

## The Structure of the TLD Industry

One factor that has facilitated the entry of new gTLDs is the availability of important “inputs”, specifically registrar and backend services, that can be acquired through market transactions rather than produced internally. 304 different registrars currently provide service to new gTLDs<sup>1</sup> and a significant number of new gTLDs are represented by a relatively large number of registrars. The following table reports the distribution of new gTLDs as measured by the number of registrars by which they are served:

Number of Registrars	Number of New gTLDs	% of New gTLDs
0 – 5		
6-10		
11-25		
26-50		
>50		

Although there are many fewer backend providers than there are registrars, 6 different backend providers each provide service to new gTLDs that collectively have more than 1 million registrants.<sup>2</sup> The following table reports information on whether new gTLDs are using back-end providers at or near their locations, where proximity is measured either by the legal jurisdiction or the ICANN region in which the gTLD and the backend provider are based.

(<https://meetings.icann.org/en/regions>). Of the 944 new gTLDs as of May 6, 2016, 495 are using backend providers that are located in their respective jurisdictions and 627 are using backend providers located in their respective ICANN regions.<sup>3</sup> Thus, although the data indicate

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<sup>1</sup> DERIVED BY ME FROM NEWTLDSTATS AND NEEDS TO BE REVISED/UPDATED/CONFIRMED BY AG.

<sup>2</sup> DERIVED BY ME FROM NEWTLDSTATS AND NEEDS TO BE REVISED/UPDATED/CONFIRMED BY AG.

<sup>3</sup> In Africa, 3 gTLDs (out of a total of 10) are using backend providers in their respective jurisdictions and these 3 are using backend providers in their regions, in Latin America and the Caribbean, 5 gTLDs (out of a total of 17) are using backend providers in their respective

that well over half of all gTLDs employ backend providers that are located nearby, a significant number do not. This suggests that backend providers at more distant locations can nonetheless service a given gTLD.

Another aspect of the structure of the TLD industry is the wide variation in the sizes of different registries. The following table reports the size distribution of new gTLDs, where size is measured by number of registrants. Since our primary focus is on gTLDs that are, or will be, generally available for registration by members of the public, we have excluded from our analysis gTLDs that are subject to Spec. 13 and/or are ROCC-exempt from the data.<sup>4</sup> Moreover, in reviewing the data in the table, it is important to recognize that some new gTLDs have only recently become available for registrations by the public and others may still not be available. Nonetheless, it is significant that almost three-quarters of the gTLDs that we have analyzed currently have fewer than 10,000 registrants and more than 90 percent have fewer than 50,000 registrants. That raises the question of whether these gTLDs will be viable in the long run or whether we should expect some to exit and others to consolidate.

<b>Number of registrations</b>	<b>Number of TLDs</b>	<b>% of TLDs</b>
<b>0 – 1000</b>	230	0.358814353
<b>1,001 - 10,000</b>	247	0.385335413
<b>10,001 - 50,000</b>	119	0.185647426
<b>50,001 - 100,000</b>	23	0.035881435
<b>100,001 - 250,000</b>	11	0.017160686
<b>250,001 - 500,000</b>	7	0.010920437

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jurisdictions and 6 are using backend providers in their regions, in Asia Pacific, 81 gTLDs (out of a total of 163) are using backend providers in their respective jurisdictions and 102 are using backend providers in their regions, in North America, 357 gTLDs (out of a total of 441) are using backend providers in their respective jurisdictions and 409 are using backend providers in their regions, and in Europe: 49 gTLDs (out of a total of 352) are using backend providers in their respective jurisdictions and 107 are using backend providers in in their regions.

<sup>4</sup> NEED TO PROVIDE DEFINITIONS.

<b>500,001 - 1,000,000</b>	2	0.003120125	
<b>&gt; 1,000,000</b>	2	0.003120125	
<b>Total</b>	641		1