

New gTLD Auction Proceeds Discussion Paper *Updated*

STATUS OF THIS DOCUMENT

This is the updated discussion paper on the proceeds from ICANN-conducted auctions for contested new generic Top-Level Domain (gTLD) strings¹ which has been updated following the review of public comments received on the initial version.

¹ For more information about ICANN and its work, visit [ICANN.org](http://icann.org); for more information about the new gTLD program associated with these proceeds, visit <http://newgtlds.icann.org/en/>.

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1 Executive Summary

This is the updated discussion paper on the proceeds from ICANN-conducted auctions for contested new generic Top-Level Domain (gTLD) strings². This paper aims to capture the information and input on this topic to date as well as outlining potential questions and issues to be addressed in the subsequent phases of the process to determine next steps in relation to new gTLD Auction Proceeds.

The initial version of this paper was published for as broad as possible public comment in order to allow for additional input before the paper is submitted to the different ICANN Supporting Organisations (SOs) and Advisory Committees (ACs), which are anticipated to task a drafting team with developing a proposed charter for a Cross-Community Working Group for consideration.

The initial version of this paper called for broad, open and inclusive public comment and encouraged participation from all sectors, regions and levels of engagement both within and outside the ICANN community. 28 contributions were received in response (see <http://forum.icann.org/lists/comments-new-gtld-auction-proceeds-08sep15/>). To review the analysis of public comments and how these comments have and are expected to be addressed, please see the public comment review tool, which can be found in Annex B. The comments were generally supportive of the approach as outlined in the initial version of this discussion paper, but some updates have been made to reflect the contributions received. Those comments that provided input in relation to the work of the subsequent Drafting Team(DT) and/or Cross-Community Working Group (CCWG) will be communicated directly to those entities once these have formed.

This updated version will now be submitted to the different ICANN Supporting Organizations and Advisory Committees to confirm the interest of the different SO/ACs to move forward with the creation of a DT to develop a charter for a CCWG.

² For more information about ICANN and its work, visit [ICANN.org](http://icann.org); for more information about the new gTLD program associated with these proceeds, visit <http://newgtlds.icann.org/en/>.

2 Background

2.1 New gTLD Program

"The purpose of an auction is to resolve contention in a clear, objective manner. It is planned that costs of the new gTLD program will offset by fees, so any funds coming from a last resort contention resolution mechanism such as auctions would result (after paying for the auction process) in additional funding. Any proceeds from auctions will be reserved and earmarked until the uses of funds are determined. Funds must be used in a manner that supports directly ICANN's Mission and Core Values and also allows ICANN to maintain its not for profit status.

Possible uses of auction funds include formation of a foundation with a clear mission and a transparent way to allocate funds to projects that are of interest to the greater Internet community, such as grants to support new gTLD applications or registry operators from communities in subsequent gTLD rounds, the creation of an ICANN-administered/community-based fund for specific projects for the benefit of the Internet community, the creation of a registry continuity fund for the protection of registrants (ensuring that funds would be in place to support the operation of a gTLD registry until a successor could be found), or establishment of a security fund to expand use of secure protocols, conduct research, and support standards development organizations in accordance with ICANN's security and stability mission."

New gTLD Applicant Guidebook – Section 4.3.

The new gTLD Program established auctions as a mechanism of last resort to resolve string contention. Most string contentions (approximately 90% of sets scheduled for auction) have been resolved through other means before reaching an auction conducted by 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 auctions. As such, these auction proceeds have been reserved and earmarked until the Board authorizes a plan for the appropriate use of the funds. Board, staff, and community are expected to be working together in designing and participating in the next steps addressing the use of new gTLD auction proceeds. It should be recognized though that these proceeds are to be considered as an exceptional, one-time source of revenue.

2.2 Current Financial Status

Cost and proceeds in relation to the new gTLD Program can be broken down into two distinct buckets:

1. New gTLD Applicant Evaluation Fees – these fees pay for the application evaluation costs, the historical development costs repayment, and the hard-to-predict costs, including risks. Unspent application fees are fully segregated in dedicated bank and investment accounts.

2. New gTLD Program Auction Proceeds – these are distinct, ring-fenced funds arising from last resort auctions, used to resolve string contention and conducted using an ICANN-authorized auction service provider. The proceeds, net of direct auction costs are fully segregated in separate bank and investment accounts.

This discussion paper relates specifically to the new gTLD auction proceeds and does not discuss or deal with the new gTLD applicant evaluation fees. These funds are completely segregated from each other.

In relation to new gTLD Program Auction Proceeds, 14 contention sets have been resolved via ICANN Auction since June 2014. The total net proceeds to date are \$60.9 million USD. Details of the proceeds can be found at <http://newgtlds.icann.org/en/applicants/auctions/proceeds>. As of 25 November 2015, 24 contention sets remain to be resolved, although 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.

3 Issues to be considered and addressed

Based on the discussions to date as well as recent experience with other CCWGs, there are a number of issues that should be considered by the drafting team that is expected to be tasked with developing a proposed charter³ for a CCWG. These include amongst others:

- **Focus on framework development:** What set of principles should underpin any framework development? What questions should serve as a guide to the CCWG to structure its work and ensure focus on a framework for allocating new gTLD auction proceeds, instead of ideas for how new gTLD auction proceeds can be spent? What is the ultimate goal of the CCWG? What accountability measures should be in place?
- **Intelligence gathering / Expert involvement:** What information / outreach should be conducted upfront to ensure that input as well as lessons learned are provided by ccTLD Registry Operators as well as other organizations that have dealt with surplus proceeds? Similarly, as the CCWG recommendations need to take into account ICANN's not for profit status, external expertise / advice, such as fiscal and legal, may be required to ensure that this is not the case as well as provide input concerning fiscal options available taking into account the principles the CCWG may have defined. Would a 'group of experts' similar to those formed for the CCWG-Accountability be of use?
- **Board involvement:** Clarify what the expected / desired involvement and role of the Board is, both with regards to participation but also how the Board is expected to consider the CCWG recommendations following approval by the chartering organisations (see for example how this was dealt with in the CCWG-Accountability- <https://www.icann.org/resources/board-material/resolutions-2014-10-16-en#2.d>).
- **Conflicts of interest:** How to avoid conflicts of interest, i.e. preventing those from developing the framework being able to directly benefit from the new gTLD auction proceeds? Should there be any specific rules in place that specify that participation in the drafting team and/or CCWG would automatically exclude members / participants from directly benefiting from the allocation of new gTLD auction proceeds? If so, how would this be enforced? If not, how can the

³ A charter typically sets out the problem statement, goals & objectives, scope, deliverables, timeframes, reporting, membership requirements, staffing, organization and rules of engagement for a CWG. Examples of recent CWG charters can be found at <https://community.icann.org/x/2grxAg> and <https://community.icann.org/x/KYMHAW>.

perception or actual conflict of interest be avoided? Could conflict of interest frameworks used by other global organisations such as the World Bank and WHO serve as a starting or reference point?

- **Participation:** Consider whether the model that has been recently used for the CCWG-Stewardship (see <https://community.icann.org/x/2grxAg>) and CCWG-Accountability (see <https://community.icann.org/x/KYMHAW>) which includes members that are appointed by chartering organizations to ensure communication between the CCWG and the chartering organization as well as participation by anyone interested should also apply to this CCWG or another model should be considered.
- **Outreach:** As can be seen from this document, discussion on this topic has largely originated from within the ICANN community, so there is a need to examine how to ensure broad participation and input into this effort, including reaching those that may not typically be involved in ICANN processes? How can additional efforts be undertaken in addition to the traditional communication channels?
- **Linkage with other efforts:** Efforts such as the Enhancing ICANN Accountability CCWG which may result in changes to ICANN's mission as it is currently stated in the Bylaws, as well as the work that is expected to be initiated on defining the public interest as well as the efforts of the Working Party on CSR and Human Rights, may have an impact on the efforts of this CCWG and as such should be monitored and their outcomes considered as part of the CCWG deliberations. Furthermore, the work undertaken by the IAG-CCT in relation to metrics on consumer awareness, perceived consumer choice, experience and trust of new gTLDs and the domain name system may help inform this effort.
- **Implementation:** Clearly define the expected scope of the CCWG with regards to implementation – is the CCWG expected to define the overall framework and principles, but how this is implemented is done separately, or is the CCWG also expected to play a role in developing the implementation of the framework and principles?

This set of issues is expected to serve as a starting point for the drafting team that is expected to develop a charter for a CCWG on new gTLD auction proceeds. Additional issues and/or guidance were raised in response to the public comment forum on the initial version of the discussion paper.

Additional issues have been included in this updated version while additional guidance has been

flagged in the public comment review tool in Annex B as requiring further drafting team and/or CCWG consideration.

4 Community & Board Discussions to date

4.1 Community discussions to date

Since the launch of the new gTLD Program, numerous suggestions have been made, such as during the ICANN public forum sessions at ICANN meetings, on how new gTLD auction proceeds should be spent including; suggestions that the funds should be donated to charitable organizations, support for applicants in future rounds, programs to promote new gTLDs and consumer protection, the creation of an ICANN trust, to returning the money to the applicants from the current round. A non-exhaustive overview of these contributions can be found in Annex A.

4.1.1 GNSO Council initiative to launch a Cross-Community Working Group

However, it was not until March 2015 that the Generic Names Supporting Organization (GNSO) started discussing a possible process for facilitating the conversation around new gTLD auction proceeds during the ICANN meeting in Singapore (see <https://singapore52.icann.org/en/schedule/sat-gnso-working/transcript-cwg-new-gtld-auction-07feb15-en>). As part of that discussion, it became clear that there was interest from the GNSO to commence formal conversations on the topic of new gTLD auction proceeds and following which, the GNSO Council reached out to other ICANN Supporting Organizations (SOs) and Advisory Committees (ACs) to determine whether there would be interest to form a cross-community working group (CCWG) on this topic. Based on the feedback received from the different ICANN SO/ACs (see <http://gnso.icann.org/en/drafts/new-gtld-auction-proceeds-recs-responses-19mar15-en.pdf>), the GNSO Council decided to move forward with the creation of a CCWG by, as a first step, forming a drafting team to develop a proposed charter for such a CCWG, which could then be considered by all ICANN SO/ACs interested in participating. As a result a call for volunteers to form a drafting team to develop a charter for the CCWG was circulated.

However, taking into account the community workload as well as the opportunity the ICANN Meeting in Buenos Aires meeting provided to discuss the topic in further detail, the Chair of the GNSO Council, Jonathan Robinson, proposed to hold off on bringing the drafting team together at that stage (see <http://gnso.icann.org/en/correspondence/robinson-to-so-ac-board-02jun15-en.pdf>), and to first take advantage of the ICANN meeting in Buenos Aires to 1) solicit initial community feedback on the approach for and scope of this work, 2) inform the community about the history as well as current facts

in relation to the new gTLD auction proceeds, and 3) hear from other communities such as country code TLD registries on how they have that dealt with the question of additional funds. As a result, two community sessions were organized during the ICANN meeting in Buenos Aires.

4.1.2 SO/AC High Interest Topic Discussion

The SO/AC High Interest Topic Session is a joint community activity designed to explore hot topics broadly impacting ICANN's multi-stakeholder community and to encourage broader collaboration on issues between ICANN's Advisory Committees and Supporting Organizations. During this moderated session, SO-AC Leaders share their perspectives on high interest topics they have selected specially for this session. For the session during the ICANN Meeting in Buenos Aires in June 2015 'The Use of New gTLD Auction Proceeds - The Community Discussion Process, Next Steps and Other Considerations' was chosen as the topic.

This particular session was scheduled with two panels. The first panel brought together SO-AC community leaders and/or their representatives addressing the following questions:

- What process should be used for deciding on how to use the new gTLD Auction Proceeds? It has been proposed that a cross-community working group should be formed. Is this the right approach? If not, what alternatives are available?
- What should be the role of the ICANN Board in this process?
- What considerations should the drafting team that will be responsible for developing the charter for the cross-community working group take into account as it develops its draft?

The second panel consisted of representatives from each of the At Large RALOs and the GNSO Stakeholder Groups and Constituencies, who addressed the following questions:

- What general concepts or criteria will need to be factored in as part of the cross-community working group deliberations?
- How to ensure broad participation and involve experts from other sectors in the cross-community working group?
- How to deal with potential conflict of interests?

Since the session was set up as an initial idea generation session, many ideas and suggestions were shared which can be reviewed in further detail [here](#). Nevertheless, there

were a number of general take-aways from the session that appeared to be shared amongst many of the participants namely:

- 1) There is broad and substantial interest in this topic;
- 2) There are many ideas and suggestions for how the new gTLD auction funds could or should be spent;
- 3) There is recognition that principles, a process and framework need to be developed before any spending can take place.
- 4) There appeared to be support for moving forward with a Cross-Community Working Group, but at the same time the door is still open to consider alternative approaches to deal with the issue.

4.1.3 Pre-CWG New gTLD Auction Proceeds Workshop

Following the SO/AC High Interest Topic Discussion, a pre-CWG new gTLD Auction Proceeds workshop was organized a couple of days later during the ICANN Meeting in Buenos Aires. The workshop was an opportunity to 1) learn about the background and current status of the new gTLD auction proceeds; 2) receive an overview of the actions undertaken to date; 3) hear about the Board's discussions to date on this topic; 4) obtain a recap from the SO/AC High Interest Topic Discussion, and; 5) an opportunity to learn from a number of ccTLDs that have dealt with excess proceeds. Further details concerning items 1-4 have been covered in previous sections. The detailed presentations of the ccTLDs that participated in the session (CIRA, Nominet and SIDN) can be found [here](#) and it is recommended that these are reviewed in detail, but a number of common themes could be deducted:

- Extensive research and benchmarking of other initiatives was carried out as part of intelligence gathering phase before any decisions were taken;
- Creation of a separate trust, fund or committee to clearly separate allocation of excess proceeds from daily operations was deemed preferable;
- The identified scope, focus and eligibility criteria for excess proceeds clearly aligned with the mission of each organization;
- Lessons learned from these initiatives and others can provide valuable input to the discussions in relation to new gTLD auction proceeds.

Further specific input was provided by the NLnet Foundation⁴ in relation to the lessons learned in its [response](#) to the public comment forum on the initial version of the discussion paper, namely:

- *"There are very few organisations that pay for cleaning up 'garbage', as in proving that technologies are no longer secure and need to be phased out. This is vital in the technology lifecycle.*
- *There is an asymmetry in the cost and benefits of individual investments into the security and stability of the internet. If other organisations benefit just as much, many organisations - even those with enough means - will just wait for others to solve something*
If you want to progress technology at an internet scale, this at some point involves open source software that allows permissive-less deployment and incremental innovation.
- *There is a real world gap between the way academics are funded (based on citations, publications and student numbers) and the work they do on internet standardisation - and that needs to be solved*
- *Deployment of new technologies on the internet is really hard, especially when born in a small organisation. Small actors need some help with it"*

4.1.4 Proposal to Develop Discussion Paper

As part of the discussions during the SO/AC High Interest Topic Discussion as well as the Pre-CWG new gTLD Auction Proceeds Workshop it was suggested that a next step in this conversation could be the development by ICANN Staff of a discussion paper which would provide an overview of the discussions to date as well as provide an overview of the issues that have been flagged throughout these discussions that should be considered by the drafting team as it commences its work on the draft charter for the CCWG. Furthermore, putting out this discussion paper would also provide an opportunity for those that have not spoken up to date to provide their input and guidance to the drafting team and/or suggest alternative mechanisms to deal with this issue that may not have been considered. It is the expectation that this discussion paper as well as the associated public comment forum is a first opportunity of many more to come to provide input and guidance on this topic.

⁴ "The design choice of the NLnet board was to keep the organisation very small and not create big projects ourselves which would make oversight very complex, but to focus on (micro)grants through a global open call designed to be lightweight and with very small administrative burden to the submitters".

4.2 ICANN Board

In statements that can be dated back to ICANN₄₀, the ICANN Board has committed to broad and open participation in designing the process to deal with new gTLD Auction proceeds and subsequent next steps, noting that it would consider the full and careful process for decision-making at a stage when the level of proceeds are better known. In his contribution to the new gTLD Auction Proceeds Workshop that was organised during ICANN₅₃, Steve Crocker, Chairman of the Board, highlighted that, building on previous discussions, he considers the following issues of critical importance for the process design:

- Broad, open and inclusive dialogue – any discussions need to be open and transparent, and allow for broad participation, listening to the views of all;
- Conflicts of Interest – there is a need to consider conflicts of interest before work can begin;
- Lean process – any process must be lean and cost-effective so as not to diminish funds;
- Separation of idea suggestion and idea selection – it is important to start by sharing and brainstorming ideas prior to any structured work;
- Measured pace – principles and strategy should be examined first before further considerations. Process should not be rushed;
- ICANN's Mission and Mandate – must keep in mind that proceeds are to be used in support of ICANN's mission and mandate.

5 Next Steps

This updated discussion paper was published following the review of public comment on the initial discussion paper. 28 contributions were received (see public comment review tool in Annex B). This updated discussion paper as well as the public comments received will now be communicated to the different ICANN Supporting Organizations and Advisory Committees to confirm the interest of those SO/ACs that want to move forward with the creation of a drafting team to develop a charter for a CCWG. As suggested in the public comments, which also follows recent CCWG practice, each interested SO/AC could be asked to designate two representatives to join the drafting team⁵⁶. However, as also pointed out in the public comments, consideration should be given to how participation and engagement from those outside of the existing ICANN structures can be facilitated. Following the finalization of the CCWG charter, the drafting team is expected to submit the finalised version to all ICANN Supporting Organizations and Advisory Committees for their consideration.

⁵ Some contributions to the public comment forum suggested that the GNSO should have an enhanced role taking into account the origin of these funds.

⁶ The work that is underway to develop principles for CWGs may help inform the chartering of the CCWG.

Annex A - Previous Statements from Community of Auction Funds

This section goes through suggestions on process and use from online articles, Board correspondence, and public forums from ICANN₄₀ up until ICANN 51.

This section references any commitments to “new gTLD spend” (i.e. both auction and fees) simply because most speakers are not specific and may not have identified between the two. Given the substantial issue in this topic, this should not be considered an exhaustive list.

SUGGESTION TOPICS

- Returning a portion to registrants in the form of fee reductions;
- Funding initiatives associated with ICANN's security and stability role;
- Improving accessibility to the Internet and to the ICANN multi-stakeholder model.
 - Allocation Methods for Single-Letter and Single-Digit Domain Names in 2008 (see <https://www.icann.org/resources/pages/proposed-scsld-allocation-framework-2008-06-13-en>)
- A portion of the funds should be used to support Internet Standards Development Organizations (e.g. W3C, the IETF, or the Unicode Consortium) whose global mission aligns with that of an open and innovative Internet and Web.
 - W3C in response to the ICANN call for comments on the Allocation Methods for Single-Letter and Single-Digit Domain Names in 2008 (see <https://www.icann.org/resources/pages/proposed-scsld-allocation-framework-2008-06-13-en>)
- Consulting the Community on Potential Uses
 - Ken Stubbs, Public Forum, [ICANN 40](#)
 - Raimundo Beca, Public Forum, [ICANN 43](#)
 - Marilyn Cade, Public Forum, [ICANN 48](#)
 - Paul Foody, Public Forum, [ICANN 48](#)
 - Avri Doria, Public Forum, [ICANN 48](#)
 - Kavouss Arasteh, Public Forum, [ICANN 48](#)
 - Chuck Gomes, Public Forum, [ICANN 48](#)
- Unsuccessful auctionee compensation for expenses incurred during application to auction
 - Tina Viney (APAN CEO who was one of the applicants for .salon) wrote to ICANN Board in Dec 2014 to request this.

<https://www.icann.org/en/system/files/correspondence/vinney-to-icann-board-04dec14-en.pdf>

- Adrian Kinderis, Public Forum, [ICANN 48](#)

- Public Interest Projects that have a strong link to ICANN's core functions.
 - Recommended by a [2003 academic paper](#) (page 38) by prior to gTLD auctions (the document explored how new gTLD program could function) by Karl Manheim and Lawrence Solum.

- Donating funds to charitable organizations
 - [Stephanie Duchesneau](#) raises this as a suggestion made by others

- ICANN Auction Money Should go to a Charity of the Applicants Choice
 - Annalisa Roger, Public Forum, [ICANN 44](#)
 - Louie Lee, Public Forum, [ICANN 48](#)

- Fund open source DNS projects and upgrade DNS libraries
 - Community suggestion via [John Levine](#)
 - Ken Stubbs, Public Forum, [ICANN 42](#)

- Marketing plan to increase new gTLD registrations
 - [Christa Taylor](#), DOT TBA Founder
 - [Kurt Pritz](#) also discusses the DNA plan for reinvestment into promotion of domains and their use

- Subsidize future rounds of new gTLDs to expand the geographic diversity of the DNS
 - [Stephanie Duchesneau](#) raises this as a suggestion made by others

- Developing Public Education Programs on the New DNS Landscape
 - Jillian Andrews, Public Forum, [ICANN 47](#)

- Allocate Funds to Promote New gTLDs and Consumer Protection
 - Ching Chiao, Public Forum, [ICANN 48](#)
 - Jordyn Buchanan, Public Forum, [ICANN 48](#)

- Reduce the Application Fee in Future Rounds
 - Ching Chiao, Public Forums, [ICANN 48](#)
 - Jordyn Buchanan, Public Forums, [ICANN 48](#)
 - Bruce Tonkin, Public Forum, [ICANN 51](#)

- Funding Projects Addressing Issues related to Universal Acceptance of New gTLDs with focus on IDNs
 - Adrian Kinderis, Public Forum, [ICANN 48](#)
 - Jordyn Buchanan, Public Forum, [ICANN 48](#)

- “Promote Internet Development Globally” by placing money in a trust (possibly overseen by NETmundial Initiative) for Internet development efforts. Also suggests others may contribute- Danny Aerts of .se (<https://www.iis.se/english/blog/time-to-spread-the-muck-icann/>)
 - Two notable examples are:
 - [Nominet Trust](#)- Funding, networking, and knowledge base development.
 - [SIDN Fund](#)- set up by .nl to “provide financial support to projects that promote innovation, education, research, security and trust, application reach and constructive use of the Internet in the Netherlands.” Launched April 2015.
- Combatting cyber-squatting, lower Rights Protection Mechanisms fees, or other RPM related activities.
- Capacity Building and Outreach community suggestions via [Philip Corwin](#)
- Creating a Foundation to Inform the Global Public on Internet Governance
 - Klaus Stoll, Public Forum, [ICANN 48](#)
- Strengthening Participation of Stakeholders from Developing Countries
 - Marilyn Cade, Public Forum, [ICANN 48](#)
 - Paul Foody, Public Forum, [ICANN 48](#)
- Strengthening the Capacity of the Broad Community to Contribute to the SSR of the Internet
 - Marilyn Cade, [ICANN 48](#)
 - Paul Foody, [ICANN 48](#)
- Funding the Emergency Back-End Registry or the EBERO System
 - Adrian Kinderis, Public Forum, [ICANN 48](#)
- Support Public Interest Processes
 - Zahid Jamil, Public Forum, [ICANN 48](#)
- Create an independent non-profit agency to take care of registrants and promote internet security by funding it with an initial donation of \$2M and then , each year after, to fund it with a ratio of 1 cent / domain register.
 - Ben Deschenes, new gTLD Auction Proceeds Discussion Paper public comment forum (Sept-Oct 2015)
- More money spent on technical work that would make the Internet generally work better such as work in the areas of AQM (bufferbloat), IP/WIFI interaction (how to make wifi work better for IP networks) would be nice to continue. People like Dave Täht and Jim Gettys know who would benefit from getting funded. Work to make hardware get more free to put FOSS on, not less. Latest FCC initiative to lock down radio device firmware to assure regulative compliance isn't helping FOSS, it's harming it.
 - Mikael Abrahamsson ,new gTLD Auction Proceeds Discussion Paper public comment forum (Sept-Oct 2015).

- ICANN should become a Sector Member of the International Telecommunication Union and make a substantial voluntary contribution to the ITU's Development Sector, to favor the deployment of Internet in developing countries.
 - Richard Hill, new gTLD Auction Proceeds Discussion Paper public comment forum (Sept-Oct 2015)
- Fund the Smithsonian Institution
 - Graham Schreiber, new gTLD Auction Proceeds Discussion Paper public comment forum (Sept-Oct 2015)
- Fund some "Technical Debt" projects such as Dave Taht's efforts on Bufferbloat in particular.
 - David Collier-Brown, new gTLD Auction Proceeds Discussion Paper public comment forum (Sept-Oct 2015)
- Fund the IETF
 - Lars Eggert, new gTLD Auction Proceeds Discussion Paper public comment forum (Sept-Oct 2015)
- Capacity Building and Overcoming Barriers in Developing Countries, including:
 - Supporting ICANN related research projects in policy research centers from developing countries.
 - Marketing gTLD opportunities in the business community of developing countries.
 - Increasing fellowships to students and budding researchers from developing countries.
 - Organising conferences in developing countries.
 - Introducing translations of existing documents into presently-excluded languages of developing countries (such as Urdu, Hindi, Tamil, Bengali etc)
 - Supporting academic institutions (business and law schools) in introducing curriculum and case studies on TLD opportunities
 - Guru Acharya, new gTLD Auction Proceeds Discussion Paper public comment forum (Sept-Oct 2015)
- Continued work on Universal Acceptance of new gTLDs;
- Business and consumer education and awareness regarding new gTLDs and the Domain Name System;
- Work to support a healthy domain name ecosystem by funding industry-led best practices initiatives;
- Funding of research and development designed to increase adoption of domain names and the use of the domain name system.
 - Donuts, new gTLD Auction Proceeds Discussion Paper public comment forum (Sept-Oct 2015)
- Some money should be set aside to support work done by W3C on areas of common interest
 - W3C, new gTLD Auction Proceeds Discussion Paper public comment forum (Sept-Oct 2015)

- Consumer awareness and education efforts on the introduction of new gTLDs and how domain names fit into the Internet landscape;
- Studies to better understand how users engage with the Domain Name System, to inform future ICANN policy work;
- Work related to the universal acceptance of new gTLDs, particularly IDN TLDs; and
- Work to support a healthy domain name ecosystem by funding industry-led best practices initiatives on issues such as malicious conduct and security.
 - DNA, new gTLD Auction Proceeds Discussion Paper public comment forum (Sept-Oct 2015)

- (1) Continued work on universal acceptance of new gTLDs; (2) business and consumer education and awareness regarding new gTLDs and the Domain Name System; and (3) outreach and capacity building efforts to develop a broader and deeper pool of new, informed ICANN participants.
 - RySG, new gTLD Auction Proceeds Discussion Paper public comment forum (Sept-Oct 2015)

- A Global Technical Outreach Endowment would fund outreach endeavors associated with issues surrounding the security and stability of the global root, with UA adoption and name collision outreach as primary examples.
 - ISPCP, new gTLD Auction Proceeds Discussion Paper public comment forum (Sept-Oct 2015)

- Create a Foundation, which takes care of awareness, promotion and education of the Domain Name diversity and DNS in general. This entity should help local organizers in being able to organize regional Domain Conferences around the world and bring the awareness of all Domains, be it new gTLD's, ccTLDs or gTLD's to the public in general.
 - Dietmar Stefitz, new gTLD Auction Proceeds Discussion Paper public comment forum (Sept-Oct 2015)

Annex B - Public Comment Review Tool – 29 November 2015

Please note that comments may have been abbreviated – for full comments, please refer to the original source.

Topic: New gTLD Auction Proceeds Discussion Paper

Source: <https://www.icann.org/public-comments/new-gtld-auction-proceeds-2015-09-08-en>

Date: 8th September – 8th November 2015

Public comments received: 28

Categories of comments identified:

1. [Requesting clarification / corrections to the Discussion Paper;](#)
2. [Comments related to the proposed next steps / issues to be addressed as part of next steps;](#)
3. [General suggestions for how auction proceeds should be spent and by whom eventually decision-making on use can be made;](#)
4. [Suggestions for auction proceeds specific uses;](#)
5. [Other.](#)

#	Comment	Who	How addressed
Topic 1 – Requested Clarifications/Corrections to Discussion Paper			
1.	The discussion paper includes a number of references to prior ICANN meetings and public comments where the use of auction proceeds has been raised, including community suggestions and examples. The paper is missing a reference to prior work from 2008 on the proposed allocation framework for single-character second-level domains, see https://www.icann.org/resources/pages/proposed-scsld-allocation-framework-2008-06-13-en . The Synthesis paper developed from this discussion in 2008 incorporated prior public comments on potential uses of funds (see Section V), which may be good to review and include as this current work is considered by the community.	PJ	Updated Annex A
2.	W3C commented in 2007 during the ICANN Call for Allocation Methods for Single-Letter and Single-Digit Domain Names, recommending that "A portion of the funds should be used to support Internet Standards Development Organizations (e.g. W3C, the IETF, or the Unicode Consortium) whose global mission aligns with that of an open and innovative Internet and Web." where future TLD auctions were mentioned.	W3C	Updated Annex A
3.	Please allow me to share the experiences of NLnet foundation, a charitable trust fund entirely dedicated to the open internet since the mid nineties derived from a similar unique opportunity at the time.	ML	Updated Pre-CWG new gTLD Auction

<p>Our original endowment was about half of the sum that would be available now, and I believe it has served the internet well and made a difference disproportionate to the amount of money. The design choice of the NLnet board was to keep the organisation very small and not create big projects ourselves which would make oversight very complex, but to focus on (micro)grants through a global open call designed to be lightweight and with very small administrative burden to the submitters.</p> <p>NLnet operationalized its mission by financially supporting those with great ideas to improve the internet that do not have large organisational backup, and that are willing to share them with the world in a way everyone can contribute to their work). Not large abstract projects with huge consortia but knowledgeable SME's, not-for-profits, open source projects and individuals with concrete ideas convincingly showing the urgency for their work. As with the original ARPA work, NLnet chose to put a high trust in its projects, and it pays off.</p> <p>Technical work typically fits into the following categories (between brackets I give some examples of projects NLnet funded in these categories, but I would think that the organisation that ICANN would support/create would see similar input to an open call):</p> <ul style="list-style-type: none"> - research and development into important internet-related standards and their maturation (NLnet examples: DNSSEC, RPKI, TLS, DKIM, DMARC, SIP, XMPP, HIP, WebRTC, Real Time Text, PPSP, SCTP) - funding new tools and/or improvements in the core of important open source platforms where lack of adoption of new standards is harming the collective interest (NLnet examples: the IPv6 implementation in FreeBSD, Linux Kernel netfilter, OpenDKIM, OpenDMARC, NAT64, NSD, OpenMSRP, BIND, DNSCCM, etc) - Proof of concept/reference implementations created during the research into a standard (NLnet examples: the Comprehensive Queue Management Made Easy (CAKE) in CeroWRT, OpenFlow NBI, GNUnet, - Advanced security - Quality assurance activities such as interoperability testing events, EFF's SSL observatory. - The occasional travel support for senior standards contributors that are temporarily without means to attend e.g. IETF, W3C TAG meetings or interop events. - In addition, there are many small but very useful projects that result from an open call that one could never predict or fit into a meaningful category beforehand - yet clearly benefit the whole internet ecosystem. Examples from our experience include rebootless kernel updates for Linux (which allow live kernel patching of systems running on the internet, which reduces vulnerability to botnet harvesting), tools for systematic firmware analysis (allowing discovery of unknown shared bugs in firmware of networked devices) or the internationalisation of the GPLv3 open source license (removing a lot of legal uncertainty for 	<p>Proceeds Workshop Section Communicate input to CCWG</p>
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	<p>users outside of its country of origin), anti-DDoS tooling, intrusion prevention and security testing. These were all small projects but with very interesting output. Put in another way: there are many things that the internet needs but does not know it needs, something which the funds now available to ICANN could facilitate.</p> <p>These are some of the lessons we learned from our work:</p> <ul style="list-style-type: none"> o there are very few organisations that pay for cleaning up 'garbage', as in proving that technologies are no longer secure and need to be phased out. This is vital in the technology lifecycle. o there is an asymmetry in the cost and benefits of individual investments into the security and stability of the internet. If other organisations benefit just as much, many organisations - even those with enough means - will just wait for others to solve something o if you want to progress technology at an internet scale, this at some point involves open source software that allows permissive-less deployment and incremental innovation. o there is a real world gap between the way academics are funded (based on citations, publications and student numbers) and the work they do on internet standardisation - and that needs to be solved. o deployment of new technologies on the internet is really hard, especially when born in a small organisation. Small actors need some help with it. 		
4.	<p>Pages 6-10 of the Discussion Paper describe the history surrounding the subject of excess proceeds derived from gTLD auctions. In particular, this section of the Paper provides extensive background on the events that led up to the idea of creating a Cross Community Working Group (CCWG) (or an alternative mechanism) to address this issue, most notably the work done at the ICANN52 meeting in Buenos Aires in March 2015. The IPC appreciates the paper's efforts to place this issue in a meaningful historic context; however, the IPC believes that this section could be condensed to provide a more high-level summary of the background on this issue. We are concerned that such a detailed and anecdotal history may detract from the overall purpose of the paper: a call for comments on the framework going forward. The IPC is concerned that the message of the discussion paper may be getting lost among the surplus of anecdotal information.</p>	IPC	Switched around sections 3 and 4.
Topic 2 – Comments related to the proposed next steps / issues to be addressed as part of next steps			How addressed
5.	<p>Focus on Framework Development: The goal of the CCWG is to deliver proposal(s) on the use of the gTLD Auction Proceeds that best benefits ICANN stakeholders. The primary stakeholders will include ICANN and its mission, gTLD registries who provided the funds and registrants who were sought to benefit from 'promoting competition, consumer trust, and consumer choice' (ICANN. (2009, September 30). Affirmation of Commitments by the United States Department of Commerce and the Internet Corporation for Assigned Names and Numbers. Retrieved from https://www.icann.org/resources/pages/affirmation-ofcommitments-2009-09-30-en) and 'increased choice by</p>	CT	Updated relevant section to clarify that Charter should also include ultimate goal of CCWG. Communicate input

	<p>facilitating competition among registry service providers’ (ICANN, Frequently Asked Questions. Retrieved September 18, 2015 from http://newgtlds.icann.org/en/applicants/global-support/faqs/faqs-en). Other stakeholders include those defined in the European Framework for Quality Management (EFQM): “a person, group or organization that has a direct or indirect stake or interest in the organization because it can either affect the organization or be affected by it” (ICANN. (2015, July 22). Charter – Enhancing ICANN Accountability. Retrieved from https://community.icann.org/display/acctcrosscomm/Charter).</p>		<p>to DT tasked to develop a charter for CCWG.</p>
6.	<p>Intelligence Gathering/Expert involvement: The draft report should be provided to either ICANN’s existing Auditors, BDO or another similar firm to review and minimize the risk of implementing the recommendations without any implications on ICANN’s not for profit status. Exploring the applicability of existing work on Universal Acceptance and research from CCT-RT Committee from Nielson research should be evaluated for their insights into new gTLD metrics (see below).</p>	CT	<p>Communicate input to DT tasked to develop a charter for CCWG as well as CCWG.</p>
7.	<p>Board Involvement: The CCWG should determine the use of funds over a Board led effort on how the gTLD auction funds should best be utilized.</p>	CT	<p>Communicate input to DT.</p>
8.	<p>Conflicts of Interest: The existing Conflicts of Interest Policy should be strictly adhered to.</p>	CT	<p>Communicate input to DT.</p>
9.	<p>Participation: The model used for the CCWG-Stewardship and CCWG-Accountability employs a high level of participation and believe it would best serve the use of auction funds CCWG. The process needs to be transparent and encourage global participation along with involvement from stakeholders who provided and expected to receive benefits from their funding while being consensus driven.</p>	CT	<p>Communicate input to DT.</p>
10.	<p>Linkage: With \$58.8 million in funds currently on hand and with the potential for additional funds to be received through auctions, utilizing the funds in a systematic, periodic method an evaluation of the results will undoubtedly become part of the plan. As such, performance metrics on the benefits received from each activity undertaken should be reported on. Utilizing existing metrics on consumer awareness, perceived consumer choice, experience and trust of new gTLDs and the domain name system provided by the GNSO and ALAC should be reviewed for their application to the benefits received from the utilization of auction funds (66 of these were agreed upon in the IAG-CCT). A portion of the high priority metrics have already been assessed and reported upon by Nielsen research as part of the IAG-CCT. Proposing the utilization of existing metrics is not suggesting that new pertinent metrics also be contemplated.</p>	CT	<p>Updated relevant section to indicate possible linkage with IAG-CCT. Communicate input to DT tasked to develop a charter for CCWG.</p>
11.	<p>Implementation:</p>	CT	<p>Communicate input</p>

	The CCWG - gTLD Auction Proceeds Working Group needs to investigate the most effective use of current and future collection of funds that provides measurable benefits to stakeholders. The framework and principals along with the development and use of the auction proceeds should fall within the working group's mandate.		to DT tasked to develop a charter for CCWG.
12.	The ALAC is in general accordance with the New gTLD Auction Proceeds Discussion Paper. We believe that the approach of creating a drafting team to develop a charter for a Cross-Community Working Group on the new gTLD Auction Proceeds is the right one.	ALAC	Updated Discussion Paper to reflect support
13.	We recommend that the drafting team is made up of at least 2 persons per chartering SO/AC and with representation from all SO/ACs that indicate an interest.	ALAC	Updated Discussion Paper to reflect proposed approach with regards to DT
14.	The ALAC further recommends that any charter reported broadly: 1) Affirms the principles of openness and transparency in allocation of funds, 2) Embraces the concept that the use of the auction proceeds should be in tune with the ICANN Strategic Plan; confidence in the Domain Name System 3) Must favour extending the global public interest in concrete ways and endowing the Affirmation of Commitments, especially as they converge on consumer trust and confidence in the Domain Name System.	ALAC	Communicate input to DT tasked to develop a charter for CCWG.
15.	Donuts supports a community-driven approach for determining how to apply excess funds generated through ICANN's auction process for new generic top-level domains (new gTLDs). We identify here the critical elements of the process that should be considered.	DO	Updated Discussion Paper to reflect support
16.	The funds generated through the ICANN auction must be treated as an exceptional, one-time source of revenue. ICANN should take care to thoughtfully steward these funds. ICANN auctions were and are a last resort mechanism for resolving contention, not a source of operational revenue. Accordingly, proposals for use of auction revenue should be self-sustaining. Proposals that contemplate supplementing auction revenue with other sources of ICANN funds, whether from ICANN's operating budget or from excess fees generated through the new gTLD application process, should be considered out of scope.	DO	Updated new gTLD Program section to reflect one-time source nature.
17.	Auction proceeds must be applied in a manner that directly supports and aligns with ICANN's Mission and Core Values Donuts supports the principles identified during the New gTLD Auction Proceeds Workshop during ICANN 53 and outlined in Section 3.2 of the discussion paper. Of these, we believe that it is of foremost importance that auction proceeds be used in a manner that directly supports ICANN's mission and mandate to "coordinate, at the overall level, the global Internet's systems of unique identifiers, and in particular to ensure the stable and	DO	Communicate input to DT tasked to develop a charter for CCWG as well as CCWG.

	secure operation of the Internet's unique identifier systems." The outcome of this process must also take into account the ICANN's Core Values, which include a commitment to "[respect] the creativity, innovation, and flow of information made possible by the Internet by limiting ICANN's activities to those matters within ICANN's mission requiring or significantly benefiting from global coordination." These principles should guide the working group on auction proceeds through charter development, idea generation, and selection.		
18.	<p>The GNSO should have an enhanced role.</p> <p>Should a cross-community working group (CCWG) be convened, the Generic Names Support Organization (GNSO) should have enhanced participation, as the body that developed policy recommendations for the introduction of new gTLDs and whose members are responsible for new gTLD auction proceeds.</p>	DO	Added footnote to next steps section to reflect this position.
19.	<p>At this point in the consideration of how to use these auction proceeds, the BC has a greater interest in the principles guiding the charter drafting team and subsequent working group than in any particular outcome regarding specific uses of the proceeds. As such, we would like to contribute to the development of principles for the ultimate entity that will be making decisions about use of the funds, and for the chartering group.</p> <p>The BC believes that the development of guiding principles should be the focus of both the drafting team and the working group, and that the guiding principles should be consistent with with ICANN's Mission Statement and its limited remit. We note that ICANN's Mission and bylaws may be revised as a component of the Enhancing ICANN Accountability process. Given the potential for revisions to ICANN's Mission Statement, we believe that the completion of any Policy Development Process regarding the use of auction funds should be deferred until Mission Statement revisions are finalized. The scope of ICANN's defined Mission will be a critical matter to guide funds disbursement.</p>	BC	Communicate input to DT tasked to develop a charter for CCWG so that potential timing considerations can be factored in.
20.	<p>Additionally, the BC recommends that the group developing principles for disbursement:</p> <ol style="list-style-type: none"> 1. be chartered to develop standards or best practices rather than to identify potential projects or beneficiaries to which funds should be allocated 2. give prominent consideration to ICANN's legal status as a nonprofit and its paramount need to maintain that status 3. somewhat greater weight should be accorded to the views of the GNSO given the fact that the auction proceeds arose from a new gTLD process developed by the GNSO 4. specifically designate the ICANN Board as a stakeholder whose views should be accorded serious consideration 5. ensure the participation of the broader global Internet community and consideration of its ideas and suggestions through one or more public comment periods soliciting feedback on the CCWG's preliminary work product 	BC	Communicate input to DT tasked to develop a charter for CCWG as well as CCWG.

	<ol style="list-style-type: none"> 6. ensure that no party in the WG—whether SO, AC, or Board—should have any final control over the disbursement of auction funds 7. define beneficiaries and purposes that are not allowed, such as ICANN general operations; and establish a working definition of “conflict of interest” that negates potential favoritism toward ICANN insiders while recognizing that worthy project ideas may be submitted by individuals and entities with a history of ICANN involvement 8. have substantial consensus support for its draft 9. ignore project-specific proposals; and alert proposers that such ideas will be considered, after the working group concludes its activity, by the funds allocation group to be established as a result of the CCWG’s efforts 10. stress test its final recommendations against any actual conflict of interest or appearance thereof, by giving the funds allocation group final decision-making authority 11. eliminate opportunities for self-dealing by any individual or group within or related to ICANN, including consideration of ensuring that the funds allocation group is composed solely of individuals who are aware of ICANN’s mission and of the global public interest of Internet users but who have no present direct contractual or other business relationship with ICANN 12. set benchmarks regarding efficiency of fund usage and avoidance of wasteful expenditures, including excessive administrative costs 		
21.	<p>Regarding the approach to determining use of the proceeds, we suggest that the drafting team first consider the preferred time framework for ultimate allocation of the auction proceeds.</p> <p>For example, based upon potential project proposals, it is possible that the entire amount of approximately \$60 million could be expended in a single round for one or more one-time initiatives. Following disbursement, the allocation group could disband. In that scenario, some consideration must also be given to monitoring to ensure that the funds are actually used for the purposes for which they were disbursed and to evaluate funded project results against stated objectives.</p> <p>Or, it may be decided that the base funds should be preserved for multiple years, with awards of funds distributed year after year. In that instance funds allocation group would operate as an ongoing entity. The multi-year approach would necessitate the establishment of investment guidelines (e.g., placement of the base funds in low-risk, investment-grade securities), procedures for limiting the terms and replacement of allocation group participants; and determination as to whether previously funded projects can reapply for new contributions, especially if they have produced demonstrably positive results.</p>	BC	Communicate input to CCWG.

	Likewise, the CCWG may determine that auction proceeds be used to fund a single project each year, with a cap on annual expenditures (e.g., \$5million per year). This is a sole project variant of the multiyear model.		
22.	<p>Framework development:</p> <p>Considering the focus of the framework would involve considerable financial planning and management of the new gTLD auction proceeds, it is important to have clear, transparent and accountable financial oversight measures. At the stage of discussions where the foundations of the framework is being developed, it is imperative that the model adopted be grounded in strong principles of accountability.</p> <p>In this regard, there are many accountability guidelines that are useful for this purpose. Specifically, there needs to be a focus on the components of accountability (such as transparency, compliance and enforcement), as well as on financial accountability guidelines. The accountability discussions in the CCWG Accountability stream also hold relevance to this work stream. Any decisions on use of funds should keep in mind the public interest, as well as the differentiated requirements and interests of various regions and sub-regions.</p>	GI	<p>Updated relevant section to indicate accountability aspect.</p> <p>Communicate input to DT tasked to develop a charter for CCWG as well as CCWG.</p>
23.	<p>Intelligence gathering /Expert involvement:</p> <p>It is essential that experts in both law and finance are consulted/ included. There also needs to be a focused effort to ensure that all relevant intelligence is gathered, including on the possible uses for the proceeds.</p>	GI	<p>Communicate input to DT tasked to develop a charter for CCWG</p>
24.	<p>ICANN Board involvement:</p> <p>Since the primary aim of any decision making process would be to channel funds from the auction proceeds to appropriate destinations, the framework developed should aim to limit the role of the Board appropriately and keeping in mind conflict of interest principles.</p>	GI	<p>Communicate input to DT tasked to develop a charter for CCWG</p>
25.	<p>Conflict of Interest:</p> <p>In addition to ICANN’s Conflict of Interest Policy and other corporate governance documents adopted, the framework developed must factor additional safeguards to prevent conflict of interest issues arising. While demarcating conflicts of interest and the types of conflicts that may arise, the practices of global organisations such as the World Bank and the WHO could be useful reference points.</p>	GI	<p>Updated relevant section to indicate that Col frameworks used by other organisations may serve as a starting point.</p> <p>Communicate input to DT tasked to develop a charter for CCWG</p>
26.	<p>Participation:</p>	GI	<p>Updated next</p>

	In terms of process, while the paper discusses the formation of a CCWG to develop proposals for this issue, it may be worth considering if this process should be more broad-based, and go beyond the ICANN SO/ACs. While participation in ICANN is open to all, barriers to participation in such multistakeholder fora do exist. Considering the fact that the use of funds will likely be linked to the public interest, coming up with methods to include perspectives from outside ICANN would enrich the discussion and lead to more sustainable outcomes.		section to reflect that consideration should be given to how to ensure participation from those outside of the existing ICAN structures.
27.	<p>Outreach:</p> <p>The framework developed must compulsorily include methods for outreach, particularly for entities and persons that are unable to be part of the deliberations for various reasons which may be financial, geographical, or others. The inability to participate in the conversation on utilization of auction proceeds should not hinder the potential to receive aid from the proceeds or be represented in the dialogue.</p>	GI	See also previous comment. Communicate input to DT tasked to develop a charter for CCWG
28.	<p>Linkage with other efforts:</p> <p>There are various opportunities to link the work involved in this process with other efforts within ICANN. While the comments with respect to formation of a CCWG made above in the context of 'participation' would still be applicable, lessons may be learnt from the working of the CCWG-Accountability and its measures. Additionally the work of the CCWG for framework of Cross Community Working Group Principles is also important to the formation and operation of the proposed CCWG on new gTLD auction proceeds. The output and efforts of the CCWP on CSR and Human Rights in ICANN can also be considered in the development and operation of this CCWG.</p>	GI	Updated relevant section to reflect possible linkage with Working Party on CSR and HR as well as added footnote to next steps section to reflect link with CWG on CWGs.
29.	Creating a Cross-Community Working Group (CCWG) on the use of new gTLD auction proceeds within ICANN and open it to all interested parties seems to be the right approach.	W3C	Updated Discussion Paper to reflect support
30.	In particular we support the suggestion to study similar initiatives at the regional level, such as Nominet UK.	W3C	Communicate input to DT tasked to develop a charter for CCWG
31.	We hope that the questions around Conflict of Interest will be resolved early and that a process to allocate the auction proceeds for the betterment of the Internet and the Web becomes operational swiftly and with a well-defined timeline.	W3C	Communicate input to DT tasked to develop a charter

	... Conflicts of interest can be prevented provided the proposed CCWG advises on general ideas for the allocation of funds, and provided that ICANN develops a process by which the body that makes specific decisions on funding allocation operates transparently based on the CCWG criteria. Once this is done there should be no further Col concern relative to CCWG participants.		for CCWG as well as CCWG.
32.	RySG supports a community-led effort to develop the principles, process, and framework for spending the new gTLD auction proceeds.	RySG	Updated Discussion Paper to reflect support
33.	While any Cross Community Working Group formed for this purpose should be open to all interested SOs/ACs, the CCWG's composition should allow for enhanced participation by the GNSO, which developed the policy recommendations for the introduction of new gTLDs and whose members are responsible for the new gTLD auction proceeds	RySG	Added footnote to next steps section to reflect this position.
34.	When considering the recommendations of a CCWG on new gTLD auction proceeds, the Board should follow the same principles that the Board adopted for consideration of the CCWG Enhancing ICANN Accountability recommendations (see: https://www.icann.org/resources/board-material/resolutions-2014-10-16-en#2.d)	RySG	Communicate input to DT tasked to develop a charter for CCWG
35.	After the framework and principles for spending the new gTLD auction proceeds have been developed, the CCWG should have a role in developing or overseeing their implementation. The precise implementation role to be played by the CCWG should be determined by the CCWG after the framework and principles have been agreed.	RySG	Communicate input to DT tasked to develop a charter for CCWG
36.	2. Conflicts of interest <i>Conflicts of interest should foreclose from participation in the decision-making process, those stakeholders who have previously made clear their desire that the auction proceeds be expended for their own self-seeking purposes, including, but not limited to, new gTLD registry operators, new gTLD service providers, and new gTLD lobbyists such as the DNA, the Domain Name Association, as well as others.</i>	JP	Communicate input to DT tasked to develop a charter for CCWG
37.	Overall, the IPC agrees with and supports ICANN's objectives as set forth in the Discussion Paper.	IPC	Communicate input to DT tasked to develop a charter for CCWG
38.	The Discussion Paper contemplates seeking input from "other communities such as country code TLD registries (see Discussion Paper, p. 7) on how these organizations have dealt with excess funds. The IPC supports this idea, and would also suggest seeking input from other organizations.	IPC	Communicate input to DT tasked to develop a charter for CCWG
39.	The Discussion Paper speaks to certain "take-aways" from the ICANN52 meeting that apparently were shared	IPC	Communicate input

	<p>by meeting participants. Among these included "recognition that principles [emphasis added], a process and framework need to be developed before any spending can take place." (See Discussion Paper, p. 8.) The IPC generally supports efforts to further this premise. However, given the potentially broad scope of "principles" that may dictate the process going-forward, the IPC would suggest that these principles be defined more narrowly at this stage, with a particular aim of protecting stakeholder groups clearly impacted by the gTLD process itself. For example, there have been suggestions that auction proceeds be used for charitable donation, either charities suggested by individual gTLD applicant(s) in an amount corresponding to their auction payment or a more broadly chosen charitable organization. While the IPC believes these goals are laudable, any such designation would need to be consistent with the principle of reserving gTLD auction proceeds for issues directly related to ICANN's mission or the purpose of the DNS in general. Therefore, the IPC believes it is important to set forth the guiding principle(s) of this effort at the beginning in order to avoid discussion on options or solutions which ultimately may not be workable or even desirable. (See also Discussion Paper, p. 10, which mandates that proceeds are to be used in support of ICANN's mission and mandate.)</p>		<p>to DT tasked to develop a charter for CCWG</p>
40.	<p>Finally, the IPC generally supports moving forward with a CCWG (see, e.g., Discussion Paper p. 8) to explore this issue. However, the IPC also supports the Board Chair's position that the process be lean. (See Discussion Paper, pp. 9-10.) The funds generated by the gTLD auction process currently stand at almost 60 million dollars (US) and may ultimately be more, given the existing gTLD applications still in contention. This money provides an unprecedented opportunity to fund projects and resources of incalculable value to the DNS and the relevant stakeholder communities. Therefore, it is imperative that the process be absolutely streamlined to avoid unnecessary expenditures. Therefore, the IPC encourages ICANN and the Board to make use of volunteer and other unpaid efforts to mine data and feedback from the public to the greatest extent possible. Should Board involvement be required (see Discussion Paper, p. 11), such involvement should be limited to instances where Board action is required to implement the proposals and ideas gathered from stakeholders and the community.</p>	IPC	<p>Updated Discussion Paper to reflect support. Communicate input to DT tasked to develop a charter for CCWG.</p>
41.	<p>We appreciate the efforts to encourage broad participation in this matter and our comments areas follows: The choice of a Cross-Community Working Group to facilitate the discussion on auction proceeds is preferred for its participatory operation and representative character as evidenced through the work of the ICG and the CCWG Accountability. However, it may be cautioned that without careful planning, structuring and phasing the use of a CCWG can be an expensive and long drawn process contrary to the desired lean mechanism. Recommendations made herein are bearing in mind</p>	CCG	<p>Updated Discussion Paper to reflect support Communicate input to DT tasked to develop a charter for CCWG.</p>
42.	<p>Framework Development: <i>A thorough and detailed framework is without doubt essential. We appreciate the focus on developing a set of principles that should underpin any framework that is utilised. Considering the focus of the framework would involve considerable financial planning and management of the new gTLD auction proceeds, it is important to have clear, transparent and accountable financial oversight measures. At this stage</i></p>	CCG	<p>Updated relevant section to highlight need to consider accountability</p>

	<p><i>of discussions where the foundations of the framework is being developed it is imperative that the model adopted be grounded in strong principles of accountability.</i></p> <p>In this regard, there are many accountability guidelines that are useful for this purpose (see full comment for further details). The accountability discussions on CCWG-Accountability stream also hold relevance to this work stream.</p>		<p>aspects. Communicate input to DT tasked to develop a charter for CCWG as well as CCWG.</p>
<p>43.</p>	<p>Intelligence Gathering /Expert Involvement: <i>Currently the focus on intelligence gathering and expert involvement have been limited to inputs from ccTLD Registry Operators and other such organizations on dealing with surplus proceeds. While this is needed in understanding the landscape in which fund utilization takes place, it does not facilitate in creating robust framework for facilitating the discussion, and does not address the need for fiscal and legal expertise.</i></p> <p>2.1 Fiscal and Legal Expertise: <i>Keeping in mind the nature of the discussion it is important to consult with other international organizations and experienced actors on fiscal and legal aspects involved. Gathering information on applicable accountability and transparency frameworks as discussed earlier in this document should also be considered. This expert involvement would also be necessary for assessing the viability of the proposals of the CCWG.</i></p> <p><i>The Charter of the CCWG can call for the appointment of experts that the group may consult from time to time.</i></p> <p>2.2 Intelligence Gathering: <i>The charter of the CCWG may consider the appointment of relevant experts and task the CCWG with intelligence gathering on not only utilities for proceeds but also on methods to create a democratic, transparent and accountable framework to decide such utilization of auction proceeds.</i></p>	<p>CCG</p>	<p>Updated relevant section to reflect that fiscal and legal expertise may be needed, possibly in the form of a standing group of experts.</p>
<p>44.</p>	<p>ICANN Board Involvement: <i>In context of 53rd ICANN meeting in Buenos Aires and the subsequent discussion paper on new gTLDs Auction Proceeds, the issue of ICANN board involvement has attracted significant focus. Broadly, there are two questions raised about the nature of role and extent of involvement of the Board in relation to its participation in the development of Proposed Charter for a Cross-Community Working Group and its consideration, and subsequent acceptance, of the Charter as well as operation of CCWG.</i></p> <p><i>There are two independent but overlapping orbits of obligation that will determine the question of participation and consideration of CCWG, or any proposed task force, by ICANN board. The primary orbit of obligation is established by the legally enforceable fiduciary obligations under the applicable municipal and private international law. A secondary obligation maybe said to arise if the Board decides to design and subject itself to a selfregulatory set of rules in relation to development of proposed charter for a cross-community working group.</i></p>	<p>CCG</p>	<p>Communicate input to DT tasked to develop a charter for CCWG.</p>

	<i>Since the primary aim of the CCWG would be to channel funds from the auction proceeds to appropriate destinations, the framework developed may limit the role of the Board appropriately to the extent that that is jointly determined by the CCWG and the Board. This may include a pre-determined criteria against that shall be set out in the Charter. This criteria should be in accordance with the purposes set out in the new gTLD applicant guide book.</i>		
45.	<p>Conflict of Interest: <i>In addition to ICANN’s Conflict of Interest Policy and other corporate governance documents adopted¹⁰, the framework developed must factor additional safeguards to prevent conflict of interest issues arising in the work of the CCWG. The nature of a CCWG needs to be kept in mind and accordingly a clear code of conduct to avoid conflict of interest must be developed. See full comment for details on frameworks used by other global organisations.</i></p>	CCG	Updated relevant section to indicate that Col frameworks used by other organisations may serve as a starting point. Communicate input to DT tasked to develop a charter for CCWG as well as CCWG.
46.	<p>Participation: <i>As discussed in the broad preliminary comment supporting the CCWG Accountability and ICG model, we believe the similar model will enable participation from various communities and chartering organizations. This however must be supplemented with outreach efforts and linkages with other efforts. It may also be noted that the framework model developed and the subsequent proposals developed should keep in mind barriers to participation in the operation of such multistakeholder engagements.</i></p>	CCG	Communicate input to DT tasked to develop a charter for CCWG.
47.	<p>Outreach: <i>The framework developed must require the CCWG to compulsorily include methods for outreach, particularly for entities and persons that are unable to be part of the deliberations for various reasons which may be financial, geographical, or others. The inability to participate in the conversation on utilization of auction proceeds should not hinder the potential to receive aid from the proceeds or be represented in the dialogue.</i></p>	CCG	Updated next section to reflect that consideration should be given to how to ensure participation from those outside of the existing ICAN structures.
48.	<p>Linkage with other efforts: <i>As stated in earlier parts of this comment, there are various opportunities to link the work involved in this</i></p>	CCG	Updated relevant section to reflect

	<i>process with other efforts within ICANN. Lessons can be learnt from the working of the CCWG accountability and its measures. Additionally the work of the CCWG for framework of Cross-Community Working Group Principles is also important to the formation and operation of the proposed CCWG on new gTLD auction proceeds. The output and efforts of the CCWP on CSR and Human Rights in ICANN can also be considered in the development and operation of this CCWG.</i>		possible linkage with Working Party on CSR and HR as well as added footnote to next steps section to reflect link with CWG on CWGs.
49.	Implementation: <i>This implementation of the work of the CCWG will largely depend on the nature of the proposals developed. It would therefore be too early to define the scope of the CCWG with regards to implementation. It must be stressed that the development of the framework and charter of the CCWG should be separate from the substantive discussion on the utilization of the auction proceeds.</i>	CCG	Communicate input to DT tasked to develop a charter for CCWG.
50.	In our brief comments, we would like to focus our attention on the anticipated one-time nature of a plan for the new gTLD Auction Proceeds and caution ICANN against building an elaborate and complicated procedure for a process that will not necessarily be repeated. While numerous suggestions have been made on how the proceeds should be spent, the i2Coalition does not advocate any particular use of the funds; rather, our only concern is to stress the one-time nature of the adopted process and advise that it be simple and straightforward.	i2C	Updated new gTLD Program section to reflect one-time source nature.
51.	It is notable that the auctions were established as a mechanism of last resort to resolve string contention. Almost all string contentions – 90% in fact – were resolved through other means before reaching the auction conducted by Power Auctions LLC. While many suggestions were made since the launch of the new gTLD Program, it was not until March of this year that a discussion of a possible process for spending the auction proceeds even began. As ICANN asks for additional input before the drafting team is expected to develop a charter for a CCWG for consideration, we urge the community to retain steady dialogue with the ICANN Board as it seeks to authorize a plan for the appropriate use of funds.	i2C	Communicate input to DT tasked to develop a charter for CCWG as well as CCWG.
52.	The ICANN Board itself has noted that the process, if any, should be lean and cost-effective so as not to diminish funds. It is the view of the i2Coalition that a simple, lightweight process rather than a complex and expensive structure would best serve the current need.	i2C	Communicate input to DT tasked to develop a charter for CCWG.
53.	The i2Coalition appreciates the inclusive nature of the call for public comment and remains optimistic that a clear and simple process will be concluded for the benefit of all.	i2C	Noted.
54.	Neustar supports comments submitted by the DNA on the New gTLD Auction Proceeds Discussion Paper.	NE	Noted.
55.	Neustar agrees that it is important that the funds generated through the ICANN auction of last resort must be treated as an exceptional, one-time resource of revenue.	NE	Updated new gTLD Program section to

			reflect one-time source nature.
56.	The Domain Name Association (DNA) offers the following comments on the 1 New gTLD Auction Proceeds Discussion Paper. We strongly support a community-driven approach for determining how to apply excess fees generated through the ICANN New Generic Top Level Domain (new gTLD) auctions.	DNA	Updated Discussion Paper to reflect support.
Topic 3 – General suggestions for how auction proceeds should be spent and by whom eventually decision-making on use can be made			
57.	<p>Regarding Annex A Items:</p> <p>{Public Interest Projects that have a strong link to ICANN’s core functions. }</p> <p>{Support Public Interest Processes}</p> <p>{Donating funds to charitable organizations}</p> <p>- These are too vague to be actionable. However, the notion of an endowed fund that considers funding requests for projects in the public interest is a good one, whether the pitch is from a charity, an NGO or any other source. This should be an independent trust fund, legally separated from ICANN, with its own trustees. While \$60M is not an enormous endowment, if well managed it could fund many valuable projects over many years. Hopefully ICANN, or philanthropists, could inject more cash later.</p>	BEC	Communicate input to CCWG
58.	I agree with those that have commented before me that it may be wise to treat these proceeds as a one time opportunity to strengthen the operational stability, reliability, security, and global interoperability of the Internet. There is technical debt in many of these areas, and it is in the interest of the entire global internet community that there is a budget to identify and efficiently address issues.	ML	Updated new gTLD Program section to reflect one-time source nature. Communicate input to CCWG.
59.	ICANN's Articles of Incorporation mention that it in case of dissolution it would seek to distribute its assets (if possible), to a charitable organization "organized and operated exclusively to lessen the burdens of government and promote the global public interest in the operational stability of the Internet". For a surplus ICANN does not need, a similar destination seems logical.	ML	Communicate input to CCWG
60.	<p>Considerations on the Use of Auction Proceeds:</p> <p>Auction proceeds should be used to benefit new gTLDs because:</p> <ol style="list-style-type: none"> 1. Registrants expected that the funds in auction would be used in one or in a combination of methods. These methods may/may not be valid today: <p>- “Allocate funds to projects that are of interest to the greater Internet community such as grants to support new gTLD applications or registry operators from communities in subsequent gTLD rounds”</p>	CT	Communicate input to CCWG. Updated Discussion Paper to reflect support.

<p>o There were only three applicants in the first gTLD round that requested Applicant Support – only one passed all three criteria (ICANN. (2013, March 2). Applicant Support Program Update. Retrieved from https://newgtlds.icann.org/en/applicants/candidate-support/sarp-results-12mar13-en.pdf).</p> <p>- The creation of a registry continuity fund for the protection of registrants (ensuring that funds would be in place to support the operation of a gTLD registry until a successor could be found)</p> <p>o Each registry has calculated an EBERO amount with their application and provided a LOC</p> <p>- Reduction of application fees in future rounds o Without considering cost efficiencies from the first application round, the application fee should be reduced by \$26,950. This is due to the recovery of \$13,475,000 of development funds included in the \$185,000 application fee allocated over an expected volume of 500 (ICANN. (2009, October 2). Update to the Cost Considerations of the new gTLD Program. Retrieved from https://archive.icann.org/en/topics/new-gtlds/cost-considerations-04oct09-en.pdf).</p> <p>- Donations to charities and other organizations o ICANN’s mission is “to coordinate the global Internet’s systems of unique identifiers” and its core values do not include funding of charities, trusts, gifts or donations</p> <ol style="list-style-type: none"> 2. While other application fees that have been segregated into separate accounts and are to be considered separately, they should not be completely ignored as they could be used for example, to benefit applicants in a future round or be used if the Emergency Back-End Registry Operator (EBERO) funds are insufficient when a registry fails. 3. The more expedient funds are used to benefit current stakeholders may also reduce the funds needed for supporting failing gTLDs; thereby further benefiting ICANN and its stakeholders 4. Evaluation of how to utilize the auction proceeds should consider how the current new gTLDs are performing along with the related risks. Based on a very simplified analysis of just over 400 open and in general availability TLDs and extrapolating the volume annually with a price of 50% of retail (based on an average of multiple registrars), ignoring premium domain name revenues and including TLDs offering free names and/or heavily discounted registration prices results in the following: <ol style="list-style-type: none"> a. Quartile 1: Average daily registration volume of 258, yearly revenues of \$2.23m (if you eliminate the top 10 TLDs, revenue declines to \$1.2m; similarly, if you eliminate the top 25, revenue declines to \$805k) b. Quartile 2: Average daily registration volume of 27 and yearly revenues of \$236k c. Quartile 3: Average daily registration volume of 10 and yearly revenues of \$84k d. Quartile 4: Average daily registration volume of 4 and yearly revenues of \$67k (it is disproportionate due to the increased average price). e. Evaluation all of the TLDs are distributing them within four groups based on volume provides better insight than using average or median values 5. Applying minimized ‘barebones’ operational costs of \$250k (ignoring the cost efficiencies of portfolio TLD organizations) to the registration revenues results in over 75% of new gTLDs operating at a loss. Again, this 		
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	<p>is a very simplified calculation used to highlight the need for the funds to benefit the new gTLD program. Ignoring the current data and implications would not only be risky but also fiscally irresponsible.</p> <p>In conclusion, I am in support that the community determine the framework for how the CCWG should be developed and that the use of the new gTLD auction proceeds, both on hand and those received in the future, from the first round of new gTLDs, should be used to support gTLDs for the above mentioned reasons.</p>		
61.	<p>The funds generated through the ICANN auction must be treated as an exceptional, onetime source of revenue. Proposals for use of the new gTLD auction revenue should be self-sustaining.</p> <p>The goal of the new gTLD auctions was not to generate excess revenue; conversely, it was intended to be a mechanism of last resort for resolving new gTLD conventions. ICANN explicitly established that neither the costs of the new gTLD Program, nor any aspect of ICANN’s regular operations, should depend on funds generated through this process. As a result, the circumstances leading up to the generation of this excess revenue must be treated as an exceptional onetime circumstance. Moreover, proposals that contemplate supplementing auction revenue with other sources of ICANN funds, whether out of ICANN’s operating budget or from excess fees generated through the new gTLD application process, should be considered out of scope.</p>	DNA	Updated new gTLD Program section to reflect one-time source nature. Communicate input to CCWG.
62.	<p>Auction proceeds must be applied in a manner that directly supports and aligns with ICANN’s Mission and Core Values.</p> <p>We support the principles identified during the New gTLD Auction Proceeds Workshop during ICANN 53 and outlined in Section 3.2 of the discussion paper. Of these, we believe that it is of foremost importance that auction proceeds be used in a manner that directly supports ICANN’s mission and mandate to “coordinate, at the overall level, the global Internet’s systems of unique identifiers, and in particular to ensure the stable and secure operation of the Internet’s unique identifier systems.”</p>	DNA	Communicate input to CCWG
63.	<p>For the group allocating auction proceeds, the BC supports adherence to the following principles. The BC recommends that the body:</p> <ol style="list-style-type: none"> 1. be charged with determining how the money should be allocated 2. serve as a fully independent panel of evaluators 3. operate independent of ICANN, with such independence maintained through rigorous controls or structural means 4. understand that it and its members must be competent, knowledgeable, and of well-regarded reputation and above reproach 5. understand that ICANN’s continuing status as a nonprofit may be reliant on its independence 6. be composed of members with circumscribed interest in, or affiliation with, ICANN outside of this funds allocation group role 7. ensure members are paid for their time and/or expenses 	BC	Communicate input to CCWG

	<p>8. focus on the requirement that it be a single-purpose entity that strives to eliminate any actual or perceived conflicts of interest</p> <p>9. deliberate as to whether the ICANN Board should have any role in determining the allocation of the proceeds and management of the funds</p> <p>10. be composed of at least five, but no more than nine members</p>		
64.	Adequate transparency regarding the investment and disbursement of funds should be accomplished through regular public reporting, regardless of whether it is decided that the fund is preserved over multiple years as a source of project funding.	BC	Communicate input to CCWG
65.	RySG agrees with and supports the DNA’s position that “it is of foremost importance that auction proceeds be used in a manner that directly supports ICANN’s mission and mandate to ‘coordinate, at the overall level, the global Internet’s systems of unique identifiers, and in particular to ensure the stable and secure operation of the Internet’s unique identifier systems,” and that all use is consistent with ICANN’s Core Values.	RySG	Communicate input to CCWG
66.	We recommend generally that ICANN gTLD auction proceeds be invested in work that is widely agreed to be for the common good, but which it is currently difficult to fund.	W3C	Communicate input to CCWG
67.	<p>In particular, any working group on the use of auction proceeds should act with the following principles in mind.</p> <p>Auction proceeds should be allocated in accordance with ICANN’s Mission and Core Values and in a way that preserves ICANN’s nonprofit status. Specifically, the proposals should adhere to the Core Values mandate that ICANN focus its activities on “those matters within ICANN’s mission requiring or significantly benefiting from global coordination.”</p> <p>Auction proceeds should be used for discrete or selfsustaining projects. Proposals that contemplate supplementing auction revenue with other sources of ICANN funds should be considered out of scope. The most appropriate projects for support will be ones that are either discrete or self-sustaining: i.e., they will not require ongoing supplemental revenue in order to create impact.</p> <p>Any allocation mechanism should be broadly inclusive, lightweight, and clearly separated from ICANN’s day-to-day operations. Any allocation process must allow for input from across the Internet community and function separately from ICANN’s daytoday activities while maintaining minimal overhead. The creation of a new bureaucracy would undermine nimble decisionmaking and consume resources that could be dedicated to projects supporting ICANN’s mission.</p>	GO	Communicate input to CCWG
68.	The process for allocating auction proceeds will pose a test to the multistakeholder model and will require ICANN to carefully balance community interests. Adhering to the principles set forth above, including setting clear limits on which kinds of projects are eligible for support and developing an inclusive, community based	GO	Communicate input to CCWG

	process, will set the stage for ICANN to disburse auction funds in a way that furthers its mission. Google looks forward to collaborating with all stakeholders to address the challenge of effectively allocating these funds.		
69.	<p>1. Use of the Funds</p> <p>"ICANN's use of the [auction] funds should be spent in a beneficent way; such as supporting standardization, security hardening, and internationalization of the technology; accessibility, and closing the digital divide." – Tim Berners Lee, NETmundial (2014)</p> <p>I concur with Tim Berners Lee statement, above, at NETmundial. I also concur with the comments already submitted by Brian Carpenter.</p>	JP	Communicate input to CCWG
70.	Further, we agree that it is important that the auction proceeds be used in a manner that directly supports ICANN's mission and mandate "coordinate, at the overall level, the global Internet's systems of unique identifiers, and in particular to ensure the stable and secure operation of the Internet's unique identifier systems."	NE	Communicate input to CCWG
71.	As a constituency, the ISPCP supports the idea of a CWG to be created by the GNSO to deal with the new gTLD auction proceeds. We support the principles laid down in the Discussion Paper with regards to the process envisaged to address the topic. In anticipation of this CWG, the ISPCP seeks to preview a proposal we are developing in anticipation of this bottom-up process.	ISPCP	Communicate input to CCWG
72.	We know that many different interested parties are attempting to influence where these auction funds are going to be employed. No doubt there are many worthy causes out there, all of which could greatly benefit from this large cash windfall. However, we believe it is important for the use of these funds to be used only for a purpose directly linked to the needs of the global root within the changed TLD landscape. We should look at the effects of the new gTLD program, and use the proceeds in a manner that benefits the ecosystem as a whole, to aid the ecosystem in modernizing to deal with the modern domain root and TLD landscape.	ISPCP	Communicate input to CCWG
Topic 4 – Suggestions for auction proceeds specific uses			
73.	Create an independent non-profit agency to take care of registrants and promote internet security by funding it with an initial donation of \$2M and then, each year after, to fund it with a ratio of 1 cent / domain register.	BD	Updated Annex A
74.	<p>I would like to see more money spent on technical work that would make the Internet generally work better.</p> <p>Work in the areas of AQM (bufferbloat), IP/WIFI interaction (how to make wifi work better for IP networks) would be nice to continue. People like Dave Täht and Jim Gettys know who would benefit from getting funded.</p> <p>Work to make hardware get more free to put FOSS on, not less. Latest FCC initiative to lock down radio device firmware to assure regulative compliance isn't helping FOSS, it's harming it.</p>	MA	Updated Annex A

	Measurement, we need to understand how the Internet actually works and behaves, to be able to make it better. We need to measure BCP38 compliance (antispoofing) in order to get more eyes on the problem, which is the root of the DDoS problem we see increasing. Less spoofing means less reflection attacks. UDP is being destroyed by DDoS because of reflection attacks enabled by spoofing.		
75.	I would propose that ICANN become a Sector Member of the International Telecommunication Union and make a substantial voluntary contribution to the ITU's Development Sector, to favor the deployment of Internet in developing countries.	RH	Updated Annex A
76.	The Smithsonian Institution, should be given the \$60 Million; and more from ICANN; because: ICANN's New gTLD wealth is derived exclusively from a MONOPOLY. A monopoly granted in Washington, D.C., by the United States Department of Commerce, as managed through the National Telecommunications and Information Administration / NTIA, therefore the money should stay in Washington, D.C., where it can support an environment where the World's Youth may visit, to become inspired by Science & Technology. See ICANN's Creation document at the NTIA: http://www.ntia.doc.gov/other-publication/1998/memorandum-understanding-between-us-department-commerce-and-internet-corporat	GS	Updated Annex A
77.	Regarding Annex A items: {Unsuccessful auctionee compensation for expenses incurred during application {ICANN Auction Money Should go to a Charity of the Applicants Choice Comment: These are ludicrous suggestions. People bid for commercial reasons; their costs were a business expense and they said goodbye to their money when they submitted their bid or when they won an auction.	BEC	Communicate input to CCWG
78.	Regarding Annex A items: {Fund open source DNS projects and upgrade DNS libraries Comment: Open source projects of any kind relevant to Internet infrastructure would be good things to support. They would be public interest projects so fall under the first point.	BEC	Communicate input to CCWG
79.	Regarding Annex A items: {Marketing plan to increase new gTLD registrations {Allocate Funds to Promote New gTLDs ... Comment: Absolutely not, no way, never. Haven't we learnt from the last few years that we already have too many gTLDs for our own good?	BEC	Communicate input to CCWG
80.	Regarding Annex A items: {Subsidize future rounds of new gTLDs to expand the geographic diversity of the DNS {Funding Projects Addressing Issues related to Universal Acceptance of New gTLDs with focus on IDNs Comment: What subsidy is needed? As the very existence of this treasure trove shows, creating a new gTLD is actually cheap, otherwise ICANN wouldn't have \$60M to spare. Just put in place a policy that allows internationalised gTLDs to be approved without a bloodsucking auction, and you're done.	BEC	Communicate input to CCWG

81.	Regarding Annex A items: {Developing Public Education Programs on the New DNS Landscape Comment: Like, don't use any of the gTLDs that are 99% full of scams? If people need education, there is something very badly wrong with their browsers and search engines.	BEC	Communicate input to CCWG
82.	Regarding Annex A items: {Allocate Funds to Promote ... Consumer Protection Comment: Yes, although this should be a public interest project funded as above and executed by an NGO with some understanding of consumer protection issues.	BEC	Communicate input to CCWG
83.	Regarding Annex A items: {Reduce the Application Fee in Future Rounds Comment: That doesn't need funding, since the numbers show that the fee is ludicrously high and can simply be divided by ten.	BEC	Communicate input to CCWG
84.	Regarding Annex A items: {Combatting cyber-squatting, lower Rights Protection Mechanisms fees, or other RPM related activities. {Capacity Building and Outreach {Strengthening the Capacity of the Broad Community to Contribute to the SSR of the Internet [SSR = security, stability, and resiliency] {“Promote Internet Development Globally” by placing money in a trust (possibly overseen by {NETmundial Initiative) for Internet development efforts. Comment: These are way out of scope for ICANN itself. Again, if it's in the public interest, it should be done by an appropriate NGO, and funded as above. (NETMundial is a dead duck and should be quietly buried ASAP, of course.)	BEC	Communicate input to CCWG
85.	Regarding Annex A items: {Creating a Foundation to Inform the Global Public on Internet Governance Comment: Completely unnecessary and also out of scope for ICANN.	BEC	Communicate input to CCWG
86.	Regarding Annex A items: {Strengthening Participation of Stakeholders from Developing Countries Comment: Participation in what? If it means participation in ICANN, that should just be a normal ICANN budget line. If it means in other aspects of the Internet, it's yet another possible public interest project.	BEC	Communicate input to CCWG
87.	Regarding Annex A items: {Funding the Emergency Back-End Registry or the EBERO System Comment: I don't know much about that technically, but contributing funds to stable DNS operations at the root and TLD level, including registration, does seem like a good use of ICANN money.	BEC	Communicate input to CCWG
88.	I recommend funding some "Technical Debt" projects. Dave Taht's efforts on Bufferbloat in particular.	DCB	Updated Annex A

	For all such projects, I'd recommend suitable financial controls to keep from inadvertently funding never-ending tasks. Those kinds of tasks deserve a small number of individual, regularly-reviewed budgets.		Communicate input to CCWG
89.	"Promote Internet Development Globally" I support the Danny Aerts (.se) proposal that gTLD Auction Proceeds should go to "Promote Internet Development Globally" by placing money in a trust (possibly overseen by NETmundial Initiative) for Internet development efforts. I believe similar projects like Nominet, SIDN, ISIF, etc., are of value to the global Internet community and are an appropriate use of the funds.	JB	Communicate input to CCWG
90.	I'd like to suggest that you donate a sizable chunk of the proceedings to the IETF, for example, via a gift to the IETF Endowment (http://www.sustainietf.org/).	LE	Updated Annex A
91.	3.2.1 "Capacity Building and Overcoming Barriers in Developing Countries" I strongly support and advocate spending the proceeds towards capacity building in developing countries and overcoming barriers to participation in multistakeholder policy development processes. This has become even more important in the face of ICANN's post-transition role as the steward of IANA and the increased role of the community in ICANN accountability. The negligible active participation by developing country participants in the CWG-Stewardship and CCWG-Accountability is a real world reflection of the present barriers to participation in equal footing multistakeholder models.	GA	Updated Annex A
92.	The present fund should be allocated completely towards: 1) Supporting ICANN related research projects in policy research centers from developing countries. 2) Marketing gTLD opportunities in the business community of developing countries. 3) Increasing fellowships to students and budding researchers from developing countries. 4) Organising conferences in developing countries. 5) Introducing translations of existing documents into presently-excluded languages of developing countries (such as Urdu, Hindi, Tamil, Bengali etc) 6) Supporting academic institutions (business and law schools) in introducing curriculum and case studies on TLD opportunities	GA	Updated Annex A
93.	Potential uses of the new gTLD auction proceeds could include (1) continued work on Universal Acceptance of new gTLDs; (2) business and consumer education and awareness regarding new gTLDs and the Domain Name System; (3) work to support a healthy domain name ecosystem by funding industry-led best practices initiatives; (4) funding of research and development designed to increase adoption of domain names and the use of the domain name system.	DO	Updated Annex A
94.	In particular, some money should be set aside to support work done by W3C on areas of common interest. While	W3C	Updated Annex A

	<p>W3C's status as a non-governmental organization funded primarily by members ensures discipline in taking on work that has industry support, there are areas of its work which suffer from the fact that although there is agreement that they are common goods, it is difficult to get sufficient funding in our current model. For further information concerning W3C activities, see full comment.</p> <p>W3C's vision of the Web is as a public resource that encourages growth and competition, much like ICANN's vision.</p>		
95.	<p>We believe Open Standards development brings tremendous value to the Internet and the Web and should be a beneficiary of the proceeds of the gTLD auctions. We present the specific value W3C brings, what such funding would enable, and why it makes sense to allocate funding to continued Open Standards development.</p>	W3C	Updated Annex A
96.	<p>Potential uses of the new gTLD auction proceeds could include (1) continued work on universal acceptance of new gTLDs; (2) business and consumer education and awareness regarding new gTLDs and the Domain Name System; and (3) outreach and capacity building efforts to develop a broader and deeper pool of new, informed ICANN participants.</p> <p>The RySG suggest priority may be given to universal acceptance and new gTLD awareness building. Despite various efforts since the new gTLD program was created, awareness of new gTLDs in the general public remains very low. This is a serious hurdle on the road to fulfilling the new gTLD program's ambitions and goals, as set out in the applicant guidebook. Using the auction proceeds to help Internet users understand what new gTLDs are and prevent users from being confused by them can only help users reap maximum benefit from the new gTLDs. One of the driving forces behind the new gTLD program is to promote competition and choice, and these goals are only served to the extent that Internet users are aware of the choices and that new gTLDs actually work with all of the various proprietary systems in use today.</p>	RySG	Updated Annex A
97.	<p>Particularly, we recommend that the working group consider the following applications:</p> <ul style="list-style-type: none"> • Consumer awareness and education efforts on the introduction of new gTLDs and how domain names fit into the Internet landscape; • Studies to better understand how users engage with the Domain Name System, to inform future ICANN policy work; • Work related to the universal acceptance of new gTLDs, particularly IDN TLDs; and • Work to support a healthy domain name ecosystem by funding industry-led best practices initiatives on issues such malicious conduct and security. 	DNA	Updated Annex A
98.	<p>Google Inc. supports the comments made by the Domain Name Association addressing the allocation of auction revenue.</p>	GO	Noted.
99.	<p>In this context we concur with the DNA recommendation that the working group considers the following applications:</p>	NEU	Noted.

	<ul style="list-style-type: none"> - Consumer awareness and education efforts on the introduction of new gTLDs and how domain names fit into the Internet landscape; - Studies to better understand how users engage with the Domain Name System, to inform future ICANN policy work; - Work related to the universal acceptance of new gTLDs, particularly IDN TLDs; - Work to support a healthy domain name ecosystem by funding industry-led best practices initiatives on issues such as malicious conduct and security 		
100.	<p>3.2.2 Support for the DNA statement (see preceding comments) Asiamix Digital, the registry for .fans and .fan, supports the comment submitted by the Domain Name Association on November 6th.</p> <p>We believe that ICANN should provide full support, including, where appropriate, financial support, to the industry efforts on universal acceptance of new TLDs which is organically connected with universal awareness.</p> <p>We also believe that support for universal acceptance and universal awareness of new TLDs should be deemed part of the new TLD program, including for its subsequent rounds.</p>	AD	Noted.
101.	<p>One of ICANN's core missions is to preserve the security, stability and global interoperability of the Internet. Since the introduction of the new gTLDs, work has significantly escalated - as a requirement of the new gTLD program - on the following two issue areas, which served to undermine that key mission:</p> <ul style="list-style-type: none"> • Universal Acceptance of TLDs, including IDN and EAI issues • Name Collisions <p>To date, ICANN has funded multiple projects to try to address both issues. However, there are always lengthy conversations about ICANN's remit, and how many resources can be applied to issues such as these - especially when much of the work is 'outreach' work that extends beyond the ICANN community.</p> <p>In response to the New gTLD Auction Proceeds Discussion Paper, we seek to ask this group formulating the plan for how the auction proceeds will be applied to ensure that a process will be set up that would include the following idea, which we will preview for you here:</p> <p>Acknowledging that these auction proceeds are a one-time windfall that will not, and should not, be collected again in future rounds, we propose we take this moment to ensure that we have funds that will allow the ICANN community access to necessary funds to address current and future outreach needs as the global root continues to change and mature. We seek to propose a Global Technical Outreach Endowment.</p>	ISPCP	Updated Annex A

	<p>A Global Technical Outreach Endowment would fund outreach endeavors associated with issues surrounding the security and stability of the global root, with UA adoption and name collision outreach as primary examples. More examples may come as time goes on. The Endowment could be managed as a separate line item within the current ICANN budget process, or a new structure could be built to administer the funds. Normal operations could be funded by the dividends of the Endowment, but the Endowment could be drawn down as necessary during times of dramatic requirement, as determined by the fund administrators. Ultimately, this would be a clear source of funding for issues that are clearly tangential to, though essential to, ICANN’s core remit. Let’s set up a system that will allow for this submission, as we believe it to be the most responsible way to utilize these onetime auction proceeds.</p>		
102.	<p>The actual and future new GTLD' auction proceeds should be used to create a Foundation, which takes care of awareness, promotion and education of the Domain Name diversity and DNS in general.</p> <p>This entity should help local organizers in being able to organize regional Domain Conferences around the world and bring the awareness of all Domains, be it newGTLD's, ccTLDs or gTLD's to the public in general. There can be made sector specific events, for example the users of Domains, Journalists, educators. Marketing material for new GTLD opportunities in the business community could be prepared and used for anyone interested.</p> <p>This will be a self supporting mechanism, because awareness results in more registrations and therefor in more revenues in the future for everyone.</p> <p>This Foundation can invest in training the trainers and prepare the educational and promotional material for Domain Ambassadors, which participate in the Local and regional media and know what they talk about, when talking about Domains.</p> <p>The foundation can also promote new Domain ADD-ONS, which makes Domains a diversity, gives security, which would be easy to use and therefore allow new sectors as Domain registrants. Thinking in this case also of the use in the smart environments (smart cities, smart people, smart products) and the M2M markets of the future.</p> <p>A special case could be made in organizing events in developing countries or regions, but with the partnership of speakers and mentors from developed nations.</p> <p>The Foundation would also be supporting academic institutions, be it business or law schools, e-commerce</p>	DS	Update Annex A

	<p>masters, engineering schools, and can introduce case studies of new TLD opportunities.</p> <p>Maybe some part of the proceeds should go into the promotion through awards or/and funding of Start-ups which have their main subject in Domains as general.</p> <p>I would also point out, that the use of this funds should not be restricted only to newGTLD's but for all TLD's, because with the arrival of the newGTLD's existing TLD's and ccTLD's have to spend even more in there awareness programs, and IMHO we don't have to care which Extension a Domain registrant will use. Important is they register many of them !</p>		
Topic 5 – Other			
103.	<p>I agree with the sentiments recently expressed by Dr. Paul Vixie—see New top-level domains a money grab and a mistake: Paul Vixie (ZDnet, October 26, 2015)—that ICANN should serve the global public interest.</p> <p>The world is watching. How ICANN and the ICANN community decide to use the auction funds may be a key indicator whether ICANN is fit for internet governance, in the global public interest, without government oversight.</p>	JP	Communicate input to CCWG
104.	<p>IPC commented extensively on this issue during the development of the new gTLD program, and consistently opposed the use of auctions to allocate new gTLDs, in part because of the entirely foreseeable result that huge sums of auction proceeds would accrue to ICANN’s account. Now that this has occurred, the equally foreseeable push and pull over the disposition of these proceeds is likely to consume a great deal of the bandwidth and energy of ICANN participants that could otherwise be more directly devoted to fulfillment of ICANN’s mission (or to other equally valid pursuits unrelated to ICANN).</p>	IPC	Communicate input to DT tasked to develop a charter for CCWG.