



Pre-CWG Workshop on New gTLD Auction Proceeds

Buenos Aires | 24 June 2015

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Overview of Proceeds

Christine Willett, VP GDD Operations

ICANN
OPERATING AND
RESERVE FUNDS

These funds contain the day-to-day cash and reserves for the ICANN Operations

NEW gTLD
APPLICANT
EVALUATION FEES

These fees pay for the application evaluation costs, the historical development costs repayment, and the hard-to-predict costs, including risks.

Unspent application fees are fully segregated in dedicated bank and investment accounts.

NEW gTLD
PROGRAM
AUCTION PROCEEDS

These are ring-fenced proceeds from last resort auctions to resolve string contention conducted via ICANN-authorized auction provider

Proceeds, net of direct auctions costs, are fully segregated in separate bank and investment accounts.

New gTLD Program Auction Proceeds

- ⦿ New gTLD Program mechanism of last resort for contention resolution
- ⦿ 13 contention sets resolved via ICANN Auction since June 2014
- ⦿ Total net proceeds to date - \$58.8 million USD
 - Details of the proceeds can be found at:
<http://newgtlds.icann.org/en/applicants/auctions/proceeds>
- ⦿ 29 contention sets remain to be resolved
- ⦿ Approximately 90% of sets scheduled for Auction resolved prior to Auction

Financial Treatment of Auction Proceeds

- ⦿ Auction proceeds have been segregated in separate bank account
- ⦿ No decisions on use of proceeds has been made
- ⦿ The Applicant Guidebook stated:

Funds must be used in a manner that supports directly ICANN's Mission and Core Values and also allows ICANN to maintain its not for profit status.

Possible uses of Auction funds include but not limited to:

- *Support new gTLD applicants or registry operators from communities*
- *Registry continuity fund to protect registrants (EBERO)*
- *Security fund to conduct research, support standards development, accelerate adoption of security protocols*
- *Other projects in the interest of the greater Internet Community*



Current Context

Steve Crocker, Board Chair

ICANN Commitments to Date

ICANN has committed to:

- ⦿ Create a separate and distinct process to determine uses of auction proceeds;
- ⦿ Broad and open participation in designing process and next steps;
- ⦿ Full and careful process for decision-making at a stage when level of money is better known.

Critical Issues for Process Design



Broad, Open, and Inclusive Dialogue

Any discussions need to be open and transparent, and allow for broad participation, listening to the views of all



Separation of idea suggestion and idea selection

It is important to start by sharing and brainstorming ideas prior to any structured work



Conflict of Interests

There is a need to consider conflicts of interests before work can begin



Measured Pace

Principles and strategy should be examined first before further considerations. Process should not be rushed



Lean Process

Any process must be lean and cost-effective so as not to diminish funds



ICANN's Mission and Mandate

Must keep in mind that proceeds are to be used in support of ICANN's mission and mandate



Current Context

Jonathan Robinson, GNSO Council Chair

Pre-CCWG Work to Date

Exploration of CCWG with Community

Outreach by the GNSO to all other SO/ACs to determine whether there would be interest to form a cross-community working group (CCWG) on this topic following initial discussions during ICANN meeting in Singapore

Drafting Team for CCWG

Based on the feedback, GNSO Council decided to move forward with the creation of a CCWG by, as a first step, forming a drafting team (DT)
DT to develop a proposed charter for such a CCWG, which could then be considered by all SO/ACs interested in participating



Drafting Session

A call for volunteers to form a DT to develop a charter for the CCWG was circulated to all SO/ACs.
The DT which is expected to convene shortly, factoring in input from ICANN meeting in Buenos Aires

Case Studies

CIRA, Nominet, & SIDN

Discussion

High Interest Session Key Takeaways

1 Broad and substantial interest in the topic

2 Many ideas about how funds could / should be distributed

3 However, recognition that principles / process & framework to be developed first

4 Suggestion - A 'white paper' on discussions to date to inform CWG DT deliberations

Next Steps

Jonathan Robinson