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**Subject:** Board message to the CCWG-AP

Dear CCWG-AP members,

We are pleased to hear that the CCWG-AP is now starting its work on creating one or more proposals for the Board's consideration and we wish this work well over the coming months. The Board wishes to convey the following.

First, to confirm what I think is already well understood, the Board has chosen Asha Hemrajani and Becky Burr as the Board liaisons to the CCWG-AP. Both are experienced, thoughtful, conscientious and committed to working constructively with the CCWG-AP. We have set up an internal process to keep the Board informed and to channel any thoughts we have through Asha and Becky.

Second, although I think it's been mentioned more than once already, we mention again this process presents important legal and fiduciary constraints in relation to ICANN's 501(c)3 status and the fiduciary responsibility of the ICANN Board of Directors and Officers. It is important that all those participating in this effort are well-aware of these limitations and I encourage careful review of the Legal and Fiduciary note

( <https://community.icann.org/display/CWGONGAP/Legal+and+Fiduciary+Constraints+Related+Materials>)[[community.icann.org](https://community.icann.org)] that was submitted to the Drafting Team by the ICANN legal and finance teams as well as any ongoing notes/recommendations that ICANN staff may provide to the CCWG in the course of the CCWG's work.

Third, with respect to the cost of operation of the CCWG-AP, we emphasize the importance of the following items in supporting a successful, responsible, and productive process for all involved:

- The CCWG has to be run as a project with proper budget and schedule. This should be based on a plan for the working group.
- The auction proceeds remain curtailed off until the next phase, i.e. an approved plan for distribution of the proceeds. The CCWG-AP is funded out of the ongoing budget.
- Once a system is set up for distribution, the cost of administering the distribution of the funds will naturally come out of the auction proceeds. As a point of departure, the nominal goal for the overhead is no more than 5%. However, rather than focusing on a specific figure first, the output of the CCWG-AP should include in its proposal the mechanism and/or process for:
  - receiving, selecting and distributing the funds;
  - overseeing the funded projects;
  - properly reporting on the expenditures and projects in order to meet the community's requirements for transparency and accountability.

Fourth, the CCWG-AP must cast a wide net, not limited to just the existing SO and AC structures.

Fifth, the focus should be on general principles and objectives. Choices of specific projects will be made in the next phase.

Sixth, to avoid conflicts of interest, there should be clear separation of those deciding general direction, those choosing specific projects and those receiving the funds.

We look forward to following your work and thank you in advance for the efforts of the CCWG-AP.

Steve Crocker  
Chair, ICANN Board of Directors