

13 December 2017

Dear Becky and Maarten,

As the Board liaisons to the new gTLD Auction Proceeds Cross-Community Working Group (CCWG), we would hereby like to relay the following documents to you:

- Proposed preamble – the objective of which is to offer overarching guidance for the review and selection of projects to which auction proceeds from the ICANN new gTLD program may be allocated. (see Annex A)
- Proposed specific objectives of new gTLD Auction Proceeds fund allocation (see Annex B)
- Overview of proposed examples of projects that are considered consistent or not consistent with ICANN’s mission to serve as an illustration of the types of projects that might be funded by new gTLD auction proceeds and the types of projects that would not be considered eligible for funding. (see Annex C)

Although these documents have not been formally adopted by the CCWG, we are fairly confident that these adequately represent the views of most of the CCWG members and participants at this point in time. However, before formally considering these for inclusion in the CCWG’s Initial Report, we would appreciate the Board’s input on these documents as the CCWG is keen to identify at an early stage whether there are any major discrepancies between the Board and CCWG’s perspectives, and/or whether any legal and/or fiduciary requirements are not met as a result of the direction that the CCWG is planning on taking. Of course, as a result of the ongoing deliberations, further additions and/or updates may need to be made at a later stage in time, but noting the timeline for the CCWG’s deliberations we are of the view that now is a timely moment to request the Board’s input on these documents.

We look forward to receiving your feedback. The CCWG hopes to be able to publish its Initial Report shortly after ICANN61 so your timely input would be appreciated. Of course, should you have any questions, please feel free to reach out to us. We will also share this message as an ‘FYI’ with the chairs of the chartering organizations of the CCWG.

On behalf of the new gTLD Auction Proceeds CCWG

Erika Mann & Ching Chiao
Co-Chairs

Annex A – Proposed Preamble

The purpose of this preamble is to offer overarching guidance for the review and selection of projects to which auction proceeds from the ICANN new gTLD program¹ may be allocated.

Funded projects are required to be in alignment with ICANN’s mission statement² and core principles, which are the basis for ICANN's U.S. tax-exempt status, and therefore must be in areas that are relevant to and support ICANN’s mission statement and core principles. ICANN's Mission Statement will therefore set the key parameters for the auction proceeds application and selection process. Members and participants of the Cross Community Working Group Auction Proceeds (CCWG AP) believe nevertheless that it is helpful to put the broader Internet context into consideration.

The auction proceeds from the new gTLD program shall be used to support projects that are consistent with an “open and interoperable Internet³”. The concept of “open and interoperable Internet” can be described from many angles: technological, business, political, social and cultural and may have different meanings in different communities. This preamble does not provide a definitive description, as the Internet continues to evolve at every level.

However, the CCWG believes that, at a technical level, the IP routing and numbering systems, the Domain Name System, the root server system, as well as the development of open standards, have historically served an open and interoperable Internet because of the opportunities they have provided to participate, innovate and compete without impediments.

Therefore, the CCWG considers the following to be important guidelines for the review and selection of applications seeking auction proceeds funding:

- The purpose of an application must be aligned with ICANN's mission and core principles
- Consistent with ICANN's community activities and consensus-building processes⁴
- Create social and economic values for an “open and interoperable Internet” that will create benefits for the Internet community.
- Support an Internet that is stable, scalable, agile, secure, sustainable and ultimately equitably supports open access, future oriented developments, innovation and open standards, for the benefit of the Internet community.

¹ The new generic top level domain (gTLD) Program established auctions as a mechanism of last resort to resolve the competition sets between identical or similar terms (strings) for new gTLDs – known as string contention. Most string contentions (approximately 90% of sets scheduled for auction) have been resolved through other means before reaching an auction conducted using ICANN's authorized auction service provider. Any reference in this document to auction proceeds refers to the proceeds derived from auctions conducted using ICANN’s authorized auction service provider.

² “The mission of the Internet Corporation for Assigned Names and Numbers (“ICANN”) is to ensure the stable and secure operation of the Internet's unique identifier systems as described in this [Section 1.1\(a\)](#) (the “Mission”).”
<https://www.icann.org/resources/pages/governance/bylaws-en/#article1>

³ The use of this terminology does not imply any support to any other standing use of this terminology.

⁴ Note, ICANN’s community activities and consensus-building processes that are already funded by ICANN’s operating budget are not considered within scope for auction proceeds fund allocation.

Annex B – Proposed Objectives

Specific objectives of new gTLD Auction Proceeds fund allocation are:

- Benefit the development, distribution, evolution and structures/projects that support the Internet's unique identifier systems;
- Benefit capacity building and underserved populations, and;
- Benefit the open and interoperable Internet (see also preamble).

New gTLD Auction Proceeds are expected to be allocated in a manner consistent with ICANN's mission.

Annex C - Overview of proposed examples of projects that are considered consistent or not consistent with ICANN's mission

Example Project		Draft CCWG Conclusion
1	A coalition of organizations working on remote participation tools and content receive a long-term grant to support localization efforts for 7 local languages not covered under the existing ICANN's framework (Bahasa, Tagalog, Dutch, Hindi, Japanese, Malay, Urdu). This encourages local and national conversations that feed into the regional and global processes. (As an example of potential impact/benefit of this project: 45 leaders from more diverse backgrounds and expertise feel empowered to participate.)	The CCWG considers this type of project consistent with ICANN's mission as it enables participation in ICANN's MSM of communities that are not served by existing participation tools.
2	The Oxford Internet Institute receives a grant to design, implement and cover the cost of business development targeted to gTLDs administrators in developing countries to improve their management and operations. (As an example of potential impact/benefit of this project: The Institute produces a report and analysis useful for others not directly benefiting from the mentoring / courses).	The CCWG considers this type of project consistent with ICANN's mission as it can be considered in service of the mission, promoting stability and resiliency, but does not consider it a priority for fund allocation.
3	The development of capacity building, education and qualification-related programmes specifically targeting under-served populations in developing countries, that: * include primary school programmes about the internet and internet security issues, as well as about the DNS system and its related functions, that will develop an early understanding of the need for such knowledge	The CCWG considers this type of project consistent with ICANN's mission as it can be considered in service of the ICANN mission, as long as the focus is on topics that are considered consistent with ICANN's mission.

	<ul style="list-style-type: none"> * incorporate specific internet and DNS training and development subjects into secondary school qualification programmes to encourage students to enter this area as a career * build business and technical capacity for locally trained and qualified registrars and other appropriate personnel * build general community understanding about the development of the internet and its required security, and the DNS and its related functions, and therefore are in local languages wherever possible * and that these programmes, while requiring the consultation of technical experts, are developed by educational and training specialists from developing countries; and are coordinated within ICANN Learn or within an external organisation set up for this purpose 	
4	<p>25 women and 25 men from around the world receive full scholarships at 12 different universities to conduct PhD studies on key technical issues around Internet infrastructure development. (As an example of potential impact/benefit of this project: They participate at ICANN meetings during the course of their studies and volunteer to spread their knowledge across the community. Their research is shared with the community. 3 of them are elected for the ICANN board 10 years later, and 5 of them get to serve at high ranking posts across the government and the private sector. They all support ICANN's growth and development and continue to actively contribute to the community.</p>	<p>The CCWG considers this type of project consistent with ICANN's mission as it can be considered in service of the ICANN mission, as long as the focus is on topics that are considered consistent with ICANN's mission.</p>
5	<p>Small and medium enterprises owned or led by women and youth, indigenous and other excluded communities can be effectively enabled to participate in the global economic community by "demand aggregators" and "supply aggregators" and other "economic-connectors".</p>	<p>Although a noble cause, the CCWG does not consider this type of project consistent with ICANN's mission.</p>

	<p>Examples are Siam Organic https://www.asiaforgood.com/siam-organic and Cambodian - Color Silk http://colorsilkcommunity.wixsite.com/colorsilk-cambodia/color-silk-enterprise</p>	
6	<p>A collection of datasets from the new gTLDs is reviewed and analysed and data visualizations and maps help to understand market growth. (As an example of potential impact/benefit of this project: Combined data sets from other Internet measurements tools are discussed at policy sessions to support infrastructure development.</p>	<p>The CCWG considers this type of project consistent with ICANN's mission as it can be considered in service of the ICANN mission</p>
7	<p>A global program to support disaster preparedness/management for Internet infrastructure organizations is structured with support from international organizations, following best practices and encouraging collaboration among the community. (As an example of potential impact/benefit of this project: A disaster hits 3 African nations. The ccTLD, ISPs, and other technical community organizations in the country have mechanisms in place to manage the disaster. They are well coordinated and able to have the Internet up and running very quickly to support first responders to do their work. There are funds available to provide assistance to technical community organizations (not eligible under humanitarian provisions) to receive generators, chargers, equipment and assistance to keep the Internet running.</p>	<p>The CCWG considers this type of project consistent with ICANN's mission as long as support is focused on services directly related to IP/DNS operations.</p>
8	<p>The IETF endowment fund receives a donation (unrestricted gift) to support standards development</p>	<p>The CCWG considers this type of project consistent with ICANN's mission as it is in direct support of the Internet's unique identifier systems.</p>
9	<p>ISC to receive a donation from the auction pool (unrestricted gift) to support BIND development and maintenance. Although ISC conducts commercial activities to guarantee the development of BIND, the</p>	<p>The CCWG considers this type of project consistent with ICANN's mission.</p>

	organization is a non-profit one, and revenue is used for sustainability of BIND.	
10	5 year grants to support the development of NGOs and Internet Governance forums in 100 locations at local, national, regional and global level increases participation at ICANN processes by 35%.	The CCWG considers this type of project consistent with ICANN's mission.
11	Projects that can improve ease of registration of generic domain names in developing countries, (registration in their own language, payment in local currency, for example) in view of the scarcity of local ICANN accredited registrars in many of these nations.	The CCWG considers this type of project consistent with ICANN's mission.
12	Internet Exchange Points (IXPs) can make a crucial difference in strengthening a city or country's Internet along with the potential to improve performance and decrease costs. And with a low cost:benefit ratio. At least in Africa, and probably other parts of the developing world, IXP are view by the local RIR as a critical part of building the region's capacity.	The CCWG considers this type of project consistent with ICANN's mission.
13	Support work done by W3C on areas of common interest. Horizontal activities are broadly recognized as an important part of the value of W3C. The following endeavors could be undertaken with more means: <ul style="list-style-type: none"> ● enhanced Web security and privacy (in conjunction with IETF), ● work on handling Web related IDN and Universal acceptance issues, ● more guidelines and tools for Web and Internet users, ● better education programs on Open Web Standards, ● more open APIs for mobile apps and social network platform to ensure a strong hyperlink paradigm, 	The CCWG considers this type of project consistent with ICANN's mission.

	<ul style="list-style-type: none"> • more involvement in Open standard advocacy, and in solving IPR issues, • more resources for testing Web standards - critical to providing an open environment 	
14	<p>Global DNS Root Service: Operations</p> <ul style="list-style-type: none"> • The operation of global DNS root service needs sustainable funding. Access to funding should be developed such that it preserves the autonomy and independence of the root server operator organizations in architecting and delivering the service with adherence to standards and service expectations. 	The CCWG considers this type of project consistent with ICANN's mission.
15	<p>Global DNS Root Service: Emergency Fund</p> <ul style="list-style-type: none"> • The exponential growth of the Internet and proliferation of complex attack vectors call for access to emergency funding should the need arise. 	The CCWG considers this type of project consistent with ICANN's mission.
16	<p>Global DNS Root Service: Research and Development</p> <ul style="list-style-type: none"> • As with all technologies, DNS technology will experience an evolution over time. Technology advancement should be funded for research, development, and testing. 	The CCWG considers this type of project consistent with ICANN's mission.
17	<p>ICANN Scholarship endowment fund</p> <ul style="list-style-type: none"> • For example, X amount of the AP fund allocated to this fund and the incurred interest to support 100 DNS / IP engineers under 30 years old. These people will propose research topics and approved by an ICANN-sponsored academic committee. The research result will be shared publicly. 	The CCWG considers this type of project consistent with ICANN's mission.
18	<p>Investment in long term sustainability of the DNS</p> <p>Ensure long-term usability and sustainability of DNS across the globe and various existing and future networks (i.e. IoT, blockchain, inter-planetary network, etc.)</p>	The CCWG considers this type of project consistent with ICANN's mission.

Examples to be further considered by CCWG – certain parts may be consistent while others may not.

<p>(Previously #12)</p>	<p>Projects that alert Internet users (particularly in developing countries) of the availability of generic TLDs that can equip them with a <u>unique</u> online identity, not a "co-branded" identity such as FB or Instagram (for example) provide. This may be of particular interest to small and medium businesses or farms, and entrepreneurs.</p>	<p>Although a noble cause, the CCWG does not consider this type of project consistent with ICANN’s mission.</p> <p>Notes from 16 November 2017 meeting:</p> <ul style="list-style-type: none"> ▪ unclear whether this is within the mission or not ▪ we should not be too narrow in our understanding of the mission statement ▪ inappropriate use of the funds, smells too much like marketing ▪ Marketing new gTLDs is up to the new gTLDs, this would be outside of our scope. ▪ ICANN engaging in marketing, would be negatively viewed. A legal investigation is needed, whether this is within scope. Are we violating ICANN’s integrity? ▪ No support to promote branding, but awareness raising regarding names is important. Information sharing as such would be fine. ▪ The AGB used it as an example for the use of those funds, so why would it not be within ICANN’s mission? “grants to support new gTLD applications” is contained in the Applicant Guidebook as a potential use of auction proceeds -- again let's not look at the specific merits of an example, but whether the category might be ok
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