

Dear Steve, Dear Members of the ICANN Board,

On behalf of the new gTLD Auction Proceeds CCWG, we would like to thank you for your letter of 3 March 2017 (see <https://community.icann.org/x/V7XRAw>). The CCWG appreciates your input as well as the confirmation of the Board liaisons to this effort. In relation to the specific points raised in your letter:

- The CCWG is fully aware of the legal and fiduciary constraints and appreciate the ongoing participation of Samantha Eisner and Xavier Calvez to help provide expert input to the CCWG in these matters.
- In relation to the cost of operation, the CCWG is aware that no specific budget has been allocated to this effort, apart from the staff support that is being provided, although the CCWG may identify future needs as a result of the development of its work plan and/or its deliberations. If/when that happens and such needs are supported by the CCWG's Chartering Organizations, the CCWG commits to managing any such additional support in a transparent and efficient manner. The CCWG would like to confirm that the current level of support that is being provided to the CCWG is the standard level of support that is provided to a CCWG. It includes staff support, mailing list, wiki, conference call and Adobe Connect facilities. This standard level of support would not be subject to any special budget request or related oversight.
- Concerning the suggested nominal goal for the overhead is no more than 5% by the ICANN Board, the CCWG will definitely consider this input when it considers the relevant charter questions as well as the elements the Board has suggested the proposed mechanism and/or process should include. Several CCWG members/participants did point out, however, that the overhead costs will depend on the actual mechanism recommended as a result of the CCWG deliberations and may therefore vary from the 5% recommended by the ICANN Board.
- The CCWG supports the Board's recommendation that a wide net should be cast and is happy to report that in addition to the members appointed by the CCWG Chartering Organizations, 45 participants and over 20 observers have signed up for this effort, many of which have no direct affiliation with ICANN SO/ACs.
- The CCWG recognizes that in addition to participation in the CCWG deliberations there is also the question of who will eventually be eligible to apply for the funds which is something that is expected to be addressed as part of its deliberations on the charter questions. The CCWG however notes that despite our desire to cast a wide net when it comes to eligibility to apply for the funds, this may be constrained by the narrow interpretation of congruence with ICANN's mission. We appreciate the legal and other implications of alignment with the mission and we acknowledge them, but we also note that this necessarily limits the size of the net and therefore could impact the potential benefits the funding could provide to the broader Internet vs. to ICANN.
- With regards to the concern expressed in relation to conflict of interest, the CCWG notes that a Declaration of Intention (DOI) is already required to participate in the CCWG so that the intentions of all members and participants is clear. The CCWG most

recently added a standing item to its agenda to remind members and participants to notify the CCWG of any updates and welcomed the recent updates that were made by a number of CCWG members/participants, including the Board liaisons to ensure that DOIs are up to date. Furthermore, the charter question ‘What conflict of interest provisions and procedures need to be put in place as part of this framework for fund allocations?’ will be part of the CCWG deliberations. Especially the board suggestion that there should be a clear separation of those deciding general direction and those receiving funds may require further clarification as the CCWG is currently operating on the basis that as long as CCWG members / participants declare their intention to (potentially) apply for the new gTLD Auction Proceeds once the proposed mechanism has been approved by the ICANN Board, this provides for sufficient transparency and accountability in this stage of the process, as the decisions for final funding allocation will not be taken by this CCWG but by the mechanism defined. Such mechanism will be subject to a different conflict of interest, appropriate for its implementation.

Again, we appreciate your input and support for this effort and remain available should you have any further input, comments and/or questions.

On behalf of the new gTLD Auction Proceeds CCWG,

Erika Mann (co-chair) and Ching Chiao (co-chair)