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Dr. Paul Twomey
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ICANN
4676 Admiralty Way, Suite 330
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April 14, 2005

Re: Telcordia's Report on their Findings and Rankings for .NET

Dear Paul,

it is with genuine concern, not only as one of the bidders, but also as a part of the global Internet community, that DENIC has expressed its disappointment with the .net evaluation report. Mainly, this disappointment stems from significant discrepancies between the fundamental rules for the evaluation, which were clearly presented by ICANN in the RFP, and the actual evaluation process conducted by Telcordia Technologies, Inc.

For example, the RFP (http://www.icann.org/tlds/dotnet-reassignment/net-rfp-final-10dec04.pdf) stated the following as a key scoring principle:

> *"Similarly, all applicants who meet the absolute criteria will thereafter be evaluated solely on the basis of the relative criteria, without regard to the absolute criteria, except where this RFP explicitly states otherwise."*

This principle was, in fact, not followed. Instead, Telcordia introduced a further differentiation and then proceeded to score bids based on its own criteria, rather than what was presented by ICANN. As a result, the original premise as well as the whole frame of the .net bid process has been fundamentally distorted. Consequently, DENIC strongly feels that ICANN should not accept such an aberration from its original intention as laid out in the RFPafter many consultations between ICANN and the global Internet community. Enhancement of competition may be named as an example.

A further concern DENIC has with the evaluation is the numerous factual errors contained within Telcordia's report; one of the most obvious being in Chapter 2.5.6, "Database Capabilities," which states:

> *"DENIC is using a database built in-house which exposes it to risks such as loss of critical personnel that can adequately design, maintain and enhance their database. Furthermore they cannot take advantage of industry advances."*

Vorstand: Andreas Bäß, Ines Balthes, Stephan Deutsch, Sabine Dolderer, Carsten Schiefner
Aufsichtsrat: Sebastian von Bomhard (Vorsitzender)
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Simply stated, this is not correct. In fact, DENIC's registry database runs on software developed by Sybase Inc., one of the largest and most reputable providers of infrastructure, development and integration software. DENIC's application explicitly stated this point. Telcordia's failure to take note of this led to a yellow scoring in the evaluation report. Furthermore, the preliminary report had not given notice of Telcordia's intention to issue a yellow in this instance. Insofar, it is also not correct when the final evaluation report claims that all applicants were forewarned of any yellow. At the same time the lack of proper procedure means that DENIC had no chance to straighten out Telcordia's misperception before the evaluation report was issued and published.

In addition, it would appear that Telecordia's own "best practices" philosophies of domain administration were actually given more consideration than that of established and recognized international policies. An example of this assertion can be found within Telcordia's report, Chapter 2.3, "Registry Operations," in which several bidders are criticized for not offering an auction model for deleted names. This can, by no way, be regarded as negative, since such an auction model would explicitly break the "first come, first serve" principle that is and has always been recognized internationally as a fundamental policy in domain administration.

Unfortunately, ICANN has not yet sent the complete evaluation report to all the .net bidders. Rather, it has only published highlights on its Web site. Without knowing the report in its entirety, several decisions made by Telcordia remain incomprehensible, especially the ranking regarding financial criteria. Thus, DENIC cannot further comment on all of the errors in the report in detail at this present time. As such, DENIC requests ICANN act promptly and submit the complete report to all .net bidders, as it is imperative to correct any and all wrongful scoring. Further, DENIC requests ICANN act to correct any mistakes and wrongful valuations, in particular the wrongful yellow scoring, and make changes accordingly to the final rankings.

DENIC looks forward to working with ICANN on this matter and appreciates its dedication to ensuring the fair and accurate scoring of all .net bids.

Sincerely



Sabine Dolderer
CEO, DENIC