

Questions / Approach for addressing input received on Charter Question #3 / Guidance for the Implementation Phase in relation to charter question #3

OVERARCHING QUESTION:

As a result of the input provided during the public comment period, should the CCWG reconsider its recommendation that:

Guidance for the Implementation Phase in relation to charter question #3: Due concern needs to be given to ensuring that the required safeguards are in place as outlined in response to this question. Should mechanism B be selected, the additional safeguards outlined in the response to this charter question need to be factored in.

If yes, why?

If no, why not?

If it is not possible to make this determination at this stage, what input, or information would be necessary to make this determination?

Comment #1 (ICANN Board)	
Suggestion from Commenter	CCWG to consider inclusion of Board’s language from previous CCWG meetings and its letter of 5 Oct 2018.
Leadership recommendation	Accept
CCWG Team discussion / agreement	

Comment #2 (ISPCP)	
Suggestion from Commenter	CCWG to consider if sufficient care has been taken to ensure adequate oversight is in place and ensure that ICANN’s reputation is not put at risk by requiring very thorough due diligence to be performed.
Leadership recommendation	<ul style="list-style-type: none"> • Check: add ‘reputational risk’ to our checklist as an important factor in designing the final mechanism
CCWG Team discussion / agreement	

Response to Charter Question #3/ Guidance for the Implementation Phase in relation to charter question #3

#	Comment	Contributor	Type of change suggested by commenter / Possible action and/or question for CCWG	CCWG Response / Action Taken
<p>Section Summary:</p> <p><u>Charter Question #3</u>: What safeguards are to be put in place to ensure that the creation of the framework, as well as its execution and operation, respect the legal and fiduciary constraints that have been outlined in this memo?</p> <p><u>Guidance for the Implementation Phase in relation to charter question #3</u>: Due concern needs to be given to ensuring that the required safeguards are in place as outlined in response to this question. Should mechanism B be selected, the additional safeguards outlined in the response to this charter question need to be factored in.</p> <p>Overview of Comments: Responses express support for the listing of safeguard considerations and suggest additional points to consider as the list of safeguards is refined.</p>				
1.	<p><u>Charter Question #3 and related implementation guidance</u></p> <p>The Board welcomes the listing of safeguard considerations and also recommends the inclusion of the Board’s language from previous CCWG meetings and its letter of 5 October 2018 as an important step in the Board’s fiduciary duties:</p> <p><i>“As previously communicated, the Board will not be taking decisions on individual applications but will instead focus its consideration of the slate on whether the rules of the process were followed by the independent panel.”</i></p> <p>See full comment: https://mm.icann.org/pipermail/comments-new-gtld-auction-proceeds-initial-08oct18/2018q4/000024.html</p>	ICANN Board	<p>CCWG to consider inclusion of Board’s language from previous CCWG meetings and its letter of 5 Oct 2018.</p> <p><u>Leadership recommendation</u></p> <p>-Accept</p>	<p>Concerns</p> <p>CCWG Response:</p> <p>Action Taken:</p> <p>[COMPLETED / NOT COMPLETED] – [Instruction of what was done.]</p>
2.	<p>We note that mechanisms A and B are being focused on by the Cross-Community Working Group on Auction Proceeds (CCWG-AP) as preferred options for the operational organization that will undertake management of the Auction Proceeds initiative.</p>	ISPCP	<p>CCWG to consider if sufficient care has been taken to ensure adequate oversight is in place and ensure that ICANN’s reputation is not put at risk by</p>	<p>Concerns</p> <p>CCWG Response:</p> <p>Action Taken:</p>

<p>Whichever is selected, we would recommend the following be taken into account:</p> <ul style="list-style-type: none"> • Extreme care should be taken to ensure adequate oversight is in place, and to ensure that ICANN's fiduciary, tax and legal status are preserved. • The implementation of the program and subsequent disbursement of funds is conducted in such a manner that ICANN's reputation is not put at risk. This would require very thorough due diligence to be performed on all recipients of auction funds. <p>See full comment: https://mm.icann.org/pipermail/comments-new-gtld-auction-proceeds-initial-08oct18/2018q4/000029.html</p>		<p>requiring very thorough due diligence to be performed.</p> <p><u>Leadership recommendation</u></p> <p>-Check: add 'reputational risk' to our checklist as an important factor in designing the final mechanism.</p>	<p>[COMPLETED / NOT COMPLETED] – [Instruction of what was done.]</p>
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