



May 30, 2006

Dr. Vinton G. Cerf  
Chairman of the Board of Directors  
Internet Corporation for Assigned Names and Numbers  
4676 Admiralty Way, Suite 330  
Marina del Rey, CA 90292-6601  
USA

Dear Vint:

I appreciate your honoring the commitment you made in Wellington to bring the proposed agreement for ICM Registry's operation of the .XXX domain to a vote. We are, of course, extremely disappointed with the Board's decision to reject the contract, and have sought to get a better understanding of the status of the ICM application at this point. Having been constructive participants in the ICANN process throughout, we are disappointed by the lack of communication from ICANN on this point.

As you know, we have submitted a request for expedited reconsideration. Review of the voting transcript and various press statements convinces me that certain misconceptions prevented the Board from reaching a balanced and equitable judgment on the agreement. In particular, I am dismayed by the way in which the letter from the United Kingdom's GAC representative, Martin Boyle, has been mischaracterized. And I am very certain that ICM did not undertake in the agreement to enforce pornography laws across jurisdictions. Sadly, politics - not public policy concerns - appear to have won the day.

Nonetheless, I remain committed to this project, and intend to do what it takes to bring the benefits of the .XXX domain to responsible adult webmasters.

In light of this, I wanted to provide some background information on an ICM initiative. As stated in the attached terms of service, ICM's free "Industry Reservation Service" will enable certain responsible members of the online adult entertainment community (the

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“Community”) to submit a request to reserve a particular domain for their subsequent registration should ICANN authorize ICM to operate .XXX.

Under this program, ICM will accept reservation requests from webmasters (“Eligible Participants”) who are either:

1. The current operator of web site (an “Eligible Site”) registered in an ICANN-recognized top-level domain before 1 May 2006 providing:
  - a. Sexually oriented online adult entertainment; or
  - b. Products or services to members of the Community.

Or:

2. The authorized agent of the current operator of an Eligible Site.

There is no fee for using the Industry Reservation Service. ICM will issue “Reservation Tokens” to Eligible Participants submitting reservation requests. A tiebreak mechanism will allocate names where more than one Eligible Participant is entitled to reserve the same string (i.e., the holders of the same string in different TLDs). If ICANN subsequently authorizes ICM to operate .XXX, Reservation Token holders will be given the opportunity to register the reserved domain through an ICANN accredited registrar.

Webmasters submitting requests must agree that, in the event ICANN authorizes ICM to operate .XXX, registration of a reserved domain will be contingent on their written agreement to comply with the Community code of practice, which will address practices such as unfair, deceptive, or fraudulent marketing practices; the use of malware, malicious code, spoofing, phishing; practices designed to attract children or suggest the presence of child pornography; unauthenticated use of credit cards; violations of law regarding the sending of unsolicited promotional email; or misuse of personal data. Registrants will be expected to participate in a labeling program such as the program operated by the Internet Content Rating Association (ICRA).

We are rolling this program out now in response to continuity interests expressed by Community members, and to help us use our resources more efficiently. In the event that our appeals are successful, it will also reduce the time needed to get up and running after the contract is approved.

I continue to believe that .XXX offers ICANN a unique opportunity to make a positive, non-regulatory contribution to the DNS while, at the same time, demonstrating the power of the Internet for self-organizing and self-regulation. I remain hopeful that ICANN will

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seize this timely opportunity to demonstrate what private sector leadership can contribute to Internet governance.

Sincerely,

A handwritten signature in blue ink, appearing to read "S. Lawley", with a period at the end.

Stuart J. Lawley  
President and CEO

cc: Members of the Board of Directors  
Paul Twomey, President  
John Jeffrey, General Counsel