The Early Years …¹

By the close of the 1980’s, the National Science Foundation (NSF) had assumed primary financial support for the Internet; however, from the start, NSF envisioned its subsidizing role as a bridge between funding by the U.S. Department of Defense and eventual Internet privatization. In the early 1990s, a number of actors came together to accelerate this transition.

By 1992, the NSF began preparations to cede the Internet entirely to the private sphere. The transition from a publicly-funded backbone to an infrastructure supported and maintained by regional networks, telecoms, and Internet Service Providers (ISPs) took place by 1995. At this same time, the NSF started to contemplate limiting the funding it provided to Internet-related endeavors such as the Internet Engineering Task Force (IETF), and registry services for the .com, .net and .org domains, which had been handled by private contractor Network Solutions since 1993.

One of the events, in the face of the tremendous growth in domain name registrations, was the decision by the SNF to allow contractor Network Solutions to charge a fee for registering names in the .com, .org and .net domains, with a portion of the revenue to be returned to NSF in order to fund research.

As the decade progressed, the Internet’s continuing evolution from a government-funded research project to a private-sector, multiple-stakeholder enterprise also set in motion a number of events. As the NSF’s contract with Network Solutions for .com, .net and .org registry services approached its 1998 end date, the NSF sought to get out of the registry business altogether. With the NSF stepping out, the question of what would become of these top level domains made its way up to the White House.

In 1998, the U.S. Department of Commerce issued the seminal “White Paper” that created the Internet Corporation for Assigned Names and Numbers (ICANN), to be the private-sector administrator of the domain name space.

Under contract with the U.S. Department of Commerce’s National Telecommunications and Information Administration (NTIA), ICANN assumed the function of oversight of the Internet Assigned Number Authority (IANA). In addition to housing the IANA function, ICANN assumed responsibility for drawing up contacts with the generic top-level domain (gTLD) registries and maintaining an accreditation system for registrars.

The Internet Society (ISOC) and IANA formed the International Ad Hoc Committee (IAHC) to consider a new governance model for top-level domains in response to the expansion and commercialization of the Internet. The IAHC included members of the World Intellectual Property Organization (WIPO), the International Telecommunications Union (ITU), and the Federal Networking Council. The IAHC developed a plan called the gtld-MoU which received opposition from varying parties, including the U.S. Government; this opposition led to the U.S. Department of Commerce’s involvement.

In its Framework for Global Electronic Commerce, the Clinton administration committed to the privatization of DNS management in a manner that would increase competition and facilitate

¹ Resources:
1. A Quarter Century in the Life of a Domain, Public Interest Registry, 2012
international participation in its management. On 2 July 1997, the Department of Commerce issued a Request for Comments on the Framework.

The Request for Comments received over 430 comments from members of governments, the private sector and civil society around the world. These comments were then used by the National Telecommunications Information Administration (NTIA) to create a Proposal to Improve the Technical Management of Internet Names and Addresses, also known as the “Green Paper.” It presented a plan for transferring the management of the DNS from the U.S. Government to a new non-profit corporation based in the U.S. but globally represented.

In response to the comments received on the Green Paper, the U.S. Department of Commerce released the White Paper, officially titled “Management of Internet Names and Addresses.” The White Paper continued to call for a private, not-for-profit corporation to administer Internet names and numbers. It also outlined four principles to which the new entity should be committed: stability (of the DNS); competition; private sector, bottom-up coordination; and diverse and global representation.

Diverse stakeholders in the Internet community worked to propose an implementation of the White Paper. The International Forum on the White Paper (IFWP) was formed and was held over four meetings as an open space to bring together the Internet community. IANA proposed a different approach, and on 2 October 1998, Jon Postel sent the Department of Commerce draft Bylaws for a new corporation responsible for DNS management. The draft was then released for public comment and is the basis of ICANN’s original Bylaw.

In September 1998, The Internet Corporation for Assigned Names and Numbers (ICANN) was incorporated in California as a nonprofit public benefit corporation.

On 25 November 1998, ICANN and the U.S. Commerce Department entered into a Memorandum of Understanding. ICANN’s role would be focused on managing technical DNS functions, the numbering of Internet addresses, the coordination of port assignments, and assisting in the maintenance of the stability of the Internet's unique identifiers. The MoU required regular reporting to the U.S. Department of Commerce.

On 24 December 1998, the University of Southern California (USC) and ICANN entered into a transition agreement, under which ICANN assumed the performance of the IANA functions and responsibilities previously performed by USC.

In March 1999, the ICANN Board adopted the Statement of Registrar Accreditation Policy for .com, .net, and .org which would allow for competitive domain name registrars. This policy aimed to promote competition in the registrar space as defined in the MoU between ICANN and Department of Commerce. Before ICANN, from 1993 to 1998, Network Solutions was the sole domain name registrar for those TLDs, as granted by the U.S. Government. Today, there are nearly 3,000 registrars.

To further promote competition in the DNS space, ICANN launched the first new generic Top Level Domain (TLD) expansion round in 2000. During this expansion, ICANN delegated seven new gTLDs (.biz, .info, .name, .pro, .aero, .coop, and .museum). This round was the first expansion of the DNS system since the 1980s, when seven gTLDs had been created (.com, .edu, .gov, .int, .mil, .net, and .org).

In February 2000, ICANN and the U.S. Department of Commerce NTIA entered into an agreement with ICANN to perform the IANA functions, under which ICANN performed the functions at zero cost to the U.S. Government. The IANA functions contract was renewed in 2001, 2003, 2006, and 2012 and expired on 30 September 2016.
ICANN launched the second new gTLD expansion round in 2003. In this round, ICANN delegated seven new sponsored TLDs (.asia, .cat, .jobs, .mobi, .tel, .travel, .xxx). For governments and others, .xxx was one of the most controversial of the new TLDs.

**The formation of the Registries Stakeholder Group (nee Registries Constituency) ...**

During the ICANN Board’s May 1999 meeting, the Domain Name Services Organization (DNSO) was officially approved ([https://archive.icann.org/en/dnso/constituency_groups.html](https://archive.icann.org/en/dnso/constituency_groups.html)). The members of the DNSO, of which the Registries Constituency was one, would be responsible for selecting members of the DNSO Council -- the body that will be responsible for the management of the DNSO's consensus building process, and for communicating DNSO recommendations about Domain Name System policy to the ICANN Board of Directors.

At this point in time, the Registries Constituency (Registries Stakeholder Group [RySG]), was formed to serve the function as a member of the DNSO. From 2000, through the first and second rounds of the new generic Top Level Domain (gTLD) expansions, the RySG maintained a steady-state membership of 14 with approximately 21 delegates representing the 14 gTLD Registries. The structure was divided into two membership categories:

- Unsponsored (.com/.net/.org, .name, .info, .pro)
- Sponsored (.aero, .coop, .museum, .asia, .cat, .jobs, .mobi, .tel, .travel, .xxx)

The RySG operated with a modest revenue and expense budget. The primary expense which dictated membership dues on an as-needed basis involved the Secretariat who was brought on as an independent consultant with a background in Organizational Management to help facilitate the various business needs of the RySG (i.e., establish membership roster, membership email list, coordinate standing teleconference calls, in-person meetings, organize/maintain a website, take Minutes/critical notes, follow-up action, support Executive Committee and membership on an as needed/requested basis). The operation and management of the RySG from 1999 until the third round of the new gTLD application process commenced was steady-state.

**The evolution of ICANN and the Registries Stakeholder Group ...**

In 2013, the third round of the new gTLD expansion was initiated (New gTLD Program). In all, 1930 applications were received. As part of the Affirmation of Commitments, ICANN committed to conducting a review of how the Program has impacted competition, consumer trust, and consumer choice in the DNS. During the New gTLD Program, ICANN has delegated over 1,200 new TLDs, including gTLDs in non-Latin scripts, such as 游戏 (Chinese for “game(s)”), сайт (Russian for "site"), and شبكة (Arabic for "web/network").

With the number of new gTLD applicants, and the prolonged application process for review, approval, contract signing and launch, it became quickly apparent the RySG needed to develop a gap program to support the applicants who were potential new Registry Operators. With this, in late 2013, the RySG established an opportunity for applicants to become Observer participants. Within a matter of months, the membership expanded from 14 to approximately 104 active members. It also became apparent the stress on existing resources to support the RySG (the Secretariat) necessitated adding additional support resources including an additional part time independent consultant to support data management activities, and required the attention of the current Secretariat on a full time basis at all sessions (in-person and remote). With this, a need was identified to put a formal and consistent membership dues structure in place to support needed resources.
As of the end of the RySG FY 17 (30 June 2017), there are 92 members, including two Association members (Brand Registry Group Association and Geo TLD Group Association) with approximately 370 delegates participating on the main membership mailing list and various working group memberships.

Our current structure …

The RySG has gone through several iterations of Charters, with the most recent amended Charter being submitted to and approved by the ICANN Board in 2016. The RySG is committed to a regular and on-going review of their operational needs and membership dues structure to assure a clear balance of revenue is maintained at the minimal level to support on-going operational expenses required to assure an efficient and effective structure is in place for the support of our membership.

A footnote regarding the future of ICANN . . .

In mid-June 2005, the Working Group on Internet Governance (WGIG), set up by the UN, called for the U.S. relinquishment of unilateral oversight of Internet names and numbers. On 30 June 2005, NTIA released a Statement of Principles that declared that the U.S. Government intended to preserve the security and stability of the Internet’s Domain Name and Addressing System, would continue to provide oversight, and would maintain its historic role.

In September 2006, the U.S. Department of Commerce and ICANN signed a three-year joint project agreement, the seventh amendment to the original MoU. The agreement called for annual reports and a midpoint review of ICANN’s progress towards increased transparency and accountability, and it came about after ICANN carried out a public consultation process that exhibited support for continuing the transition of the technical coordination of the management functions of the DNS to the private sector.

The U.S. Government announced its intention to transition its stewardship role of the IANA functions to the global multistakeholder community. NTIA asked ICANN to convene an inclusive, global discussion that involved the full range of stakeholders to collectively develop a proposal for the transition. In response, ICANN launched and facilitated the process for the Internet community to develop a proposal for the transition.

On 10 March 2016, ICANN delivered a proposal to transition the stewardship of the IANA functions from the U.S. Department of Commerce NTIA to a global multistakeholder community. The proposal addressed the IANA technical functions and enhancements to ICANN’s accountability, and on 9 June 2016, NTIA announced that the proposal met its criteria.

The contract between ICANN and the U.S. Department of Commerce NTIA, to perform IANA functions, expired. The expiration ended the U.S. Government’s authority to approve changes to the DNS root zone file. See NTIA’s announcement here.

On 1 October 2016, ICANN and NTIA formally ended their joint Affirmation of Commitments. See correspondence here.

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