Questions / Approach for addressing input received on Public Comment Question #1

<u>Question #3 for Public Comment</u>: 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?

OVERARCHING QUESTION:

As a result of input provided during the public comment period, are there any additional edits to the report that are necessary as a result of the below comments?

If yes, why?
If no, why not?

Comment #1 – Sylvia Cadena (APNIC Foundation)	
Suggestion from Commenter	I believe the discussions from the CCWG were comprehensive and provided clear guidance for the implementation of the selected mechanism. It is really important that during the implementation, this report, the deliberations of the CCWG and its recommendations are followed and the implementation team/process does not modify the objectives and follows all guidelines and recommendations.
Leadership recommendation	- No additional action needed.
CCWG discussion / agreement	

Comment #2 - RySG	
Suggestion from Commenter	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.
Leadership recommendation	- CCWG to review recommendation 8 text to ensure it is clear.
CCWG discussion / agreement	

Comment #3 - BC	
Suggestion from Commenter	Whichever mechanism is chosen, **ICANN Org should ensure that the mechanism is maintained so it can be re-activated if and when additional proceeds need to be allocated**.
Leadership recommendation	- The CCWG's scope is limited to this auction proceeds from the 2012 application round. - The letter to the Chartering Organizations/Board accompanying the Report can include the BC's input.
CCWG discussion / agreement	

Comment #4 - RrSG	
Suggestion from Commenter	The Registrar Stakeholder Group (RrSG) is pleased to comment on the Proposed Final Report of the new gTLD Auction Proceeds Cross Community Working Group. However, the RrSG notes that the changes between the initial report and **the proposed final report do not incorporate the feedback the RrSG provided in December 2018. The comments from the RrSG provided at that time still apply**.

The RrSG would like to reiterate its remarks from its previous comment:

The RrSG generally supports CCWG Recommendation #2, but with the qualifiers addressed below regarding CCWG Recommendation #8. The RrSG supports CCWG Recommendations # 3, 4, 6, 9, and 10.

Community Involvement

The role of the community in the disposition of new gTLD proceeds is only implied in this document and is a significant missing element. We strongly believe that a representative group from the ICANN community should be the group responsible for reviewing and approving grants under this program and should also play a significant role in the follow-up review of the program.

Further, the role of ICANN Org in any of the approaches should be limited to oversight of the grant-making process in order to ensure compliance with laws and with ICANN's mission.

Our view on which of mechanisms A-C should be employed is fully informed by the above belief and our comments below, preferring mechanism AC should be read in that light. Mechanism A could be structured to accommodate the appropriate role of the community, but it would create more risk of ICANN Org controlling, rather than overseeing, the process.

CCWG Recommendation #5

While the CCWG has not yet come to agreement on whether ICANN Org or a constituent part thereof should be a beneficiary of some of the auction proceeds, the RrSG strongly discourages the CCWG from allowing use of any auction proceeds for ICANN Org or a constituent part thereof.

CCWG Recommendation #8

While we understand and support the notion of capacity building and supporting underserved populations, we do not feel it is appropriate for ICANN Org or a constituent part to make determinations regarding which underserved populations are in need, or where they think

| | capacity building is needed. Rather, representatives of underserved populations should approach the ICANN Foundation regarding a request for funds and/or the need for capacity building.

Need for the CCWG to ensure the role of the community

We view the CCWG charter as necessarily dealing with who should be reviewing grants and who should be choosing which projects to fund. As noted above, this is implied, but not express, in the initial report.

We feel strongly that this should be the ICANN community.

This is a significant omission in the initial report. We believe this should either be made clear in a subsequent draft or, if there is not clarity on this point, then the existing CCWG should reconstitute for a brief period, we suggest no less than three and no more than six months, to settle this matter. It is the most important element of the whole project in our view. |
|---|---|
| **Leadership recommendation** | - The CCWG held extensive discussions on these points. The leadership team recommends that the CCWG does not re-open these issues.
- The report specifies that ICANN community members are not excluded from participation in the Independent Project Applications Evaluation Panel as experts provided that they do not have a conflict of interest. |
| **CCWG discussion / agreement** | |

Comment #5 - IPC	
Suggestion from Commenter	The IPC notes that on page 12 of the Proposed Final Report, the CCWG has referred to an expectation that the ICANN Board may conduct a feasibility study which will provide further detail comparing the Mechanisms. **In this regard, the IPC believes that the CCWG Auction Proceeds should either (a) obtain authorization to conduct the feasibility study itself with active participation from CCWG members or (b) elevate this idea to the level of Implementation Guidance since the feasibility study would provide cost information regarding each of the Mechanisms, and especially the projected cost and availability of administrative services from Mechanism B expert non-profit organizations.** The IPC understands that this information was not developed by the CCWG during its deliberations. The IPC also notes from page 17 of the report, third paragraph of Section 4.7, that only 14 of the 23 members appointed by the Chartering Organizations participated in the poll designed to express a preference for one of the Mechanisms. If more cost and feasibility information were available,

	voting members would be in a better position to indicate a preference before the Report is finalized. In this regard, the IPC recommends that the feasibility study be conducted with deliverables that take specific note of industry best practices in grant-making. This general principle is contemplated by the "Guidance for the Implementation Phase" on page 7 of the Proposed Final Report and should be a specific deliverable in connection with the recommended feasibility study.
Leadership recommendation	- The leadership team suggests a modification of the IPC proposal: The Report should suggest that the Board conduct a feasibility study/assessment before the Implementation Team is launched.
CCWG discussion / agreement	

Comment #6 – ICANN Board	
Suggestion from Commenter	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.
Leadership recommendation	- Ensure that recommendations embedded in Annexes are sufficiently clear that they will be understood as guidelines or quasi-guidelines for the Implementation Team.

	- Include the Board principles in such a "lean" annual review: ""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."" - Check that language used for review and evaluation processes is clear.
CCWG discussion / agreement	

Comment #7 - NCSG	
Suggestion from Commenter	There needs to be representation diversity in decision making involved with the appointment of an existing organisation as in Mechanism C or Mechanism B.
Leadership recommendation	- This comment appears to be beyond the scope of the CCWG's scope of work.
CCWG discussion / agreement	

Comment #8 - Jimmy	
Suggestion from Commenter	Without competition, there's no alternative I can turn to to register my .com domain.
Leadership recommendation	- These comments appear to be out of scope as they do not specifically relate to the recommendations in the proposed Final Report. No additional action needed.
CCWG discussion / agreement	

Question #3 for Public Comment

#	Comment	Contributor	Type of change suggested by commenter / Possible action and/or question for CCWG	CCWG Response / Action Taken
Section Summary: 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? Overview of Comments: Comments provided additional suggestions regarding: • Disbursement of auction proceeds to ICANN Org or its constituent parts • Future "re-activation" of the mechanism if and when additional proceeds need to be allocated • Potential feasibility study for the different mechanisms • Clarification of text regarding review of the mechanism • Considerations for choosing a partner organization, if the selected mechanism foresees selecting such a partner organization				
1.	I believe the discussions from the CCWG were comprehensive and provided clear guidance for the implementation of the selected mechanism. It is really important that during the implementation, this report, the deliberations of the CCWG and its recommendations are followed and the implementation team/process does not modify the objectives and follows all guidelines and recommendations.	Sylvia Cadena, APNIC Foundation	No additional action needed.	<mark style="background:green">Support</mark> **Proposed CCWG Response:** **Action Taken:** None at this time [<mark style="background:yellow">**COMPLETED / NOT COMPLETED**</mark>] – [Instruction of what was done.]
2.	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.	RySG	CCWG to note RySG's position regarding disbursement of auction proceeds should not exclude ICANN Org or its constituent parts as a potential beneficiary.	<mark style="background:orange">Concerns</mark> **Proposed CCWG Response:** **Action Taken:** None at this time [<mark style="background:yellow">**COMPLETED / NOT COMPLETED**</mark>] – [Instruction of what was done.]

			THEME: FUNDS DISBURSEMENT TO ICANN ORG OR CONSTITUENT PARTS	
3.	Whichever mechanism is chosen, **ICANN Org should ensure that the mechanism is maintained so it can be re-activated if and when additional proceeds need to be allocated**.	BC	CCWG to consider whether the following issue is in scope: maintenance of the mechanism so it can be re-activated if and when additional proceeds need to be allocated. THEME: FUTURE AVAILABILITY OF THE MECHANISM	New Idea **Proposed CCWG Response:** **Action Taken:** None at this time [**COMPLETED / NOT COMPLETED**] – [Instruction of what was done.]
4.	The Registrar Stakeholder Group (RrSG) is pleased to comment on the Proposed Final Report of the new gTLD Auction Proceeds Cross Community Working Group. However, the RrSG notes that the changes between the initial report and **the proposed final report do not incorporate the feedback the RrSG provided in December 2018. The comments from the RrSG provided at that time still apply**. The RrSG would like to reiterate its remarks from its previous comment: The RrSG generally supports CCWG Recommendation #2, but with the qualifiers addressed below regarding CCWG Recommendation #8. The RrSG supports CCWG Recommendations # 3, 4, 6, 9, and 10. Community Involvement The role of the community in the disposition of new gTLD proceeds is only implied in this document and is a significant missing element. We strongly believe that a representative group from the ICANN community should be the group responsible for reviewing and approving grants under this program and should also play a significant role in the follow-up review of the program. Further, the role of ICANN Org in any of the approaches	RrSG	CCWG to confirm that RrSG's comments on the Initial Report have been taken into account.	Concerns **Proposed CCWG Response:** **Action Taken:** None at this time [**COMPLETED / NOT COMPLETED**] – [Instruction of what was done.]

should be limited to oversight of the grant-making process in order to ensure compliance with laws and with ICANN's mission.

Our view on which of mechanisms A-C should be employed is fully informed by the above belief and our comments below, preferring mechanism AC should be read in that light. Mechanism A could be structured to accommodate the appropriate role of the community, but it would create more risk of ICANN Org controlling, rather than overseeing, the process.

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CCWG Recommendation #8

While we understand and support the notion of capacity building and supporting underserved populations, we do not feel it is appropriate for ICANN Org or a constituent part to make determinations regarding which underserved populations are in need, or where they think capacity building is needed. Rather, representatives of underserved populations should approach the ICANN Foundation regarding a request for funds and/or the need for capacity building.

Need for the CCWG to ensure the role of the community

We view the CCWG charter as necessarily dealing with who should be reviewing grants and who should be choosing which projects to fund. As noted above, this is implied, but not express, in the initial report.

We feel strongly that this should be the ICANN community.

	This is a significant omission in the initial report. We believe this should either be made clear in a subsequent draft or, if there is not clarity on this point, then the existing CCWG should reconstitute for a brief period, we suggest no less than three and no more than six months, to settle this matter. It is the most important element of the whole project in our view.			
5.	The IPC notes that on page 12 of the Proposed Final Report, the CCWG has referred to an expectation that the ICANN Board may conduct a feasibility study which will provide further detail comparing the Mechanisms. **In this regard, the IPC believes that the CCWG Auction Proceeds should either (a) obtain authorization to conduct the feasibility study itself with active participation from CCWG members or (b) elevate this idea to the level of Implementation Guidance since the feasibility study would provide cost information regarding each of the Mechanisms, and especially the projected cost and availability of administrative services from Mechanism B expert non-profit organizations.** The IPC understands that this information was not developed by the CCWG during its deliberations. The IPC also notes from page 17 of the report, third paragraph of Section 4.7, that only 14 of the 23 members appointed by the Chartering Organizations participated in the poll designed to express a preference for one of the Mechanisms. If more cost and feasibility information were available, voting members would be in a better position to indicate a preference before the Report is finalized. In this regard, the IPC recommends that the feasibility study be conducted with deliverables that take specific note of industry best practices in grant-making. This general principle is contemplated by the "Guidance for the Implementation Phase" on page 7 of the Proposed Final Report and should be a specific deliverable in connection with the recommended feasibility study.	IPC	CCWG to consider the suggestion to conduct a feasibility study comparing the mechanisms or add Guidance for the Implementation Phase calling for such a study to be conducted.	<mark>Concerns</mark> <mark>New Idea</mark> **Proposed CCWG Response:** **Action Taken:** None at this time [**COMPLETED / NOT COMPLETED**] – [Instruction of what was done.]
6.	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	ICANN Board	CCWG to consider Board feedback regarding recommendation 13 on reviews: - Highlight the annual reviews as a lean "check-in" on the process.	<mark>Support</mark> <mark>New Idea</mark> **Proposed CCWG Response:** **Action Taken:** None at this time

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		- Consider existing use of the term "Reviews" in ICANN nomenclature and use alternative expressions for these processes. - Add guidance to the implementation team that any review processes need to be cognizant of existing community deadlines, workloads, and the on-going Reviews cycles currently in process.	[COMPLETED / NOT COMPLETED] – [Instruction of what was done.]

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.

| 7. | There needs to be representation diversity in decision making involved with the appointment of an existing organisation as in Mechanism C or Mechanism B. | NCSG | CCWG to consider whether points raised about selection of a potential partner organization require further discussion. | <mark>Concerns</mark>

Proposed CCWG Response:

Action Taken: None at this time |

				[COMPLETED / NOT COMPLETED] – [Instruction of what was done.]
8.	Without competition, there's no alternative I can turn to to register my .com domain.	Jimmy	These comments appear to be out of scope as they do not specifically relate to the recommendations in the proposed Final Report. No additional action needed.	Concerns **Proposed CCWG Response:** **Action Taken:** None at this time [COMPLETED / NOT COMPLETED] – [Instruction of what was done.]