



Scrutinize ICANN's Thousand New-TLDs Limit

[Alex Tajirian](#)

October 16, 2010

I am skeptical about how ICANN has arrived at a [technical limit of a thousand new TLDs per year](#). The ICANN study driving this number must be made public so that our industry's risk management experts can size up the finding.

Why am I skeptical? First, given that the limit is supposed to remain constant over the next few years instead of rising, it would appear that ICANN has overlooked the benefits of experience. Second, the now defunct Lehman Brothers and Bear Stearns claimed to have the best processes for analyzing and managing risk. To put it mildly, they didn't.

Effective risk measures can't be based only on historical data and simulations; they must incorporate judgment based on experience and expertise. When considered alone, forecasts based on historical data can provide a false sense of security. Nevertheless, historical data on new TLDs is scarce, especially as it relates to such an enormous first-time endeavor. The risk from black swan events (sometimes referred to as "tail events" and "extreme events"), a term popularized by Nassim Taleb in his book of the same name, must be managed because attempts to predict such events are futile.

Thus, we need more transparency in ICANN's risk management readiness to launch new TLDs. ■