VeriSign®

September 24, 2004

VIA ELECTRONIC MAIL
AND FACSIMILE

Kurt Pritz
Vice President, Business Operations
ICANN
4676 Admiralty Way
Suite 330
Marina del Rey, CA 90292

Re: **NeuLevel, Inc. Request for Information**

Dear Mr. Pritz:

This will respond to your letter to Rusty Lewis dated September 17, 2004, requesting that VeriSign prepare and disclose certain proprietary information concerning VeriSign's operation of the .net registry.

In particular, you have requested that we respond to the information requests of VeriSign's competitor, NeuLevel, Inc., as set forth in a letter dated September 1, 2004 from Mr. Richard Tindal of NeuLevel, Inc. to ICANN ("NeuLevel Letter"). We are concerned that NeuLevel's request is an attempt to gain insight about VeriSign technology and to gain an unfair competitive advantage in the upcoming bid process for the follow-on .net registry contract. Indeed, NeuLevel made its request before ICANN has even announced what the .net RFP requirements will be.

As you know, VeriSign has been the registry for the .net top-level domain since 1993. During that time, we have made significant investments in the technology, intellectual property, and hardware that have made this critical piece of the Internet's infrastructure a model of stability, performance, and security. We believe this technology and know-how will place VeriSign in a strong position to compete for the award of the follow-on .net registry agreement. We therefore are very reluctant to weaken our prospects by disclosing competitively sensitive confidential information to NeuLevel or other prospective bidders.

That being said, we are not averse under appropriate circumstances to supplying ICANN with relevant proprietary data in confidence for the purposes of enabling ICANN to assess the

functional and performance characteristics of VeriSign's .net services for the purpose of defining appropriate requirements and evaluation criteria for the forthcoming .net RFP. Indeed, we have advocated for the development of a set of detailed, clear and objective technical specifications and evaluation criteria, to ensure both: (1) the continued security and stability of the .net TLD; and (2) a fair and open rebid process in which participants understand the standards against which their proposals will be measured.

To that end, and based on our extensive experience as the registry for the .net TLD, we have made specific, detailed recommendations to ICANN for important technical requirements and evaluation criteria to be included in ICANN's RFP, including among others:

- key performance metrics for the .net resolution and registration systems
- essential design requirements for the .net resolution system
- minimum capacity requirements for the resolution and registration systems
- minimum security requirements for the resolution and registration systems
- minimum services and functionality
- migration requirements

As we have emphasized, vague and undefined technical requirements and evaluation criteria fail to meaningfully inform participants of the standards against which their proposals will be measured, undermine fair and open competition, and promote arbitrary decision making. NeuLevel's statement that VeriSign's disclosure of the requested information is necessary "to enable potential bidders to properly and fairly respond to the RFP criteria" reflects the fact that potential applicants are uncertain and concerned about the standards against which their proposals may be measured.

ICANN cannot reasonably expect VeriSign to clear the confusion about the RFP evaluation criteria by disclosing its proprietary data to "bona fide potential .net applicants," as you suggest. Independent of VeriSign's competitive concerns, it would be inappropriate for ICANN staff simply to announce de facto requirements or evaluation criteria through the disclosure of VeriSign data according to the procedure you have suggested. Those requirements and evaluation criteria can only be based on specifications or policies established as a result of a consensus of Internet stakeholders ("Consensus Policies"). *See* .net Registry Agreement Articles 4.3, and 5.2.4; ICANN-DOC MOU Article V.C.4. Of course, we continue to be open to share our insights and information for this purpose.

Finally, I would note that some of the requested data is publicly available and that VeriSign has provided ICANN with responsive data through its monthly reports. To the extent that any of the requested information is publicly available via the monthly reporting or other sources, potential

applicants obviously would be free to utilize this information to develop their working assumptions about what may be required to operate the .net registry. VeriSign would have no objection to ICANN's distribution of such information to potential applicants.

Let me assure you that VeriSign is committed to providing ICANN with cooperation and assistance in ensuring that the .net selection process is fair, objective, and otherwise in compliance with applicable requirements. I would welcome the opportunity to discuss how best to achieve this with you.

Regards,

Kevin C. Golden
Vice President and Associate General Counsel
VeriSign, Inc.

Cc: John Jefferey, Esq.
    Rusty Lewis
    Chuck Gomes