



# Internet Corporation for Assigned Names and Numbers

6 May 2006

Mr. Neil Edwards  
CEO, dotMobi  
10/11 Exchange Place  
IFSC  
Dublin, Ireland

Re: Your letter dated 29 April 2006

Dear Mr. Edwards:

Thank you for your letter of 29 April 2006. ICANN staff members and I have carefully reviewed the points you raise regarding the proposed registry agreement with Telnic to establish a TEL TLD.

## Sponsorship Issues

As you describe, it is indeed critical that a sponsored top-level domain (sTLD), “address the needs and interests of a clearly defined community (the Sponsored TLD Community), which can benefit from the establishment of a TLD operating in a policy formulation environment in which the community would participate,” (see, Request for Proposals, at <http://www.icann.org/tlds/new-stld-rfp/new-stld-application-parta-15dec03.htm>). The TEL community is sponsored by Telnic and intended to serve individuals, persons, groups, businesses, organizations, or associations that wish to store and publish their contact information using the DNS. This model can be compared to that of the MOBI community, sponsored by mTLD Top Level Domain, Ltd, that includes individual and business consumers of products, services, devices, content and other items used or accessed while connected over mobile or wireless, who are interested in a predictable user experience made available via domain names. Members of both the TEL and the MOBI communities are self-identified.

## Fees

Promoting competition through expansion of the DNS is an important part of ICANN’s mission. The amount that each registry operator agrees to allocate to ICANN is the result of a negotiation between both parties, and is tailored to the specific business model chosen by each registry. MOBI, as you point out, agreed to a registry-level transaction fee of \$0.75. However, the terms of the TEL agreement are misstated in your letter. TEL has agreed to a fee equal to or greater than 5% of the wholesale registration price. The \$0.15 per registration you describe will be paid in quarters in which the average price of registrations is less than \$3.00 (i.e., greater than 5%). However, in quarters where the registration fee is higher, TEL must pay an additional \$.01 for each increase of \$.20, i.e., 5% of the wholesale registration price. This would mean, for example, in cases where the wholesale price is greater than \$15, the TEL terms result in a greater fee than the MOBI terms. ICANN understands that presently, MOBI is quoting prices of \$12 and \$25 annually (disregarding the \$100 sunrise registration fee) depending upon the type of registration.

This comparison seems to indicate the two fee structures are comparable. In some cases MOBI will pay ICANN \$0.15 more than they would under the TEL structure and sometimes \$0.50 less than they would under the TEL structure. The difference in terms is due to a difference in timing of the agreements. ICANN is willing to discuss amending the MOBI contract to incorporate the TEL fee structure.

#### Transparency and Fairness

With respect to transparency, I would like to direct your attention to the RFP itself, which specified that the selection of successful sTLD applicants would be “based on principles of objectivity, non-discrimination and transparency.” ICANN has satisfied this requirement in every way possible. Please read the documents at <http://www.icann.org/tlds/stld-apps-19mar04/> that describes the application process and the applications in full. The .TEL application and supplemental materials describing the TEL business model and sponsored community have been posted for many months. Although the process of reviewing the MOBI application occurred before you joined the MOBI operation, I assure you that it was a labor-intensive and deliberative process. All applicants – including MOBI – knew that their applications were given thorough, fair and equal consideration. You also may not know that during the MOBI negotiations, your colleagues unsuccessfully sought language that would preclude the approval of additional TLDs relating to telephony such as TEL. One of ICANN’s core principles is promotion of competition and choice for consumers of the generic top-level domain space. Therefore ICANN could not, and did not, agree to such a request.

ICANN agrees that any new TLDs should be “clearly differentiated from existing TLDs.” And, as noted above, there are factors that distinguish the concepts behind the TEL community and the MOBI community. The business models too, are different. Quoting sections of the pertinent MOBI and TEL application documents would necessarily omit others, so I will not attempt to describe the differences here. The differences (and a description of the seemingly mutually exclusive business mod) are apparent from a reading of the documents at <http://www.icann.org/tlds/stld-apps-19mar04/>.

As you know, the TEL contract is now before the ICANN Board for consideration and for their decision. Your letter is also known to them and will be included in the materials forwarded to the Board as part of the consideration process. Thank you for taking the time to raise your concerns with me. I hope that the above information has helped to alleviate them.

Sincerely,

/s

Paul Twomey  
CEO, ICANN