14 February 2020

RE: ICANN Board input on the Public Comment Period on the Proposed Final Report of the Cross-Community Working Group on New gTLD Auction Proceeds (CCWG-AP)

The ICANN Board welcomes the Proposed Final Report of the Cross-Community Working Group on the New gTLD Auction Process and congratulates and commends the members and participants in this group, alongside the Co-Chairs Erika Mann and Ching Chiao, on their efforts to reach these final stages of its work.

The Board appreciates the continued collaborative approach adopted throughout the CCWG's work. In the spirit of this collaboration, the Board welcomes the opportunity to participate again in this second round of Public Comment and offers the below input in response.

As with the previous Public Comment submission, this review is not exhaustive, but is intended to provide some key considerations from the Board for the CCWG's review. As the Board Liaisons to the CCWG-AP, we will of course be available to expand on any of these items during upcoming CCWG-AP meetings, if considered useful by the group and its Co-Chairs.

Best wishes,

Sarah Deutsch, & Danko Jevtović
Board Liaisons to CCWG-AP

_____

ICANN BOARD SUBMISSION TO PUBLIC COMMENT PERIOD ON PROPOSED FINAL REPORT ON THE CROSS-COMMUNITY WORKING GROUP ON NEW GTLD AUCTION PROCEEDS (CCWG-AP)

The ICANN Board is not providing inputs on all parts of the CCWG-AP's Proposed Final Report.

CCWG-AP MECHANISM RECOMMENDATIONS

The ICANN Board will not be indicating a mechanism preference at this stage; however, it welcomes the CCWG-AP's approach to provide the Board with two mechanism recommendations for consideration. Upon receipt, the Board will review the recommendations in line with the Board Principles and will rely upon ICANN Org in appropriate collaboration with the implementation shepherds from the CCWG-AP on the details needed to work to provide feasibility information and other implications for both mechanisms. This will be provided to the ICANN Board so that it can carefully consider and make an informed decision upon the eventual mechanism.

BOARD PRINCIPLES AND CORRESPONDENCE

The ICANN Board is appreciative of the inclusion of the Principles set out in the Board's correspondence of 30 May 2018 in the Proposed Final Report and the formal correspondence list in Section 4.6. The Board is supportive of the CCWG's direction that this input will be "*provided to the implementation team to ensure they are familiar with this input and the Board's guidance on a number of aspects*."

The Board notes that this will be of particular importance for those items on which the Board provided input that the CCWG-AP decided to defer to the implementation team for consideration.

The Board appreciates that some of these items are called out in footnotes for the implementation team, including the following pieces of Board input:

◉ In relation to "**Basketing of Goals**" the CCWG outlined in a footnote (Page 30 & 31 of the Proposed Final Report) for the implementation team to review the following Board input:

> "*The CCWG requested the Board's input on "whether it would be beneficial to recommend that auction proceeds are divided into segments and distributed to grant recipients in a series of "baskets," each "with a different programmatic focus" and if the Board sees any risks or has suggestions related to this approach. The Board believes that the concept of "basketing" should be deferred. While "basketing" could be worthwhile as a tool to achieve specific goals and objectives that appear to be*

underrepresented within the program, this should be considered in a review of the program, rather than as a limiting factor upon the first launch of applications. Seeing the initial range of applications and interest that comes in without the limitations of basketing will help identify and refine communications and outreach needs for future tranches. The Board also reiterates its recommendation, contained in its submission to the Draft Report Public Comment Period, that the CCWG continue to refine the Goal and Objectives in relation to ICANN's Mission."

⊙ In relation to Annex C Guidance for Proposal Review and Selection (Page 43 of the Proposed Final Report) the CCWG included a footnote with the following Board input. This will also need to be reviewed by the Implementation Team:

"The Board previously expressed its view that auction proceeds should not be used to fund and supplement ICANN's operations, including existing or terminated programs. Closely related, the Board feels that auction proceeds should not be used for any applicant's ordinary operations and that a project, that is within ICANN's mission, funded by auction proceeds that is intended to continue to operate into the future should be able to demonstrate that the program will be self-sustaining in the out years. So, for example, if an organization applies for funding to create a new program, the applicant should demonstrate that it will not be dependent future receipt of additional auction proceeds in order to maintain continued operations of the program."

CCWG RECOMMENDATION #13 ON REVIEWS

The ICANN Board welcomes this updated recommendation reflecting the Board's previous input provided on 29 September 2019, following requests from the CCWG-AP. The Board encourages the CCWG to further highlight the annual reviews as a lean "check-in" on the process. The Board expects the eventual processes to support all Board principles, in particular those related to "Board Due Diligence," "Preservation of Resources and Use of Existing Expertise," "Evidence-Based Processes and Procedures for Evaluation," "ICANN Monitoring and Evaluation," "Accountability," and "Transparency."

In addition, the Board notes the existing use of the term "Reviews" in ICANN nomenclature and encourages the CCWG-AP to consider alternative expressions for these processes, if possible. Alternatively, the CCWG may wish to add additional clarification that these are not part of ICANN's Organizational and Specific Reviews processes.

In this vein, it may also be useful for the CCWG-AP to consider adding guidance to the implementation team that any review processes for the Auction Proceeds work need to be cognizant of existing community deadlines, workloads, and the on-going Reviews cycles currently in process.