

Issue: Proposed Final Report of the New gTLD Auction Proceeds Cross Community Working Group

Date statement submitted: **14 February 2020**

Reference url: <https://www.icann.org/public-comments/new-gtld-auction-proceeds-final-2019-12-23-en>

Background¹

This Public Comment proceeding seeks to obtain input on the proposed Final Report of the new gTLD Auction Proceeds Cross Community Working Group (CCWG). The CCWG is tasked with providing guidance on a framework to disburse the funds generated from auctions of last resort in 2012 application round of the new gTLD Program.

-> **the total auction proceeds as of 30 June 2019 are \$208 million.**

CCWG New Auction Proceeds proposed Final Report:

<https://www.icann.org/en/system/files/files/proposed-new-gtld-auction-proceeds-final-23dec19-en.pdf>

Previous RySG comments on the issue:

- RySG feedback on the CCWG Initial Report New gTLD Auction Proceeds (11 Dec 2018)
https://84e2b371-5c03-4c5c-8c68-63869282fa23.filesusr.com/ugd/ec8e4c_2b948c6ace5c41c3ac89d62061ac8655.pdf
- RySG feedback on New gTLD Auction Proceeds Discussion Paper (8 Nov 2015)
https://84e2b371-5c03-4c5c-8c68-63869282fa23.filesusr.com/ugd/ec8e4c_f7e5d3966fa1495ab9d80f976b417dd7.pdf

¹ *Background: intended to give a brief context for the comment and to highlight what is most relevant for RO's in the subject document – it is not a summary of the subject document.*

Registries Stakeholder Group (RySG) comment:

(note: comment submitted via google form)

Question #1 for Public Comment:

Do you support the CCWG's recommendation in relation to the preferred mechanism(s)? If no, please provide your rationale for why not.

RySG comment:

In our comments on the CCWG's Initial Report, the RySG did not express a preference for an individual mechanism, but rather offered some suggestions for the principles that the chosen mechanism should follow. We were encouraged to see that some of those recommendations were reflected in Recommendations #5 and #6 of the Final Report, which describe conflict of interest provisions and auditing requirements, respectively. At this point, the RySG still does not have a strong preference for the specific mechanism, and therefore does not oppose the CCWG's Recommendation #1.

Question #2 for Public Comment:

Do you have any concerns about the updates the CCWG has made in response to the public comment forum? If yes, please specify what changes concern you and why?

Changes that have been made to the report since the Public Comment period held on the Initial Report:

- Section 4.1: The descriptions of the mechanisms have been updated to focus on the elements that matter most to the CCWG's decision-making and to reflect additional input received from the ICANN Board and ICANN org. The proposed Final Report also reflects the CCWG's expected recommendation in relation to the mechanisms, based on an indicative poll conducted amongst the CCWG members and participants.
- Section 5.1: Response to charter question 1 and corresponding recommendations regarding selection of the mechanism(s) have been updated to reflect further deliberations in the CCWG since publication of the Initial Report.
- Section 5.1: Response to charter question 7 and corresponding recommendations and guidance for the implementation phase have been added regarding the establishment of an Independent Project Applications Evaluation Panel, regardless of the mechanism implemented.
- Section 5.2: Responses to charter questions 3, 5, and 10 now include discussion of considerations specific to mechanism C, in addition to mechanisms A and B. In the Initial Report, only considerations related to mechanisms A and B were provided in these responses, as these were the two most favored mechanisms at the time that the Initial Report was published.
- Section 5.2: Response to charter question 9 and corresponding recommendations have been updated to state that applicants and other parties should not have access to ICANN accountability mechanisms to challenge a decision from the Independent Project Applications Evaluation Panel to not approve an application.
- Section 5.3: Response to charter question 6 and corresponding guidance for the implementation phase has been updated to reflect that the CCWG discussed the possibility of using a "basket" approach to distributing funds and recommended further consideration of this approach during the implementation phase following input from the Board.
- Section 5.4: Response to charter question 11 and corresponding guidance for the implementation phase has been updated to reflect that the CCWG considered recommending the creation of two panels for the purposes of conducting reviews of the mechanism, but based on Board feedback, decided that the details about the review panel(s) should be established in the implementation phase.
- Annex C: Guideline #5 in Annex C has been updated to include input from the Board that auction proceeds should not be used to fund and supplement ICANN's operations, including existing or terminated programs, and should not be used for any applicant's ordinary operations.
- Annex D: Clarification has been provided that inclusion in this list not a guarantee of funding for projects that are designed to be identical or similar to examples included in Annex D.
- Annex E: New Annex: Glossary added.

RySG comment:

The RySG does not have concerns about the updates the CCWG has made. We appreciate the additional detail and information around each of the mechanisms in sections 4 and 5, and support the inclusion of the recommendation around establishing an Independent Project Applications Evaluation Panel. The latter accords with our earlier comments on the CCWG's Initial Reports.

Question #3 for Public Comment:

Is there any further information you think the CCWG should consider, that it hasn't considered previously, in order to finalize its report for submission to the Chartering Organizations?

RySG comment:

Regarding Recommendation #8, the RySG believes that the disbursement of auction proceeds should not exclude ICANN Org or its constituent parts as a potential beneficiary. There are a number of initiatives that ICANN Org or its constituent groups may wish to pursue that meet all of the stated criteria, and therefore should not be barred wholesale from submitting proposals.

Are there any other comments or issues you would like to raise pertaining to the proposed Final Report? If yes, please enter your comments here. If applicable, please specify the section or page number in the proposed Final Report to which your comments refer.

RySG comment:

The RySG would like to reiterate the following comment that it submitted in response to the CCWG's Initial Report:

"Lastly, we think that the CCWG should be implemented in such a way that permits continued and efficient allocation of funds that become available in the future. This would support ICANN's commitment to transparency and consistency."