Introduction

ICANN requested that Telcordia review their findings in light of letters from several .NET respondents, and to respond to the questions raised. This report provides the results of our review.

Overview of the Evaluation Process

The .NET RFP evaluation was conducted as a formal RFP evaluation. The evaluation contract required Telcordia's evaluation to be based solely on ICANN .NET RFP, the respondents' formal responses to the RFP, and material explicitly transmitted to Telcordia by ICANN for consideration. In particular the Statement of Work (SOW) required that: "Telcordia will not evaluate or address policy considerations. Telcordia's review will be based solely on the information provided in the RFP response and other related information provided by ICANN to Telcordia. ICANN alone shall determine whether it wishes to solicit or consider input from non-applicants and how it wishes to utilize such input. Telcordia will review and address those public comments that are identified by ICANN as addressing the technical issues involved in Telcordia's assessment under this Agreement."

Ensuring the greatest possible objectivity requires that RFP responses are scored strictly against the explicit RFP requirements. As per standard RFP practice, traceability and exact adherence to the RFP are established by a formal set of metrics for judging the responses for each requirement contained in the RFP. Each section of the RFP is explicitly matched to corresponding metrics to guide the scoring process[1]. Because the .NET RFP did not have scoring metrics associated with the RFP text, Telcordia's first task was to develop scoring sheets with objective metrics defined for every requirement. Telcordia used ICANN documents, industry standards and applied its professional judgment in arriving at a set of metrics, with the wording of the RFP the primary consideration in choosing the metrics to be employed. ICANN reviewed and approved the scoring sheets and associated metrics, as well as the weights to be assigned to the sections, prior to the commencement of the scoring process.

Integrity of the process was a prime concern. Only Telcordia employees were part of the evaluation process. No persons external to Telcordia were part of the process or had contact with team members about the process. Telcordia developed the metrics prior to reading the RFP responses.

The scoring task was divided up roughly based on RFP sections. Each of the scoring elements was independently marked by two scorers who read and scored all five

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[1] An example of such a RFP and associated metrics may be found in Section M of the TMOS RFP: http://www1.eps.gov/servlet/Solicitation/R/USAF/AFSC/SMCSMSC/Reference-Number-FA8808-05-R-0001

responses. Because the .NET RFP did not specify that material relevant to a section must be contained within the responses to that section, the scorers were instructed to consider relevant material appearing anywhere in a given RFP response. The dual independent scorers were to ensure both that the scoring was accurate and that relevant material was not missed. The two scores were then reviewed and reconciled into a single score. Following the initial scoring process the preliminary scores showing serious weaknesses, that is, red and yellow scores, were sent to ICANN for distribution to the RFP respondents at the beginning of business on March 8th, 2005. ICANN returned the responses to Telcordia on afternoon of March 18th. The pertinent sections were rescored based on the responses, and the draft final report was prepared and transmitted to ICANN on the afternoon of March 25th. The timing of the delivery of material to Telcordia and the delivery of material to the respondents was determined solely by ICANN. ICANN reviewed the draft final report and posted the final report on March 28th.

Sentan's Concerns:

Ranking for Provision for registry Failure (section 2.6.1)

Sentan is concerned that VeriSign's secondary data center is located 10 miles from the primary. Telcordia also identified that concern in our preliminary scoring. During the response to preliminary scoring, VeriSign disclosed the location of a backup data center running hot standby and located outside of the east coast of the United States. On the basis of that response the evaluators rescored this point as blue.

Third-party Complaints

The Telcordia evaluation did not take into consideration allegations raised by respondents with respect to other respondents. It was beyond the scope of Telcordia's activities under the SOW for Telcordia to conduct investigations into allegations regarding the other respondents.

Evaluation of Competition at the Registry Level (Section 2.7.i)

Sentan states that:

> *The Evaluators' report did not adequately address the requirement for "Enhanced Competition" in the domain space as required by the .net RFP, the current NET contract and ICANN's mandate. Specifically, the Evaluators limited their analysis of competition to the registrar market alone and ignored competition at the registry level and the domain market as a whole.*

The .NET RFP stated:

> *7. Additional Relative Criteria*
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> *The following are additional relative criteria: (i) the degree to which the respondent's proposal promotes competition in the registration of domain names, (ii) the degree to which a respondent's business model relies on multiple, rather than sole source, suppliers, to reduce the impact of failure by any one supplier,*

and (iii) the degree to which a respondent's proposal results in improved implementation of, and support for, GNSO policies, such as transfers and deletes.

Competition and specific GNSO policies were undefined in the RFP. In order to appropriately bound this RFP requirement, the evaluator proposed the following specific sub-criteria for the formal scoring which sub-criteria, like all the scoring metrics, were reviewed and approved by ICANN prior to the evaluation. Because the RFP stated "degree to which the respondent's proposal promotes competition in the registration of domain names", the subcriteria focused on aspects that promote competition in the registration of domain names, specifically:

- Equitable / open access is provided to the registrars
- Ease of market entry for registrars (breadth and depth of technical, marketing and/or business support provided to new registrars)
- Ease of use for registrar, for example, user friendly order systems
- Breadth and depth of service and help desk support
- National or regional distribution enhancements, for example, local language support
- R&D – for example, innovations and developments in enhancements to DNS to facilitate growth
- Meeting previously unmet needs of the registrars or consumers
- Ease of domain name portability across registrars
- Technology transfer

These criteria were applied alike to each .NET applicant.

Ranking for Registry Operations (Section 2.3.a)

The concerns raised by Sentan do not affect the ranking for any respondent on Registry Operations (2.3) or any of its component scores. ICANN-approved evaluation metrics for 2.3 had five major components and eight subcomponents. Sentan's comments address only one subcomponent, *2.3.a.5: Benefits and burdens of proposed new registry services.*

Requirement 2.3a of ICANN RFP states:

(a) Provide a full description of all registry services you propose to provide and demonstrate your technical and legal ability to provide them, including your prior experience offering these or similar services. If you propose to offer any registry services that you believe are not now offered, include for such services your assessment of the benefits and burdens associated with such new services, as those benefits and burdens apply to registrants and registrars. In addition, describe the technical components and aspects of the planned registry services, and how you will support the same.

The Sentan response raises two issues:

A) The role of each respondent's assessment of the burdens in exceeding a score of yellow for requirement 2.3.

All respondents indicated that the burdens of their proposed services were not significant; thus, all respondents met this subcomponent of the requirement for 2.3a. As noted in our Final Report, Sentan provided more detail than the others on the anticipated burdens.

In the hypothetical case of an RFP that explicitly required documentation of the reasoning behind a respondent's assessment, substantial additional material would have been needed to address all the potential burdens imposed by proposed services. None of the respondents provided sufficient documentation of the reasoning behind their assessment of the burdens. If the RFP had required such documentation, all respondents would have been given a preliminary score of yellow and would have had an opportunity to respond to that score as part of their review of the Preliminary Draft evaluation.

Because the RFP as written did not require such documentation, the provision of a simple assessment of burdens could not prevent any respondent from receiving a score of at least green. Indeed, in our professional judgment all respondents proposed services in which the benefits outweighed the burdens, so further documentation generated in response to a hypothetical preliminary score of yellow for this subcomponent for all respondents would not have prevented any respondent from receiving a score of at least green on 2.3 in the Final Report.

B) The assignment of green/blue for 2.3

For sub-criterion *2.3.a.5, Benefits and burdens of proposed new registry services*, Telcordia did indeed score Sentan blue and VeriSign green; however, the rollup of the scoring for section 2.3 depended on all eight sub-criteria.

Core++ Concerns:

Choice of Scoring Criteria

As noted, the metrics used by the evaluators were based on ICANN documentation and approved by ICANN prior to Telcordia commencing response scoring. Whether this particular set of metrics is the best imaginable set is of less importance than it is used uniformly. The RFP evaluation needed to use a methodology that would be comparable across bidders. Another bidder that raised questions of this nature chose to state that they would comply with the current ICANN methodology.

Misunderstanding and Errors

In light of ICANN agreements for recent registries, and the responses of the other respondents, Telcordia does not believe that an industry consensus exists for identifying the measurement techniques proposed by Core++ as "industry standard". Although the merits of the RFP-required methodologies can be debated, it was beyond the scope of the evaluation for Telcordia to define a new methodology. For evaluation against this RFP,

Core++ was provided the opportunity, in response to the preliminary evaluation, to align their methodology with the explicit requirements of the RFP, and it did not do so.

Registry-Registrar Model and Protocol, SRS

The scores in question were based on the metrics approved by ICANN, and the results define quantifiable differences between respondents. Our comment concerning the practical effect of some differences is in the context of the general comment that small differences in the overall scores are not statistically significant.

Database Capabilities

As long as there is an economic value in continuously accessing the SRS database to obtain deleted names the database capability is significant. Changes to policy, and possible resulting fairness implications, are beyond the scope of Telcordia's technical evaluation.

Geographic Network Coverage

CORE++ proposes no name servers in South America or Africa. The entire text of CORE++ response for emerging markets is:

"The global approach of CORE++ enables the .net registry to react to upcoming trends and economical development in a flexible way. The structure of CORE++ allows additional partners to be integrated at a later point in time to further enhance this high degree of adaptability.

In particular, due to its extensive presence in Asia, CORE++ is well prepared to cope with the demands that arise from the economical growth currently observed in that area."

Under the approved scoring criteria, this text does not justify a blue score since it does not provide clear plans or actions to address emerging markets.

Billing and Collection

CORE++ states that "All applicants use the same system, whose essence is pre-payment. CORE++ is the only one who specifically adds innovative features to facilitate real-time accounting by the registrars."   The requirement of section 2.5.b.ix is not a description of innovation but rather of the technical characteristics, system security and accessibility of the billing system. CORE++ provided inadequate and unspecific description of the technical operation of the billing system.

Whois

Evaluation of charges levied by one respondent against others, or of material not explicitly supplied by ICANN, was outside the contractual scope of the .NET RFP evaluation.

IDN, IPv6, DNSSEC

Technical issues with the IDN standard and VeriSign's implementation are outside of the contractual scope of the .NET RFP response evaluation.

In reviewing the scoring for section 2.b.5.xvii we discovered that CORE++ and DENIC were given blues rather than the greens reported. Sentan actually received a green rather than the reported blue. We have adjusted the scores for section 2.b.5.xvii of the report appropriately.

Security

The evaluation team had concerns about Core++'s help desk for security related issues. However, this score did not affect the overall assessment of green and changing it would not result in an overall score of blue.

Migration

The decision to give VeriSign a blue was based on feedback from ICANN that not grading them on this topic would result in unfairness, since they would have one less opportunity to score a blue mark than the other respondents. The incumbent obviously has no migration risk. Given ICANN instructions, the VeriSign score of blue is appropriate.

DENIC Concerns:

Auctions of Deleted Names

Telcordia was employed by ICANN in order to bring our experience and understanding of the international community's concerns and best practices to bear on the evaluation of the RFP responses. Telcordia shares DENIC's concern for recognized international policies, and has been tracking the widespread discussions of approaches to resolving the issues that experience has shown arise with first-come, first-served approaches for both deleted and expired domain names. It is now an established plan of several registrars (for example, see ICANN's Advisory: Registrar Expired Name Market Developments, 21 Sep. 2004) to provide auction models for expired names; for deletion, the recent Workshop on Re-registration of Deleted Domain Names (at the December, 2004, ICANN meeting) reflected the international community's extensive concerns for means to address deleted names in a manner that best supports established policies. Although the only general class of solutions presented at the workshop involved auctions, Telcordia does not believe that a consensus has arisen on the best practice in this area. Nonetheless, given the widespread concern in the community, we thought it appropriate to note which of the respondents addressed it. However, because no established best practice or consensus policy has yet emerged to handle the underlying problems, this concern is <u>not</u> a component of the formal scoring metrics which ICANN approved. The scores for the respondents in the relevant sub-criteria (*2.3 part 3: Additional registry services* and *2.3.a.1: Full description of all proposed registry services*) comply with the approved scoring metrics; in regard to DENIC's specific question, we note that addition or removal of auction services by any respondent would not have changed their score for 2.3.

Conformance with the RFP

DENIC is concerned that Telcordia introduced differentiation into the scoring of absolute criteria. The RFP contained many criteria that were both absolute and relative: there was both an absolute aspect and a relative aspect. Identification of such absolute/relative criteria was not always straightforward. Telcordia is unaware of instances where criteria were mis-categorized.

Identification of Database Software

The DENIC application uses the word "Sybase" exactly once in figure 3 and once in the text in the following context:

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"2. Database Procedures and Functions
This chapter contains the description of the future .net database
and its functionality.

(a) Database Integrity

Database integrity is guaranteed on several levels. On the lowest
level, the level of the database server, all safety mechanisms of
the Sybase database are used:
"
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Telcordia inadvertently omitted acknowledging this reference in the preliminary report. DENIC's score on this section is revised from yellow to green.

Afilias Concerns:

Section 2.4.B – Pricing

Afilias provided the best price as was reflected in their number-1 ranking for this factor. However, it is inappropriate to give a color grade to this topic since no specific quantitative metrics could be defined prior to reading the RFPs and because the RFP itself states "*The per-name price charged to registrars is a relative criterion, with lower committed prices being preferable to higher prices.*" Thus the RFP defines a condition where in the presence of a tie on other topics the lower-priced respondent will win. Given that ICANN approved weighting of factors made the relative order of pricing a secondary factor, Telcordia believes that the report is correct.

Section 2.5.b.xiv – Peak Capacities

All respondents provided qualitatively similar margins between actual capacity and average demand. The respondents receiving blue scores distinguished their responses by their analysis of the actual peak capacity required.

2.5.b.iv -- Registry-Registrar Model

The RFP text states:

"(iv) Describe the registry-registrar model and protocol; availability of a shared registration system, including processing times for standard queries (add, modify, delete); and duration of any planned or unplanned outages."

Afilias scored green on the request to describe the registry-registrar model (as did all other respondents). This section of the RFP did not ask for any other details or suggest any value judgments with respect to the protocol description. Afilias did indeed score blue on the sub-criteria of SRS processing time but the overall score for the section was based on multiple sub-criteria. The metrics approved for these subcriteria stated that the respondents needed to meet the current .NET specification in order to score a green. Thus the overall score for Afilias on the section was green.

2.6.a Provision for Registry Failure

Telcordia reviewed the Section 2.6.a RFP responses for the Afilias and VeriSign proposals and the related responses to 2.5.16 and 2.5.18. Based on this re-evaluation, we believe that Afilias is either at the low end of blue or the high end of green. In our judgement, the VeriSign response is better than the Afiilias response. Both Aflilias and VeriSign describe very robust approaches for dealing with registry failures but the VeriSign response is more comprehensive and more clearly explains what they will do in the event of failure. VeriSign also provides more detailed information than Afilias on how they deal with denial-of-service attacks and other security issues. Based on this review we are changing the Afilias score to blue.

Section 2.7 – Additional Relative Criteria

See the section on this topic in the response to Sentan.

Section 2.8 – Transition or Migration Plan

By ICANN-approved scoring metrics, both Afilias and Sentan deserve blue scores for their transition planning.

VeriSign Concerns:

The VeriSign concerns are outside of the scope of the technical evaluation and cannot be addressed by Telcordia.

Conclusion:

We have reviewed all the responses to the Final Report that ICANN has provided to Telcordia. In light of the comments that fell within the contractual scope of the .NET RFP response evaluation, we have revised the final report as described above, and the result is attached. With these changes the relative position of the top respondents did not change.