III. History of the New gTLD Program[1]

In the 1990s, management of the domain name system (DNS) was revised periodically to encourage more competition in the domain name marketplace. However, the number of available gTLDs remained fixed and small. Beginning in 2000, ICANN expanded the available set of gTLDs to engender more competition in the market for domain names.

HISTORY OF THE EXPANSION OF THE DNS PRIOR TO 2000

The domain name system was developed in the early 1980s as a means of organizing and easing Internet navigation by establishing unique, easier-to-remember addresses for different locations on the Internet. Initially, eight gTLDs were established, within which eligible entities could register second-level domain names. Three of these gTLDs (.com, .org, and .net) were unrestricted, meaning that anyone could register a second-level domain name within them. Five (.edu, .gov, .arpa, .int, and .mil) were restricted-use, meaning that only particular types of users were allowed to register a second-level domain within them. In addition to gTLDs, two-letter country code TLDs (ccTLDs) were introduced over time, beginning with .us in 1985.

Initially, the task of registering second-level domain names in the various gTLDs fell to SRI International, a not-for-profit research institute operating under a contract with the Department of Defense (DOD). In the early 1990s, the responsibility for registering names for .com, .org, .net, .edu, and .gov was transferred to a private corporation, Network Solutions Inc. ("NSI"), under a contract with the National Science Foundation, which had taken over from DOD as the funding source. NSI operated the registry and acted as the sole registrar for .com, .org, and .net.

In the early 1990s, .com replaced .edu as the most-used gTLD as the commercial possibilities of the Internet became apparent following the development of the World Wide Web. As the .com registry operator and its sole registrar, NSI had a monopoly on the registration of second-level domain names in .com. In 1995 NSI began charging US$100 to register a .com domain name for a two-year period.
The late 90s saw a rapid series of steps designed to increase competition. In 1997, the U.S. Government issued a policy directive stating that the management of the

---

[1] See Katz, Rosston, and Sullivan (June 2010), *An Economic Framework for the Analysis of the Expansion of Generic Top-Level Domains*, prepared for ICANN, https://archive.icann.org/en/topics/new-gtlds/economic-analysis-of-new-gtlds-16jun10-en.pdf

DNS should be privatized. In a policy statement issued in 1998, the U.S. Department of Commerce ("Commerce") declared its intent to transfer management of the DNS from the U.S. government to a private corporation. ICANN was established in 1998 as a private, not-for-profit corporation to manage the DNS. A Memorandum of Understanding (MOU) signed by Commerce and ICANN established ICANN's authority to manage the DNS and reiterated Commerce's intent that the management of the DNS would be "based on the principles of stability, competition, bottom-up coordination, and representation[2]." The MOU also described one of ICANN's main responsibilities as "oversight of the policy for determining the circumstances under which new TLDs are added to the root system," including "development of policies for the addition, allocation, and management of gTLDs and the establishment of domain name registries and domain name registrars to host gTLDs… ." Thus, as described in the Applicant Guidebook (AGB), "one of [ICANN's] key mandates has been to promote competition in the domain name market." [3]

In late 1998, the National Telecommunications and Information Administration ("NTIA"), an agency within the U.S. Department of Commerce, required NSI to separate the registry functions from the registrar functions and to facilitate the entry of competitive registrars by establishing a shared registration system that would allow registrars other than NSI to interact with the .com, .org, and .net registry databases. This led to the entry of hundreds of registrars, but the set of gTLDs remained fixed at a small number.

PREVIOUS gTLD EXPANSIONS[4]

Including the most recent in 2012, ICANN has held three rounds of gTLD expansion since its founding. The first began in 2000 as a "proof-of-concept" round.[5] In that round, ICANN announced that it would create a maximum of seven new gTLDs, for which it received approximately 50 applications. After evaluating the applications, ICANN added four unsponsored gTLDs (.biz, .info, .name, and .pro) and three sponsored gTLDs (.aero, .coop, and .museum). The second round of gTLD expansion began in 2004. In that round, ICANN accepted applications only for sponsored gTLDs but announced that it would not limit the number of new gTLDs and would approve all qualified applications. ICANN received ten applications for nine different sponsored gTLDs and ultimately approved eight of the applications

---

[2] See the Memorandum of Understanding at
https://www.icann.org/resources/unthemed-pages/icann-mou-1998-11-25-en
[3] "New gTLD Applicant Guidebook 4 June 2012", available at
https://newgtlds.icann.org/en/applicants/agb
[4] Katz et. al (2010), *An Economic Framework*
[5] See the Proof of Concept Reports from this round at
https://www.icann.org/resources/pages/poc-2012-02-25-en.

(.asia, .cat, .jobs, .mobi, .post, .tel, .travel and .xxx). Thus, prior to the 2012 New gTLD Program, there were 22 gTLDs.

Background of the 2012 New gTLD Program[6]

In 2005, ICANN's Generic Names Supporting Organization (GNSO)—the main policy-making body for generic top-level domains—initiated a Policy Development Process (PDP) to consider the introduction of new gTLDs into the DNS based on the results of previous rounds conducted in 2000 and 2004. The two-year PDP included detailed and lengthy consultations with the many constituencies of ICANN's global Internet community, including governments, civil society, business and intellectual property stakeholders, and technologists. In 2008, the ICANN Board adopted 19 specific GNSO policy recommendations for implementing new gTLDs, that included elements such as allocation criteria and contractual conditions for operating a gTLD.[7]

After approval of the PDP's Recommendations, ICANN undertook an open, inclusive, and transparent implementation process to address stakeholder concerns, such as the protection of intellectual property and community interests, consumer protection, and DNS stability. This work included public consultations, review, and input on multiple draft versions of the Applicant Guidebook. In June 2011, ICANN's Board of Directors approved the Guidebook and authorized the launch of the New gTLD Program. The program's goals included enhancing competition and consumer choice, and enabling the benefits of innovation via the introduction of new gTLDs, including both new ASCII and internationalized domain name (IDN) top-level domains.

The application window opened on 12 January 2012, and ICANN received 1,930 applications for new gTLDs. As reported on ICANN's New gTLD website:[8]

Total Applications Submitted	1930
Completed New gTLD Program (gTLD delegated i.e. introduced into DNS)	1205
Application Withdrawn	583

---

[6] See https://newgtlds.icann.org/en/about/program for more information about the program.
[7] See GNSO policy recommendations: https://gnso.icann.org/en/issues/new-gtlds/pdp-dec05-fr-parta-08aug07.htm
[8] As of 30 November 2016. For the most recent statistics, see https://newgtlds.icann.org/en/program-status/statistics.

Applications that Will Not Proceed/Not Approved	42
Currently Proceeding through New gTLD Program	100