Dear [Name],

The Internet Corporation for Assigned Names and Numbers (ICANN) is responsible for …etc. etc. [maybe two three sentences to introduce ICANN.

ICANN is an international organization [describe that status].

Accordingly, many of the guiding policy recommendations must, according to our bylaws, come forward from recommendations from our stakeholders – the ICANN community.

As co-chairs of a special working group drawn from members of the ICANN, called the Cross Community Working Group on Auction Proceeds, we invite you to engage with this group informally, and for informational purposes. For further background, we note that in [insert year], ICANN, on the recommendation of its stakeholder community, launched the creation of new generic Top Level Domains – known as the new gTLD program. In creating these new gTLDs, the policy recommendations of the community created a process of using auctions in certain circumstances of allocation of the gTLDs when there was contention as to whom should be awarded the new gTLD string to operate. The CCWG-AP is tasked to develop a proposal for the funding mechanism for such funds received as the result of these auctions. Only a few of the new gTLDs were participants in this approach, as many of the gTLDs did not have competing proposals. According to the ICANN community’s requirements, the auction funds are kept separate from the ICANN regular budget and a process to determine their allocation is required. Thus, this CCWG-AP is engaged in developing suggestions for this allocation process.

According to ICANN’s bylaws, the proceeds of the auction will have certain guiding limitations on what they can be allocated to, and that is referenced in Appendex \_\_

Today, these funds stand at over 233 million USD. Although a limited number of auctions may still take place, once all the remaining contentions between gTLD applicants are resolved ( some of which may include auctions), no further auctions are expected to take place following that. Thus, the amount of funds to be allocated will be a finite amount. These funds also have to bear the overhead costs of whatever allocation mechanism(s) are finally determined.

The CCWG Working Group requests your assistance in helping inform its deliberations by tapping into your knowledge and expertise in the area of soliciting applications for funding of projects, how communications and evaluations of proposals are conducted, and how measurement [outcome ]mechanisms are established. To this end, the CCWG Working Group has proposed a number of questions (see annex A) which it invites your input to.

This is not a request for proprietary information from you or the firm or entity you represent, only your participation as an informal expert to offer suggestions from experience.  This is also not an interview or opportunity to present a service proposal on how you or your affiliated entity can serve ICANN in the future. This is a request for you to volunteer some time to take part in this informational conversation to help advance the CCWG-AP’s considerations of options, by learning from others’ experiences.

We understand that ICANN is a unique organization and may not be familiar to your organization, or to you. We do not ask that you become an expert on ICANN, but to facilitate your engagement with the CCWG-IG, the items below may be informative.

As you review the questions and consider your responses, it is important to note that the CCWG-AP’s recommendations must take into account the following:

* ICANN’s 501(c)(3) tax exempt, public charity status. ICANN must act exclusively in service to its charitable purpose, and as limited by its Mission (see <https://www.icann.org/resources/pages/governance/bylaws-en/#article1>). Maintaining adherence to Mission is important from source (Auction Funds/ICANN) to destination (end recipient), no matter what type of tool (foundation, committee, etc.) is used to make decisions on providing a portion of the proceeds to end recipients. If you are interested to read more about the legal and fiduciary requirements associated with this tax exempt status, please see [here](https://community.icann.org/download/attachments/58730906/May%202016%20-%20Note%20to%20Auction%20Proceeds%20Charter%20DT%20re%20legal%20and%20fiduciary%20principles-UPDATED.doc?version=1&modificationDate=1466697425000&api=v2).
* The CCWG AP has come up with 4 different possible mechanisms that could be considered:
	+ *A New ICANN Proceeds Allocation Department created as part of ICANN Org* - This department would be part of ICANN.Org[[1]](#footnote-1) and take full responsibility for solicitation and evaluation of proposals, and disbursement process.
	+ *New ICANN Proceeds Allocation Department- created as part of ICANN.Org which would work in collaboration with an existing charitable organization(s)* - Responsibilities for solicitation and evaluation of proposals, and disbursement process would be split between the newly created internal ICANN department and the selected existing charitable organization(s).
	+ *A new structure would be created (e.g. ICANN foundation)* - A new structure would be created separate of ICANN.Org which would be responsible for solicitation and evaluation of proposals, and disbursement process
	+ *An established entity/entities (e.g. foundation or fund) are used (ICANN would organize the oversight of processes to ensure mission and fiduciary duties are met)* - An established entity / entities (e.g. foundation or fund) would be responsible for solicitation and evaluation of proposals, and disbursement process.

The CCWG-AP has identified a set of questions for each of these scenarios (see full list of questions attached), but should there be other options that the working group should consider, you are encouraged to share that feedback.

We do recognize that the preparation of your responses may take some time, but we hope you are willing to assist us in this effort. If at all possible we would like to ask you to provide your feedback by [date] to allow the working group to make progress on its recommendations. Do note that all responses are expected to be publicly posted. [MSC: is this realistic? Should we offer to have a summary of responses, with a list of respondents, but without specific allocation of who said what? Requiring this will require General Counsel review from the respondent entity, in many cases. I thought we were inviting experts in their “individual capacity”.

Due to ICANN’s unique status, we are particularly sensitive to both potential conflicts of interest and perceived conflicts of interest, thus, if you are able to accept our invitation to participate, we ask that you consider and provide a *declaration of interest* based on the questions identified below. Any declared interests will be identified on the record, for purposes of transparency, during your conversation with the CCWG-AP members.

The Declaration of Interest questions are:

1. Do you, or an entity that you represent, hope to assist ICANN to serve as a grant-making organization in the future in relation to the auction proceeds?
2. Are you, or an entity that you represent, interested in applying for a portion of the auction proceeds.
3. Are you, or an entity that you represent, presently an advisor to other potential applicants interested in applying for some of the auction proceeds? If no, do you anticipate that you/the entity you represent, may serve in this advisory capacity in the future?
4. Are you, or an entity that you represent, interested in serving as a consultant to ICANN in designing/implementing the selected structures?
5. Are you, or an entity that you represent, a part of ICANN’s community, and if so, will you be representing that position as part of your conversation with the auction proceeds group?

Depending on the answers to your questions, a staff member from the ICANN organization might contact you for additional information.

[For experts to be invited for calls – In order to allow for the working group to ask follow-up and/or clarifying questions, we would also like to invite you to join us for one of our meetings via conference call. We would like to schedule a call either during the week of [TBC] so we would appreciate if you could advise us on your availability. Due to its global spread, the working group usually convenes at 14.00 UTC, but we are happy to accommodate a time / date that suits you best. These conversations will be recorded and the recordings made publicly available.].

On behalf of the working group, we would like to thank you in advance for considering our request. Please do not hesitate to reach out to us should you have any further questions.

Best regards,

Erika Mann & Ching Chiao

Co-Chairs of the new gTLD Auction Proceeds Cross Community Working Group

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**About the Internet Corporation for Assigned Names and Numbers**:

To reach another person on the Internet you have to type an address into your computer -- a name or a number. That address must be unique so computers know where to find each other. ICANN coordinates these unique identifiers across the world. Without that coordination, we wouldn't have one global Internet. In more technical terms, the Internet Corporation for Assigned Names and Numbers (ICANN) helps coordinate the Internet Assigned Numbers Authority (IANA) functions, which are key technical services critical to the continued operations of the Internet's underlying address book, the Domain Name System (DNS). The IANA functions include: (1) the coordination of the assignment of technical protocol parameters including the management of the address and routing parameter area (ARPA) top-level domain; (2) the administration of certain responsibilities associated with Internet DNS root zone management such as generic (gTLD) and country code (ccTLD) Top-Level Domains; (3) the allocation of Internet numbering resources; and (4) other services.

**About the new gTLD Auction Proceeds Cross-Community Working**

The New Generic Top-Level Domain (gTLD) Program established auctions as a last resort to resolve the competition sets between identical or similar terms (strings) for new gTLDs – known as string contention. 90% of contention sets scheduled for auction have been resolved through other means before reaching an auction conducted by Power Auctions LLC, ICANN's authorized auction service provider. However, it was recognized from the outset that significant funds could accrue as a result of several successful auctions. The proceeds derived from such auctions have been reserved and earmarked within ICANN until such time as the ICANN Board authorizes a plan for the appropriate use of the funds. These proceeds are to be considered as an exceptional, one-time source of revenue.

All the ICANN Supporting Organizations (SOs) and Advisory Committees (ACs) have chartered a CCWG to propose the mechanism to allocate the new gTLD Auction Proceeds. Following approval by the Chartering Organizations, the CCWG will submit its proposal(s) to the ICANN Board for consideration.

Annex A – [Insert questions specifically earmarked for expert]

Annex B – [Insert full set of questions]

1. ICANN.org is ?????? [↑](#footnote-ref-1)