business registration, business identity theft, online consumer protection and consumer confusion; and

WHEREAS, if these extensions were to be awarded without enforceable safeguards, it could allow anyone to operate a .INC, .LLC, .LLP or .CORP website, regardless of their actual business registration status/entity type; and

WHEREAS, the Government Advisory Committee to ICANN has issued advice in regards to the necessity of safeguards and restrictions on these particular Internet extensions and we believe these safeguards and restrictions are only enforceable in the community application process;

NOW, THEREFORE, BE IT RESOLVED THAT the National Association of Secretaries of State (NASS) recommends that if these extensions are approved, then ICANN should adopt the GAC recommendations and award the .INC, .LLC, .LLP and .CORP extensions with appropriate safeguards and restrictions designed to protect the U.S. business community and consumers.

Adopted the 21st day of July, 2013
in Anchorage, AK

EXPIRES: Summer 2018