

July 19, 2004

(Address)
Washington, DC 20001

To Executive Director:

This letter is being sent to associations to notify you of changes that will effect state and local government's using the GOV Internet domain. On July 1, 2004, the U.S. General Services Administration's (GSA) Federal Technology Service (FTS) will begin charging for Internet GOV domain names. This fee will be implemented in phases. Fees for all new registrations will begin for existing GOV Internet domain names in July 2004. Finally, GSA will now require domain names to be renewed one year from the date of registration. The fee structure is required to recover a portion of the operating expenses for the Internet GOV Domain Registry.

The following is provided as background information on the GOV domain program and the basis for FTS charges:

The original concept of the GOV domain program was that each department or agency would require only one domain name. With the explosion in use of the Internet and the Federal Government taking the lead to place information on the Internet for easy citizen access, the number of web addresses per department or agency has dramatically increased beyond original plans.

The GOV domain was originally reserved solely for Federal Government entities. However, other non-Federal government entities, such as state and local governments, and federally recognized Indian tribes, known as Native Sovereign Nations, have increasingly sought access in GOV domains. As a result, GSA's Office of Governmentwide Policy (OGP) released the Final Rule - 41 CFR Part 102-173 - in March 2003 that added GOV domain services for state and local governments, and Native Sovereign Nations.

The Final Rule also established a ceiling for the fees FTS may charge for registration and renewals of GOV domain names and required that the fee must be based on the cost of operations and market rates. A review of the processes and operations for efficiency gains was completed before establishing the prices.

Why is a fee needed now? In the past, GSA operated these and other activities to support all agencies from funds collected as overhead on Federal long distance telecommunications charges with the concurrence of the FTS Interagency Management Council (IMC). With the lower prices of FTS long distance services and corresponding overhead collection, GSA no longer has the ability to fund this centrally. There are no appropriated funds to operate the GOV domain registry.

Why is the fee more than the typical commercial domain registration fee? The Internet GOV domain is managed through very stringent requirements that require validation on every domain name registered. There is no advertising permitted in the GOV domain space or in the registration process to support these costs. Many commercial domain registries also sell hosting services and supplement their registration prices with hosting solutions.

The fee structure for new registrations and renewals will be \$125 per year for each domain, well below the ceiling in the rule. We will be sending a letter in the very near future that will list all the GOV sites currently owned each entity with guidance on how to determine which domains to renew. For each GOV site the owner must indicate whether or not they want to renew that domain registration or whether to release that domain name.

The Agency CIO will be asked to verify and update the list and return it to GSA with comment within 30 days with payment. We appreciate your cooperation in this matter. For additional information please contact Mr. Lee Ellis at lee.ellis@gsa.gov.

Sincerely,

/s/ Mary J. Mitchell

Mary J. Mitchell
Deputy Associate Administrator
Office of Electronic Government and Technology