

The Dot.ORG Sale: New Developments

01.09.20 | Linda J. Rosenthal, JD



In [*Your Dot.ORG Domain May Soon Cost More*](#) (December 4, 2019), we reported stunning [news that sent shock waves](#) in November 2019 through both the philanthropy and internet communities.

Since then, there have been new developments.

The Origins of the Dot.ORG Domain

In the 1990's, in the earliest days of the internet, engineers and researchers created two 501(c)(3) in California – where else? – to bring some semblance of order to this emerging technology. These two organizations, [The Internet Society \(ISOC\)](#) and the [Internet Corporation for Assigned Names and Numbers \(ICANN\)](#), continue in these oversight and management roles to the current day.

In about 2003, a smaller California 501(c)(3), the Public Interest Registry (PIR), was created to manage and preserve the special domain registries available to nonprofit and nongovernmental organizations.

In late November 2019, PIR announced its “sale” to a newly created for-profit “investment firm,” Ethos Corporation. This entity has no track record or expertise in – well – anything, much less running a domain name registry in the public interest. What it does have, *though*, are not-well-concealed ties with current and former insiders of PIR, ISOC, and ICAAN. While announced as a done deal, the transaction does not formally close until the first quarter of 2020.

The Dot.ORG Sale Controversy

ISOC and ICAAN approved the November deal. Earlier in June, they had also given the nod to an out-of-the-blue decision to lift the long-standing cap on the (historically low) prices charged for internet domain names in the dot.ORG, dot.NGO, and similar categories. As rumors swirled ahead of the June announcement, there was immediate and vocal opposition from the philanthropy sector as well as

from the techie community more generally. See, for instance, [Internet industry freaks out over proposed unlimited price hikes on .org domain names](#) (April 26, 2019).

The more troubling and consequential November action sparked a more intense response, as reported in [Private Equity Is Going to Ruin the .Org Domain System and Screw Nonprofits](#) (November 19, 2019) and [Internet world despairs as non-profit .org sold for \\$\\$\\$\\$ to private equity firm, price caps axed](#) (November 20, 2019). Those articles offer detailed accounts of this massively shady arrangement with its many conflicts of interest and unanswered, but highly relevant, questions.

Among those speaking out and taking action is an organization called [Save.org](#) that issued a [letter dated November 22, 2019](#), addressed to the heads of the three nonprofits involved in this tawdry transaction. Save.org has called for the [sale to be stopped](#), “arguing that the .org domain should be overseen by a trusted leader who can ensure that the non-governmental community has input into decisions regarding the domain.”

The [National Council of Nonprofits](#) (NCN), which had been active in the early summer protests activities, issued a [renewed call-to-arms](#).

Developments in Dot.ORG Sale

In our December 4th story, we noted that “...all indications show that this disastrous deal will be forcefully opposed within and beyond the internet community.” In [Sale of .Org Registry Raises Alarm Among Nonprofits](#) (December 9, 2019), the continuing efforts of [Save.org](#) are highlighted. By early December 2019, the November 22nd letter-signing campaign had already gained the support of over 170 organizations.

The protests were loud enough so that representatives of Ethos Capital, the Internet Society (ISOC), and Public Interest Registry (PIR) held a [video call on December 5th](#) to “address the concerns of the .org community.” This meeting included representatives of the NCN, the Electronic Frontier Foundation (EFF), and the Nonprofit Technology Network (NTEN). The founder and CEO of Ethos Capital, Erik Brooks, “made assurances that the company had no intention of raising prices beyond historic levels” which he meant as “no more than a 10% increase annually.” But when pressed on “whether his company would enter into a legally-binding agreement on price caps,” he “[made no promises](#), stating that they were looking into some ‘mechanisms.’”

Participants left unsatisfied. Rick Cohen, Chief Communications Officer/COO of the National Council of Nonprofits reports that he “... [came in with questions](#) and doubts,” and “left with even more.” Ethos Corporation’s plea to “trust” them rang hollow to him and others: “That doesn’t work when they spring up overnight (and) when the mechanisms protecting nonprofits have been torn away, despite 3,200+ comments against the changes and only 6 comments in favor.”

Also, during the call, Andrew Sullivan, President and CEO of the Internet Society, “seemed to downplay the importance of the .org domain to the nonprofit community.” That went over like a lead balloon, according to Amy Sample Ward, CEO of NTEN: “There are so many reasons why nonprofits around the world rely on the .org domain and the idea that it isn’t an exclusive domain and that the

lack of exclusivity means it isn't worthwhile to the sector is not only absurd but also directly negates the very worth they have put into the sale."

More Questions About Dot.ORG Sale

Just days later, on December 9, 2019, ICAAN announced it would seek "more information and transparency" on the ".org sale"; then, after it "receives a response to its request for more information," it will "provide or withhold its consent to the sale" within 30 days. This is a breathtaking display of chutzpah by officials who the evidence strongly suggests already know quite well enough about the deal. On top of that, ICANN has urged "... PIR, ISOC, and Ethos Capital to be more transparent in their communications."

The opposition activity has since moved to Congress. In a letter dated December 23, 2019, Senators Ron Wyden (D-OR), Richard Blumenthal (D-CN), and Elizabeth Warren (D-MA) along with California Democratic representative Anna Eshoo ask Ethos Corporation, ISOC, and PIR if "nonprofit groups, free speech, and internet users" will be harmed by the sale of control of dot.ORG domain names to a private equity corporation." More particularly, the legislators pose nine questions with a January 6, 2020, deadline for answers. No word yet about any response.

Conclusion

Save.ORG urges more groups to join in its petition drive and to ask their individual constituents to sign the Electronic Frontier Foundation's online petition. The National Council of Nonprofits also offers several action items.