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# Cross-Community Working Group: New Generic Top-Level Domains Auction Proceeds

## **WHAT CAN I EXPECT AT ICANN58 IN RELATION TO THIS TOPIC?**

The Cross-Community Working Group (CCWG) has scheduled a face-to-face meeting on Wednesday, 15 March (Day 5) at 15:15-16:30. The CCWG is expected to continue its deliberations per its work plan ([community.icann.org/x/yJXDAw](https://community.icann.org/x/yJXDAw)).

## **WHAT IS THIS ABOUT?**

The New Generic Top-Level Domain (gTLD) Program established auctions as a mechanism of last resort to resolve the competition sets between identical or similar terms (strings) for new gTLDs – known as string contention. Most string contentions (approximately 90% of sets scheduled for auction) have been resolved through other means before reaching an auction conducted using ICANN’s authorized auction service provider, Power Auctions LLC. However, it was recognized from the outset that significant funds could accrue as a result of several successful auctions conducted by ICANN. Following the ICANN Board’s commitment to do so, the auction proceeds derived from such auctions have been reserved and earmarked within ICANN until such time as the ICANN Board authorizes a plan for the appropriate use of the funds. These proceeds are to be considered as an exceptional, one-time source of revenue.

A CCWG has now been chartered by the Address Supporting Organization (ASO), the At-Large Advisory Committee (ALAC), the Country Code Names Supporting Organization (ccNSO), the Generic Names Supporting Organization (GNSO), the Governmental Advisory Committee (GAC), the Security and Stability Advisory Committee (SSAC), and the Root Server System Advisory Committee (RSSAC) to propose the mechanism that should be developed in order to allocate the new gTLD Auction Proceeds. Following approval of the proposal(s) by the Chartering Organizations, it will be submitted to the ICANN Board for its consideration.

## **WHY IS THIS IMPORTANT?**

The new gTLD Auction Proceeds, derived from these last resort auctions, are distinct and ring-fenced funds. As such the Auction Proceeds are a single revenue source (derived from all new gTLD Auction Proceeds round 1). The proceeds, net of direct auction costs, are fully segregated in separate bank and investment accounts. The proceeds are invested conservatively and any interest accrues to the proceeds. 17 contention sets have been resolved via ICANN auction since June 2014.

The total net proceeds to date are \$233.5 million USD. Details of the proceeds can be found at [newgtlds.icann.org/en/applicants/auctions/proceeds](http://newgtlds.icann.org/en/applicants/auctions/proceeds). As of 13 February 2017, 15 contention sets remain to be resolved, but it is important to keep in mind that approximately 90% of contention sets scheduled for auction are resolved prior to the auction. The total amount of funding resulting from auctions, will not be known until all relevant applications have resolved contention.

### **WHAT IS THE CURRENT STATUS OF THIS PROJECT AND EXPECTED NEXT STEPS?**

The CCWG held its first meeting on 26 January 2017 and has been meeting every two weeks since. As one of its first actions, the CCWG has launched a survey to determine the expertise available from within the CCWG members and participants as well as identifying topics on which the CCWG may need to be briefed at the outset or during the course of its deliberations. The CCWG is currently in the process of developing its work plan which is expected to include a review of the charter questions as well as identifying what expertise may be needed (internal or external) to address the questions outlined in the charter.

### **HOW CAN I GET INVOLVED?**

Anyone interested can join this effort at any time. Please complete the registration form at [goo.gl/forms/mL5pqhvTrtTgwOWM2](https://goo.gl/forms/mL5pqhvTrtTgwOWM2) or contact the GNSO Secretariat at [gnso-secs@ICANN.org](mailto:gnso-secs@ICANN.org).

### **MORE INFORMATION**

- CCWG Workspace: [community.icann.org/x/yJXDaw](https://community.icann.org/x/yJXDaw)
- CCWG Charter: [community.icann.org/x/DJjDAw](https://community.icann.org/x/DJjDAw)
- Updated discussion paper published to reflect public comments received: [gnso.icann.org/en/drafts/new-gtld-auction-proceeds-07dec15](https://gnso.icann.org/en/drafts/new-gtld-auction-proceeds-07dec15)

### **BACKGROUND**

Following a number of sessions on this topic during the ICANN53 in Buenos Aires (see [buenosaires53.icann.org/en/schedule/mon-soac-high-interest](https://buenosaires53.icann.org/en/schedule/mon-soac-high-interest) and [buenosaires53.icann.org/en/schedule/wed-cwg-new-gtld-auction](https://buenosaires53.icann.org/en/schedule/wed-cwg-new-gtld-auction)), a discussion paper was published in September 2015 to solicit further community input on this topic as well as the proposal to proceed with a CCWG on this topic.

As the feedback received on the [discussion paper](#) confirmed the support for moving forward with a CCWG, James Bladel, GNSO Chair, reached out to all the ICANN Supporting Organizations (SOs) and Advisory Committees (ACs) to ask for volunteers to participate in a Drafting Team (DT) to develop a charter for a CCWG on this topic. All ICANN SOs/ACs, apart from the ccNSO, responded to this request and have put forward volunteers to participate in the drafting team. The GNSO Council appointed Jonathan Robinson to chair the DT, which commenced its deliberations on Tuesday, 23 February 2016. A draft charter for community discussion was published in advance of ICANN56 and discussed during the [cross-community session](#) held at ICANN56. Following ICANN56, the DT [reviewed all the input](#) received and updated the proposed charter accordingly. On 13 September 2016, [this proposed charter](#) was shared with all ICANN SOs/ACs with the request to review it and identify any pertinent issues that would prevent adoption of the charter, if any. Subsequently, a webinar was held on 13 October 2016 to allow for some additional time and information to undertake this review. The final proposed charter was submitted to all ICANN SOs/ACs on 17 October 2016 following which each ICANN SO/AC confirmed the adoption of the charter. Subsequently, a [call for volunteers](#) was launched and the CCWG was formed.

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