

April 28, 1999

Letter to U.S. Secretary of Commerce William M. Daley concerning Amendment 13 to NSOL's DNS contract.

VIA FACSIMILE (202) 482-2741

April 28, 1999

William M. Daley

Secretary United States Department of Commerce

14th and Constitution Avenues

Washington D.C. 20230

Dear Secretary Daley:

Asensio & Company, Inc. ("Asensio") is a New York based investment bank. Asensio is registered with the U.S. Securities and Exchange Commission and the National Association of Securities Dealers. The firm specializes in equity valuation and has a well-established international reputation for identifying and disseminating information on fraudulent securities transactions. Asensio has obtained and reviewed all publicly available documentation, including original documents and legal description of certain documents and transactions, concerning the U.S. Department of Commerce's ("DOC") assumed National Science Foundation Cooperative Agreement effective January 1, 1993 and all of its amendments including the most recent and thirteenth amendment dated April 21, 1999 with Network Solutions, Inc. ("NSOL"). Asensio has also conducted an extensive private investigation on NSOL and its domain name registry and registration operation. Based upon this due diligence, on March 25, 1999 Asensio issued a research report on NSOL that included a Strong Sell opinion. Furthermore, our analysis showed that NSOL's excessive market valuation resulted from NSOL's failure to disclose material negative information and the existence of material positive information that was baseless and false. Therefore, Asensio also concluded that NSOL's shares should be borrowed and sold short.

Amendment 13 effectively requires ICANN's accredited test bed participants to pay NSOL \$18 up-front for two years of registry services. This fee violates of both the White Paper directives and the regulations contained in Amendment 11's cost plus pricing restrictions. Equally important and as disturbing, is that the DOC has obligated the ICANN test bed participants to pay NSOL for two years of registry services up-front. It is the stated and primary objective of all parties involved, except NSOL, to terminate NSOL's entire domain name contract as soon as possible but in no case later than September 30, 2000. Therefore the ICANN test bed participants are being required to pay NSOL for two years of registry services with no guarantee that NSOL will escrow their funds and be obligated to repay the pro-rated unearned balance upon the planned termination of NSOL's temporary position as the registry. In addition, the DOC has made it necessary for the ICANN test bed participants to enter into an agreement with NSOL. Yet the DOC failed to require NSOL to enter into an agreement with ICANN. ICANN's registry and registrar agreements contain necessary domain name regulations that the DOC failed to include in any of its NSOL agreements. The DOC's NSOL contract requirement, and price and terms conflicts, significantly complicate ICANN and the ICANN test bed participants task.

Given the difficulties the DOC is having in terminating NSOL's contract, it is extraordinary that the test bed participants have agreed to apply and accept ICANN accreditation. The ICANN test bed participants' agreement to participate in the test bed can be viewed as an indication of the Worldwide Internet industry's objection to NSOL's harmful and entirely unnecessary control over the domain name system and the DOC's failure to terminate NSOL's contract. Amendment 13's failure to provide correct pricing and terms serves as clear evidence that the Internet industry's concerns are justified.

On Tuesday, April 21, 1999, shortly after your press release titled "Statement by Commerce Secretary William M. Daley on Domain Name Management" was issued we requested through the DOC's NTIA Public Affairs Office a response from you concerning Amendment 13's serious pricing and terms defect. We have not received a response. Please accept this letter as our formal request to you to obtain a detailed response to the questions detailed above concerning the pricing and term defects contained in Amendment 13. Thank you.

Respectfully Yours,

ASENSIO & COMPANY, INC.

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Chief Executive Officer

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