GNSO Initial Report
Introduction of New Generic Top-Level Domains

A. Summary

1. This draft Initial Report sets out the input received from interested stakeholders including Constituency Statements, Public Comments and submissions in response to a Call for Papers about the possible introduction of new gTLDs. The report also includes comments from ICANN Staff about key elements of the PDP and the Terms of Reference agreed by the GNSO Council.

2. The key issue areas under examination in this PDP are whether to introduce new gTLDs, the selection criteria associated with any introduction of new gTLDs, any allocation methods which could be used to enable the introduction of new gTLDs and the contractual conditions associated with the introduction of new gTLDs.

3. The findings that can be derived from the input received so far on these issue areas are not conclusive, neither in substance nor as regards consensus. A consensus on further introduction of new gTLDs seems to be at hand, but with diverging views on conditions, orientations and limits for such an introduction.

4. The next step is to develop the findings on these issues through further work and consultations within the GNSO itself, in cooperation with other ICANN Supporting Organizations and Advisory Committees and in consultation with the wider Internet community. This document is to be considered as an evolving draft to be finalized after the March 2006 ICANN meeting in Wellington.

B. Background

1. The Issues Report for this PDP may be found at:

http://gnso.icann.org/issues/new-gtlds/gnso-issues-rpt-gtlds-05dec05.pdf .

This Issues Report was discussed at a GNSO Council meeting on 2

December 2005 where the Council resolved to launch a PDP with the

following Terms of Reference (available at

http://www.icann.org/announcements/announcement-06dec05.htm):

1. Should new generic top level domain names be introduced?

a) Given the information provided here and any other relevant information

available to the GNSO, the GNSO should assess whether there is sufficient

support within the Internet community to enable the introduction of new top level

domains. If this is the case the following additional terms of reference are

applicable.

2. Selection Criteria for New Top Level Domains

a) Taking into account the existing selection criteria from previous top level

domain application processes and relevant criteria in registry services re-

allocations, develop modified or new criteria which specifically address ICANN's

goals of expanding the use and usability of the Internet. In particular, examine

ways in which the allocation of new top level domains can meet demands for

broader use of the Internet in developing countries.

b) Examine whether preferential selection criteria (e.g. sponsored) could be

developed which would encourage new and innovative ways of addressing the

needs of Internet users.

c) Examine whether additional criteria need to be developed which address

ICANN's goals of ensuring the security and stability of the Internet.

3. Allocation Methods for New Top Level Domains

a) Using the experience gained in previous rounds, develop allocation methods

for selecting new top level domain names.

b) Examine the full range of allocation methods including auctions, ballots, first-come first-served and comparative evaluation to determine the methods of allocation that best enhance user choice while not compromising predictability and stability.

c) Examine how allocation methods could be used to achieve ICANN's goals of fostering competition in domain name registration services and encouraging a diverse range of registry services providers.

4. Policy to Guide Contractual Conditions for New Top Level Domains

a) Using the experience of previous rounds of top level domain name application processes and the recent amendments to registry services agreements, develop policies to guide the contractual criteria which are publicly available prior to any application rounds.

b) Determine what policies are necessary to provide security and stability of registry services.

c) Determine appropriate policies to guide a contractual compliance programme for registry services.

2. The call for public comments on these Terms of Reference was announced on 6 December 2005 on the ICANN web site, at http://www.icann.org/announcements/announcement-06dec05.htm.
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3. At a subsequent GNSO Council conference call on 21 December 2005 decided to extend the deadline for public comments and constituency statements to 31 January 2006. In addition, the decision was taken to launch a Call for Papers to further inform the process. The Call for Papers was announced on 3 January 2006 on the ICANN web site at http://www.icann.org/announcements/announcement-03jan06.htm . To give further impetus to this Call for Papers, it was also advertised in some

major international newspapers and magazines in mid-January 2006 including The Economist, the international editions of the Wall Street Journal and the Financial Times.

5. This Report is designed to inform the GNSO Council about what areas require further policy development work and should be discussed with other Supporting Organisations as part of the policy development process. In addition, this Report will be used to solicit further public comments.

6. The Initial Report describes the key issues framed by the Terms of Reference, based on the input received in the consultation process, and indicates areas for further policy development discussions. For a complete view of the issues discussed, the Initial Report should be read in conjunction with the Issues Report and all the background material referenced therein.

7. The next sections summarize the Constituency Statements, Public Comments and written submissions to the Call for Papers, with input grouped in line with the issue areas in the Terms of Reference.

C. Constituency statements

1. Constituency Statements were received from the Non-Commercial Users Constituency (NCUC), the gTLD Registry Constituency (RyC), the Intellectual Property Constituency (IPC), the Internet Service and Connectivity Providers Constituency (ISPCP) and from a subset of the Registrars Constituency (Registrars). A draft Constituency Statement was received from the Business Users' Constituency (BC). The At Large Advisory Committee (ALAC), observer to the GNSO, also submitted a statement. In this section, the findings in these Constituency Statements are mapped to the issue areas identified in the Terms of Reference, with an aim to identify consensus areas as well as differing views. For the full text of each of the Statements, see http://gnso.icann.org/issues/new-gtlds/new-gtld-pdp-input.htm .

C.1 Whether to introduce new gTLDs

1. Constituencies generally support further introductions of new gTLDs. Views diverge, however, on what kinds of gTLDs ought to be introduced; the pace of introduction and the selection criteria for gTLD name strings. Some constituencies make their support conditional upon the nature of the gTLDs envisaged, while claiming that conditions relating to competition, differentiation, good faith, diversity and certainty must be fulfilled to introduce a new gTLD.

2. Multiple reasons for supporting the introduction of new gTLDs are put forward. These include enhancement of competition at the registry level; increased choice for registrants or end-users, innovative new services for

both existing and emerging markets and avoidance of alternative root scenarios. An approach brought forward was to reverse the onus of justification, i.e. to presume that new gTLDs should be introduced unless the opposite can be fully justified.

3. Issues to be studied and accommodated in the introduction of new gTLDs include: to limit the necessity for defensive registrations, to avoid end user confusion, to ensure that "public benefit" is derived from any new gTLD offerings, to safeguard against the effects of registry failure, to foster differentiation in the name space and to limit opportunities for fraudulent behavior.

4. The RyC supports the introduction of new gTLDs as a way to facilitate competition at the registry level, to increase choice for Internet users, to grow the Internet usage, to test user demand for specific TLDs and to increase public benefit by better serving specific communities. The RyC also states that both the depth and range of its members and the experience from previous rounds prove that there is market demand for launching new gTLDs.

5. The Registrars are in favor of a predictable ongoing introduction of new gTLDs in order to promote market dynamism, innovation and competition, to enable services for additional communities and to preempt uncontrolled alternative root scenarios. The burden of proof inherent in the heading could well be reversed – i.e. why not new gTLDs? The Registrars propose a limit of new gTLDs "in the hundreds, possibly thousands but not tens of thousands."

6. The IPC lends conditional support to the introduction of new gTLDs, focused on sponsored gTLDs and performed in a slow and controlled manner. Any introduction should be guided by principles of differentiation, certainty, good faith, competition and diversity. Public interest is served by adding value to the name space. To keep an introduction limited would also limit the risk of registry failure.

7. The ISPCP conditionally supports a cautious introduction of new gTLDs provided they add value and competition while promoting the public interest in the name space. Only sponsored gTLDs are considered as able to accomplish these objectives. The ISPCP states that guidelines should be adopted on how to establish the need for new gTLDs. The ISPCP further states the same five principles as the IPC.

8. The NCUC is in favor of introducing new gTLDs as quickly and broadly as possible in order to keep the market dynamic, foster competition and choice end enable opportunities and access for new users world-wide. A well defined, fair and efficient process is called for and ICANN should accommodate applications for new gTLDs as long as there are no adverse technical consequences.

9. The draft BC statement recommends that the priority should be to introduce new IDN top-level domains, while no other gTLDs should be introduced at this point in time. Only sponsored gTLDs should be introduced according to the BC. The BC also calls for safe harbor provisions in case of registry failure, re-bidding for existing gTLDs and

further analysis of registration characteristics and other aspects relating to current gTLDs to inform the process for future gTLDs.

10. The ALAC is in favor of an open-ended introduction of new gTLDs governed primarily by the market as expressed by the gTLD applicants, with no explicit limits on the total number or frequency of gTLD additions other than the processing limits of ICANN. As to the types of new gTLDs preferred, views seem to differ somewhat among ALAC members, with an overweight for unrestricted gTLDs.

C.2 Selection Criteria

1. It was clear from the Constituency Statements that significant discussion about each element of the Terms of Reference had taken place. For example, the Registrys' Constituency identified that 11 out of 13 of its members had been involved in the drafting of their Statement.   It was also clear that all of the Constituencies had had long discussion over several years about introduction of new gTLDs and had participated actively in the discussion of the 2000 and 2003/2004 rounds.

2. The Constituency Statements all address the Selection Criteria section of the Terms of Reference. As shown in more detail below, no consensus position is yet at hand on the treatment of selection criteria.

3. The NCUC argues that "ICANN has no mandate its mission or core values to 'expand the use and usability of the Internet'". The promotion of competition is, however, one of ICANN's core values. The NCUC argues that the best way for ICANN to do that is to make "selection criteria as

simple, predictable and content-neutral as possible". The RyC, the ISPCP and the IPC all argue that the selection criteria used in previous rounds are a good starting point for new gTLDs with a focus on compliance with technical standards and network stability. The ALAC argues that "ICANN should accept all applications from qualified entities that either benefit the public interest or enhance competition in the registration of domain names".

4. There is very limited agreement across the Constituency Statements on which historical selection criteria ought to be included. However, there is some agreement about principles of differentiation (of name spaces), certainty (of business operations), good faith (registration of names), competition (between different registry providers) and diversity (of usability). The RyC includes a detailed set of questions designed to determine what selection criteria could be removed based on analysis of whether particular selection criteria meet ICANN's technical objectives, provide objectivity, encourage different users and different uses of the Internet, allow market forces some element of influence and enable policy decisions to be made in the best interests of all stakeholders.

5. The NCUC argues that the only relevant criteria are those that would determine whether an application meets minimum technical standards established to safeguard against harm to the domain name system.

6. There are diverging views on whether to introduce sponsored or unsponsored gTLDs. The NCUC argues that there should be as much opportunity as possible for users to determine what new gTLDs should be

introduced. The RyC also argues that there is little evidence to indicate that sponsored gTLDs are better than unsponsored in encouraging "new and innovative ways of addressing the needs of Internet users". The IPC argues that "…The introduction of unsponsored gTLDS such as .info and .biz added little if anything to competition at the registry level…". The ISPCP states that "…any new gTLD proposal should be sponsored". A part of the ALAC submission argues that "restricted TLDs would cause unsolvable conflicts" and it is unclear whether there is an agreed position from the ALAC on this and other issues in its submission.

7. The BC suggests that criteria used in the previous rounds be refined and provides a detailed selection model, also featuring the five principles mentioned by the IPC.

8. The ALAC finds that gTLD strings should be proposed by applicants, not pre-selected ab initio. A public notice period should be launched for each application with a possibility to challenge the chosen string and a dispute resolution procedure should be established to resolve differences. Strings should not indicate a scope wider than the remit of the applicant. The principle of non-discrimination should govern selection. Application fees should be affordable and staggered, i.e. a small application fee for initial evaluation and a higher one for the next step.

9. There is consensus on security and stability as primary objectives although how that could be achieved through selection criteria remains moot. The NCUC suggests a "simple and objective 'registry accreditation' process, similar to the registrar accreditation process".

10. Clarifications are required for certain other stated objective selection criteria. Notably, these include adding value to the name space and selection criteria that would support IDN architecture compatible with IETF standards.

11. To summarize, there is a need to seek further convergence on views on selection criteria. To develop selection criteria that meet the objectives and needs of a diverse user community requires prioritization along the following lines:

   a. technical parameters: including, but not limited to, stability and security questions; operational stability for business operations; capacity to support IDN names and "clever engineering" that enables registries flexibility about how to provide registry services

   b. sponsorship: whether to have sponsored gTLDs with strict registration requirements or open gTLDs with minimal such requirements

   c. operational limits: ICANN's ability to process applications as part of normal business procedures

C.3 Allocation Methods

1. The Constituencies' views on allocation methods differ considerably, as further described below.

2. A starting point for some statements is that first-come first-served (FCFS) is a natural first choice as allocation method. This approach assumes that

there is sufficient processing capacity and domain name space available for new gTLDs and also assumes that other allocation methods are only necessary in situations where the number of applications is greater than the available slots or where there is more than one applicant for the same gTLD string (for example, as in the 2004 round where there were two applications for .tel). Logically, the viability of FCFS would primarily depend on the number of available slots for new gTLDs compared to the number of potential applicants. This relationship is perceived in different ways, with the IPC doubting the viability of FCFS on the basis of experience with "land rush" in domain name registrations, while, for example, some Registrars see FCFS as viable and regard other allocation methods as only needed for situations with string contention.

3. The comparative evaluation method, of which ICANN does have considerable experience, is the preferred method of the IPC, supported in this view by the ISPCP and by the BC draft statement. This preference, in turn, is associated with a preference for sponsored gTLDs, an approach that inherently calls for evaluation and judgment. The NCUC, however, finds that comparative evaluations have numerous disadvantages and are, by their nature, at odds with requirements for objectivity. The RyC emphasizes objectivity and predictability from the applicant's perspective as grounds to minimize the use of comparative evaluations. No statements elaborate on whether comparative evaluations (or elements thereof) should be undertaken by in-house staff or external parties. The 2000 round, the .net reassignment and the 2004 round could serve as examples of different approaches in this respect.

4. The statements reflect mixed attitudes to auction models as a methodology for allocating new gTLDs. While most recognize that auctions fulfill objectivity requirements, the following drawbacks are put forward; auctions would skew the allocations to those with considerable financial resources; auctions introduce a potential for market distortions by dominant businesses; auctions risk to result in overbidding (similar to some UMTS auctions in Europe) with inefficient resource allocation as a consequence; "auctions lack inherent ability to add value in the public interest" and "auctions may lead to windfall profits for ICANN unrelated to the budget process". In connection to this it may be noted that an OECD report explicitly recommends using auctions as allocation method for new gTLDs.

5. Lotteries, or random selections to use an alternative term, are also seen to fulfill objectivity criteria and is one of NCUC's preferred solutions. There are also stated downsides to this method including dissatisfaction with leaving important choices to mere chance and the risk for a "secondary market" with undue profits for winners. It is also noted that lotteries are highly regulated and may not be a viable option from a legal point of view .

6. Ballots are mentioned to have superficial appeal as they are based on democratic principles, but doubts are raised as to how to establish an appropriate voting constituency.

7. Both the NCUC and the Registrars mention a tiered approach as a possible solution to the dilemma of choosing allocation methods. The NCUC proposes a combination of auctions for "commercial" applicants

and random selections for "noncommercial". The Registrars propose a mix of, for example, 4 auction slots, 4 random selection slots and 2 ballot slots per "round".

8. Closely associated with the discussion of allocation methods is the issue of whether to proceed in "rounds" with defined time slots for application, selection and allocation or to perform allocation as an ongoing process. For example, the RyC preference for FCFS is accompanied by a preference for an ongoing procedure, while the IPC preference for a comparative evaluation by nature is more akin to a "round" approach. The ALAC argues that ICANN "should accept and evaluate applications on their merits, against objective criteria, as soon as practicable given the natural constraints of ICANN's time, budget, and available personnel". ICANN's operational limits are seen as a factor in determining how many applications should be considered, how often and against which criteria.

9. Another aspect in this context, brought forward by the RyC, is a set of questions to ICANN on the capacity, procedure and timelines necessary for introduction of TLDs. The answers to these questions, however, are dependent on the procedure chosen and will probably call for a step by step analysis as views on a preferred procedure converge.

10. The RyC highlights the need for timeliness, objectivity and predictability in the allocation process. FCFS is the preferred allocation method and comparative evaluations should only be used to choose between applicants with confusingly similar gTLD strings.

11. The Registrars propose a combination of FCFS for allocation and auctions to resolve string contentions, alternatively a tiered system with auctions for some slots, ballots for some and random selection for some.

12. The IPC favors improved comparative evaluations to enable due consideration of the advantages and drawbacks of each proposal. FCFS is seen as unworkable in view of land rush experiences. The IPC doubts the usefulness of auctions, in view of risks for dominance, bias and overbidding, but a verdict would ultimately depend on the specific auction method. Lotteries are undesirable as a mere chance instrument and also for potential legal reasons. Ballots raise difficult questions on how to constitute an appropriate electorate. The IPC also states that "The ICANN Board should not abdicate its ultimate responsibility for gTLD allocation".

13. The ISPCP expresses a negative opinion on auctions as allocation method, based on risks for dominance and speculative overbidding like in some European UMTS auctions. The preferred method is not explicitly stated, but by inference it is taken to be comparative evaluations.

14. The NCUC rejects the comparative evaluation model as slow, politicized and unpredictable, as shown by experience. Lotteries and auctions are preferred, for non-discrimination, neutrality and objectivity. Auctions would be appropriate for commercial entities and lotteries for non-commercial.

15. The BC calls for a structured allocation method with assessment by a neutral and professional team, thus implicitly a comparative evaluation, to

be guided by experience from previous rounds. Auctions are not seen as a satisfactory allocation method.

16. The ALAC prefers FCFS and finds that auctions are in conflict with public interest goals and undesirable for allocation purposes in this context.

C.4 Contractual Conditions

1. There is agreement on several principles regarding contractual conditions for new registry agreements. In essence, this includes that terms and conditions should be published before the application process and, according to the NCUC submission, "a simple, template registry contract that is uniformly applicable to all registries". This view is in line with the RyC statement saying that "applicants should be provided the base contract in advance." The IPC "recommends policies to guide contractual criteria which are publicly available and go beyond the technical aspects of the DNS".

2. The IPC provides detailed commentary on policy compliance arguing that "self-regulation is not the complete answer" and that ICANN should "increase staffing and funding resources to its contractual compliance section in the event registries fail to meet their contractual obligations". Commentary in the ALAC statement argues that there should be closer attention to ICANN's Bylaws in developing explicit contractual conditions "including but not limited to those provisions concerning openness, transparency, procedures designed to ensure fairness, and independent review".

3. One particular aspect introduced by the IPC is to bring a subset of the WIPO-2 Recommendations, notably protection of IGO names and abbreviations, into modified UDRP provisions. This relates to the issue area contractual conditions, but could possibly be allocated to a dedicated task force to finalize as a separate track.

4. The NCUC provides a summary of approaches to contractual conditions which says "…We believe that the GNSO should set general policy guiding the contracts . . .The addition of new TLDS should be predictable in timing and procedure, transparent and rule-driven".

5. The RyC argues that "the terms of the latest ICANN-Registry/Sponsor agreements that invoke the GNSO consensus policy recommendations of the process for the approval of registry services fill the void of previous ambiguities with regard to security and stability of registry services. There is minimal, if any, need to develop additional policies to guide the contractual criteria of registry services".

6. The BC calls for policy being developed regarding registry fees, for refinement of the public consultation for proposed contracts and for fair treatment of registries in proportion to their demands on ICANN resources.

7. The ALAC suggests introducing a binding reference to ICANN Bylaw provisions in all gTLD registry agreements with delegated policy-making.

8. In summary, there seems to be converging views calling for predictable and published standard contracts which conform to existing policy on the delivery of registry services. Further work is needed on specific contractual conditions relating to, for example, sponsored gTLDs (if that path is chosen) and for further measures to ensure contractual compliance.

D. Public Comments

1. Public comments on the Terms of Reference for the PDP on introduction of new gTLDs were sought as required in the PDP procedures. The public comment period ended on 31 January 2006 and comments received are posted on the ICANN web site at http://forum.icann.org/lists/new-gtlds-pdp-comments/. An overview of public input received has also been posted on the GNSO web site at http://gnso.icann.org/issues/new-gtlds/new-gtld-pdp-input.htm. This overview includes discussions on the General Assembly (GA) list posted at http://gnso.icann.org/mailing-lists/archives/ga/ and entries on an ALAC wiki web page posted at http://www.icannwiki.org/ALAC_on_New_TLDs. The public comments and discussions on the GA list are covered in this section, while the ALAC statements are summarized in the previous section, Constituency Statements, as the ALAC is an observer in the GNSO.

2. The following sections analyze the public comments received as projected onto each issue area of the Terms of Reference.

3. Additional public comments will be sought on the Initial Report.

D.1 Whether to introduce new gTLDs

1. The public comments generally support the initiative to introduce new TLDs. Of the seven public comments that appeared to directly or implicitly address the question of whether to introduce new gTLDs, five favoured the introduction, while two said the need was not sufficiently strong.

Comments by Matthias Jungbauer, Jeff Williams, Chris McElroy, Danny Younger, Elmar Knipp and Thomas Lowenhaupt expressed varying degrees of support for the introduction of new gTLDs.

2. George Kirikos, on the other hand, said the need for new gTLDs is not yet evident, and the current gTLDs could not be characterized as 'full'. He criticized the previous introduction of "hobbyist" gTLDs and proposed that actual use of the existing gTLDs (as opposed to 'parked' names) be measured to indicate how necessary new gTLDs really are. George Kirikos also proposed a system of allocation he called the 'Ascension Allocation Method'.

3. Paul Tattersfield also opposed the immediate introduction of new gTLDs, arguing that introducing new gTLDs "could actually decrease competition by reinforcing .com's dominance".

4. Danny Younger, summarizing discussions on the GA list from 5 – 31 December 2005, pointed to interest in establishing new gTLDs amongst various communities, institutions and groups. He said the artificial limitation of new gTLDs has limited the opportunities of small business, non-profits and individuals and entrenched the "dominant corporate players". From this point of view, new gTLDs are necessary to increase opportunities for different types of player.

5. Thomas Lowenhaupt said it was important for cities that these geographic entities be recognized by the DNS. New gTLDs – presumably those using geographic terms such as city names – would, he said, strengthen local

economies, create a sense of community, improve safety and give better access to local Internet resources.

6. Other commenters favouring the introduction of new gTLDs said new gTLDs would support database development, and that Internet users are capable of adapting to and determining the value of new gTLDs.

D.2 Selection Criteria

1. The public comments received address, in different ways, the selection criteria which could be used in any new round of gTLD applications. GA list commentator Danny Younger indicates that the group had to prioritize its input and focused on "objectionable" criteria which should be removed from consideration. The GA List illustrated views that showed "…it's probably safe to say that most list participants favored an approach that limits criteria only to the technical ability to run a TLD (as the overall broad sentiment with a few exceptions seemed to support the 'let-the-market-decide principle')". This view mapped quite closely arguments in some Constituency Statements.

2. The GA List also contains commentary that disagreed with the Constituencies that propose to only introduce sponsored gTLDs . The GA List touches on alternative root concerns and domain name collisions which could also be characterized as discussions about confusingly similar domains.

D.3 Allocation Methods

1. Amongst the commenters who explicitly considered allocation methods, most appeared to oppose the use of auctions as an allocation method.

2. Danny Younger submitted a summary of excerpts from the GA list discussion on allocation methods, following a week-long discussion of this section of the draft Terms of Reference. He found that "none of the allocation methods reviewed by the group garnered any real measure of support, although each had its own advocates".

3. On the whole, participants in the GA list opposed the use of auctions. The arguments against auctions were that auctions – particularly auctions of strings - may tend to concentrate control, that organizations with greater financial resources could outbid organizations which have shown previous interest in a TLD (e.g. .web), and that the highest bidder is not necessarily the best organization to run a TLD. The GA list commenters appeared to explicitly favour a free-market approach to allocation, but felt that auctions would not deliver the most competitive results.

4. Elmar Knipp argued that comparative evaluations should be used as in an auction situation 'startups with fresh ideas would have much lower chances'.

5. As mentioned in section D.1 above, George Kirikos proposed a somewhat elaborate allocation method called the Ascension Allocation Method. This method invoked the Coase Theorem, but the rather complex series of string and trademark claims and renunciations required by the method

appear likely to increase transaction costs overall. This method did not receive broad support from other commenters.

D.4 Contractual Conditions

1. Submissions from the public comment process also address contractual conditions in some detail. Jeff Williams' submission accorded with that of the ALAC and NCUC in arguing that there should not be "…rounds for applying for new TLDs."

2. Like the RyC and NCUC, public comments advocate the use of "thin" contracts and that there could be some improvements made to ICANN's registry agreement compliance program.

3. Some public comments were diametrically opposed to the position set out by the IPC and rejected intellectual property owners "priority rights with respect to generic words, and participants further expressed their ongoing dissatisfaction with ICANN's failure to establish a compliance program". In essence, public commentators wanted to facilitate freer market choice in the selection of new gTLDs; wanted limited selection criteria and simplified contractual arrangements.

E. Submissions on Call for Papers

1. In total, 11 submissions have been received in response to the Call for Papers. These submissions are summarized below in relation to the issue areas. The full texts of all submissions are available at http://gnso.icann.org/issues/new-gtlds/new-gtld-pdp-input.htm .

E.1 Whether to introduce new gTLDs

1. John Levine, Paul Hoffman (et al) advocate an annual release of 50 new gTLDs at once, stating that such timing wouldn't give any applicant an advantage over the others except in the inherent semantics of the chosen string. They also claim that technical qualification could be handled separately, in line with other proposals calling for a separate registry technical operator accreditation scheme.

2. Dirk Krischenowski (.berlin) sees a multitude of reasons to introduce new gTLDs. These include views also found in other contributions, including avoidance of alternative root scenarios; to diversify ICANN's funding base and to promote local development (which maps to some public comments received). In addition, new gTLDs would increase diversity and choice with decreasing speculative pressure as a possible consequence. Finally, Krischenowski states that there is explicit demand from the community, claims that there is no risk for a land rush for new gTLDs and does not see a need for a limit on the total number of gTLDs, unlike the IPC community who foresees exactly the opposite scenario.

3. Angela Stanton supports introducing new gTLDs and proposes to redesign the gTLD structure in line with the original taxonomic purpose as a directory. This would call for introducing constraints in registrations for currently unrestricted gTLD but would substantially reduce the need for defensive registrations and enable using the same domain name strings for different registrants in different gTLDs.

4. Rahul Goel and Ashutosh Meta support a measured introduction of new gTLDs with increased user choice as their main rationale. To further increase choice for users in less developed countries, they advocate that a company with an existing domain in one gTLD should not be allowed to register in any other gTLD, an approach somewhat similar to Stanton's above .

5. Hedd Gwynfor (DotCym) supports the introduction of new gTLDs and advocates that priority should be given to sponsored TLDs for cultural purposes. DotCym is an organization interested in establishing a gTLD for Welsh cultural and language interests. Gwynfor refers to the .cat gTLD as "a significant step toward the allocation of sponsored TLDs for single language communities…and is a precedent to which other minority or stateless language based groups can now aspire…".

6. K Bhonsle argues for a limited introduction of new gTLDs with a particular focus on previously deprived users and applications catering to basic needs in a primarily agricultural environment.

7. Peter Gerrand is in favor of introducing new sponsored gTLDs and finds reasons to revert to the originally intended structuring of the domain name space with distinctive, defined purposes for each gTLD.

8. Danny Younger makes an analogy between the DNS and the "zoning" of city areas. The ICANN Board is seen as the equivalent to a zoning board of such a city. Furthering the analogy, Younger claims that as the need for new zones inevitably appears, zoning is necessarily done in a measured manner after considerable consultation and experiences should be drawn from successful zoning management in the physical world. He also acknowledges that experimentation in zoning is a necessary aspect when applying this model to the DNS. ICANN's primary responsibility to act in the public interest should be focused towards the public at-large rather than towards separate communities or organizations. Inspiration for future zoning could well be drawn from ICANN's Strategic Planning Issues Paper. Younger also makes reference to a paper by Stewart & Gil-Egui on application of the Public Trust Doctrine to Internet resources, implying the obligation to preserve resources that are crucial for intergenerational equity.

9. CORE supports the introduction of new gTLDs for similar reason to other submissions including counteracting the proliferation of alternative roots; ensuring that .com doesn't become the de-facto or "virtual" root and promoting innovation and creative new paradigms. The CORE submission also advises to use the lessons learned from earlier rounds of new gTLD introductions.

10. Ross Rader & Elliot Noss (TUCOWS) support the introduction of new gTLDs and propose a new distinction between chartered and unchartered gTLDs to replace current distinctions. They foresee migration of existing gTLDs to new categories. They provide a detailed proposal for a process covering the phases of a new gTLD from application to renewal of a registry agreement.

11. Bret Fausett supports the introduction of new gTLDs as an ongoing process with a taxonomy determined by market forces. The rationales for his stance include the desirability to increase registry-level competition, to cater for the needs of prospective registrants, to enable the evolution of the Internet and to better provide for underserved markets. An array of suggested principles is provided to guide various aspects of the introduction.

E2 Selection criteria

1. Levine & Hoffman explicitly recommend avoiding string exclusivity and allowing parallel strings that are essentially synonymous, like .tooth and .teeth. They also state that a directory approach is bound for failure, especially as search engines are the preferred way of approaching the Internet for a chosen topic, rather than looking up by TLD. A few more unrestricted gTLDs would be welcome and also some certified gTLD for particular purposes, where certification matters (similar to .edu). Creativity in usefulness should be the objective. This approach can be seen as a mix between the IPC proposals and those of the NCUC.

2. Krischenowski supports the selection criteria used in previous rounds and suggests adding supporting criteria like positive recognition by government, potential to foster economic development, potential to promote technical development and socially desirable effects (for example, SME promotion, education and support of local culture). Support of local culture is also recommended by Gwynfor above.

3. Goel & Meta put an emphasis on selection criteria and other aspects that would support less developed countries; differentiated registration fees, country-wise assignment of IP addresses and geographic redistribution of the root servers. This view is in direct contrast with to the RyC claim that there is little evidence to support preferential criteria for new gTLDs without "research that supports their claim including the research methodology supplied". The NCUC's view is that "…the best way to do this [expand the use of domain names] is to make ICANN's selection criteria as simple, predictable and content-neutral as possible. Such a politics-free environment would make it much easier for innovators, from whatever locations, social origins or economic status, to propose and implement new ideas".

4. Gwynfor claims that the ISO 639-2 three letter codes for languages should be reserved for future gTLDs for the respective languages.

5. Gerrand recommends that more emphasis be put on the integrity with which the sponsored gTLDs enforce their eligibility condition (this comment is equally valid for E.4 Contractual conditions) and lists suitable selection criteria. As to the gTLD strings, he suggests reviewing the policy

on ISO 3166-A3 three letter country codes which are currently reserved from being used as gTLD strings and enable the use of ISO 639-3 three letter language codes for future gTLDs.

6. Younger sees a development where new gTLD applications are viewed on a case-by-case basis, only being deemed acceptable when the rationale for each proposed gTLD becomes self-evident.

7. CORE illustrates its reasoning with four hypothetical gTLDs for specific applications and with clearly defined gTLD communities. The applicant would need to be representative of this community as an obvious criterion. As the examples go, the presence of a sizeable community is a criterion that demands case-by-case analysis, price per registration is irrelevant as a criterion while productive use of the DNS at the top-level is most relevant. Inherent security requirements in a particular gTLD application may modify the desired score for other plausible selection criteria. In short, the examples are sponsored gTLDs calling for case-by-case judgments.

8. Rader & Noss introduce a distinction between "Delegant", coordinating the activities of a gTLD and "Registry Service Provider", taking care of the technical operation of the gTLD. This idea would mean that the Delegant applies for the gTLD and, if approved, can have it operated by an accredited Registry Service Provider of his choice. This would formalize an established practice and would call for different selection criteria for the two separate businesses. In a similar way to the established accreditation of Registrars, the Registry Service Provider should be subject to ICANN accreditation, by applying the current technical selection criteria with a few

amendments. This is consistent with other proposals about separate registry accreditation. The Delegant should be requested to abide by chosen aspects of RFC 1591, without restrictions or preferences imposed concerning business plans. These parties would both have agreements between themselves as well as with ICANN. In addition, gTLD string restrictions would apply with no digits allowed and with no confusing similarities to existing strings. They recommend special rules for trademarks as gTLDs which accord with the IPC's ideas.

9. Fausett sees a well-defined market, be it large or small, as a criterion while adding that an application from an able and willing provider is a main indication that such a market exists. Free market entry should be a guiding principle to the greatest extent possible, while recognizing that user confusion and defensive registration are undesirable.

E.3 Allocation methods

1. Levine & Hoffman see both auctions and lotteries as viable allocation methods, while indicating that ICANN should not profit by windfall gains from allocating new gTLDs and acknowledging that there will be secondary trading in allocated gTLDs. An auction with the N highest bids getting their N favorite domain strings is a possibility, with the proceeds going to a worthy cause. This may be combined with trademark limits so that only IBM can get .ibm while still needing a winning bid to do so. This can be combined in a tiered approach with a lottery for five or ten names with only non-profits eligible.

2. Krischenowski argues for revolving application windows, preferably 2-4 each year, and a predictable timeframe for the approval process, not surpassing 6 months. It sees no need to structure gTLDs in different classes and contends there should be only an "open" class of gTLDs. Allocation should rely on comparative evaluation and FCFS once the evaluation is positive. Auctions and lotteries are to be avoided, with a reference to the effects of the UMTS auctions.

3. Goel & Meta state that comparative evaluation is the most appropriate allocation method, with short-listing of all that satisfy the minimum criteria followed by prioritization based on stability and price.

4. CORE, basing its statement on four examples of sponsored gTLDs, is clearly in favor of comparative evaluations and sees little or no scope for other allocation methods. The allocation process should in CORE's view be recurring, with at least two application windows per year, suitably linked to ICANN meetings. CORE also suggests that a standing gTLD applications task force is established to avoid bottlenecks and that preliminary applications be received for publishing, without review, as a step to enable possible consolidation of similar applications.

5. Rader & Noss advocate for an ongoing, self-financed allocation process, with applications received at any time, and FCFS as the main allocation method with sealed bid auctions to resolve string contention. Fee adjustments could be used to moderate the influx of application and a development fund built from fee surplus could provide financial assistance to deserving applicants.

6. Fausett does not address allocation methods explicitly but it is inherent in the submission that FCFS is foreseen in an ongoing allocation process, for the applications that meet the selection criteria.

E.4. Contractual conditions

1. Krischenowski supports the idea of a separate process for accreditation of registry operators in analogy with the existing accreditation for registrars. This is consistent with ideas suggested by others.

2. Both Bhonsle and Goel & Meta propose that sun-rise periods be compulsory for all new gTLDs in order to safeguard IP holders' interests.

3. CORE finds the current contractual framework for sponsored gTLDs an appropriate model and highlights the need for stable systems of checks and balances in the conditions for the sponsored gTLDs' delegated policy-making authority.

4. Rader & Noss propose not to have price controls for new gTLDs and to relax and eventually eliminate price controls for existing gTLDs in reverse chronological order related to their initial delegation. Presumptive renewal should be the standard provision, with remaining cancellation powers for ICANN in case of breach of the contractual terms. A sanctions program should be developed for handling contract violations regarding all agreements. Sunrise periods are discouraged. Presumptive renewal of agreements should be the rule.

5. Fausett suggests regular use of escrowing registration data, back-up registries selected through market mechanisms and published migration plans as useful provisions to lessen the impacts of any registry failure and to boost public confidence in new gTLDs.

F. Recommendations

1. Given the chosen method to launch this document as an evolving draft, this section is intended as open, to be completed as interactions and further drafting work proceed.

2. The next step is to develop the findings on these issues through further work and consultations within the GNSO itself, in cooperation with other ICANN Supporting Organizations and Advisory Committees and in consultation with the wider Internet community.

3. From the input received there are some suggestions that seem worthwhile to make already from the outset and are stated below. In the following, initial attempts are made to draw together the common threads which are found across the Constituency Statements, the public comments and the submissions to the Call for Papers.

4. It appears that there is support for the introduction of new gTLDs. No submission argued that there should be no additional gTLDs, even if the views on the addition rate and conditions for adding new gTLDs vary widely. Most submissions recognized, in some form or other, that new additions to the root are within the scope of ICANN's technical mandate, are necessary if ICANN is to meet its core mission and values (particularly with respect to competition and usability) and are part of ICANN's normal operations.

5. There is disagreement about how many new gTLDs should be introduced and at what pace, whether those gTLDs should be sponsored or unsponsored and how new strings should be allocated. While the constituencies use these distinctions, it is equally important to address whether new gTLDs should be restricted or unrestricted.

6. There is general agreement that standardized contractual conditions for registry operations should be published prior to any agreement being signed; that there ought to be an improved compliance regime and that there should be minimal interference with consensus policy positions.

7. The further analysis and discussions could possibly be pursued along two slightly different scenarios. The first is a very limited introduction which is restricted to one kind of gTLDs. The other would feature a broader process which could accommodate a more diverse range of applications.

8. Secondly, further analysis is required about the operational impacts of introducing new gTLDs which would enable a better understanding of the full costs of introducing new TLDs (including legal counsel, operational and policy, board time)

9. Thirdly, fact-based market analysis would be useful to inform decisions about the desirability of introducing new gTLDs from an end user perspective. Such analysis could provide better understanding of unmet demand patterns and potential effects on competition.

10. Fourthly, specific proposals from the input received on aspects that have not been addressed by others should probably be tested early on for potential consensus. The proposal from Rader & Noss to reclassify gTLDs into "chartered" and "unchartered" could be such an example.

11. One aspect brought forward by the RyC requires further information and research - notably that ICANN should state the number of gTLDs to introduce over a year, the processing time needed and the steps to follow. A first analysis of such aspects based on gained experience will be undertaken. The precise answers to these questions, however, are dependent on the procedure chosen and will probably call for iterative analysis as one or more preferred procedures emerge.

12. A particular aspect introduced by the IPC is to bring a subset of the WIPO-2 Recommendations, notably protection of IGO names and abbreviations, into modified UDRP provisions. This relates to the issue area contractual conditions, but could possibly be allocated to a dedicated task force to finalize as a separate track.

13. Further work still needs to be done on some elements of the Terms of Reference as not all questions were answered in the submissions. It would be helpful if the Council could identify areas where further work is necessary and advise about how it would like those areas addressed.

G. Analysis of Impact on Each Constituency

This section is conditional upon the existence of an elaborate proposal and will be developed as such a proposal emerges.

H. Relationship to the PDP on IDNs

1. In view of the fact that a parallel Policy Development Process is in progress relating to IDNs at the top-level, the references in this document to IDNs are scarce. However, the strong interrelation between that PDP and the PDP on new gTLDs should be emphasized. In deciding to divide the work on new TLDs, for practical reasons, into two parallel Policy Development Processes, the GNSO Council clearly stated the strong interdependencies and the necessity to merge the outcomes. This approach calls for addressing the issue of IDNs at the top-level in the further discussions of this draft Initial Report.