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| **INITIAL REPORT OF THE NEW GTLD AUCTION PROCEEDS CROSS COMMUNITY WORKING GROUP** |
| **Open Date:** | 8 October 2018 | **Close Date:**  | 27 November 2018 |
| **Originating Organization:** | new gTLD Auction Proceeds Cross-Community Working Group, chartered by the ASO, ALAC, ccNSO, GNSO, GAC, SSAC and RSSAC |
| **Categories/Tags:** | Operations/finance |
| **Brief Overview:**  | This public comment proceeding seeks to obtain input on the Initial Report of the new gTLD Auction Proceeds Cross Community Working Group (CCWG). The CCWG is tasked with providing guidance on a framework to disburse the funds generated from auctions of last resort in 2012 application round of the new gTLD Program. According to the CCWG’s charter, the objective of the group is to develop a proposal(s) for consideration by the chartering organizations: Address Supporting Organization (ASO), the At-Large Advisory Committee (ALAC), the Country Code Names Supporting Organization (ccNSO), the Generic Names Supporting Organization (GNSO), the Governmental Advisory Committee (GAC), the Security and Stability Advisory Committee (SSAC), and the Root Server System Advisory Committee (RSSAC). |
| **Link:** | [Do not complete; Web Content Operations Team will insert URL] |

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**Part B: Public Comment Proceeding Details**

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| **INITIAL REPORT OF THE NEW GTLD AUCTION PROCEEDS CROSS COMMUNITY WORKING GROUP** |
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| **PUBLIC COMMENT PROCEEDING** |
| Open Date: | 8 October 2018 |
| Close Date: | 27 November 2018 |
| Summary Report Due Date: | 15 December 2018 |

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| **IMPORTANT INFORMATION LINKS** |
| [This section will be completed by the Web Content Operations Team] |

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| **BRIEF OVERVIEW** |
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| **Categories/Tags:** | Operations/finance |
| **Brief Overview:**  | ***Purpose:*** This public comment proceeding seeks to obtain input on the Initial Report of the new gTLD Auction Proceeds Cross Community Working Group (CCWG). The CCWG is tasked with providing guidance on a framework to disburse the funds generated from auctions of last resort in 2012 application round of the new gTLD Program.***Current Status:*** This Initial Report is being posted for public comment as foreseen in the CCWG’s charter.***Next Steps:*** Following review of public comments submitted, the CCWG will integrate public comments received as it works towards recommendations for inclusion in its Final Report. |
| **DETAILED INFORMATION** |
| **Section I: Description and Explanation** |
| The Initial Report sets out the core issues that the new gTLD Auction Proceeds Cross-Community Working Group (CCWG) addressed in carrying out its charter since its inception in January 2017. It records the CCWG’s discussions regarding options around a mechanism(s) to allocate the new gTLD Auction Proceeds in accordance with ICANN’s mission and bylaws. According to the new gTLD Auction Proceeds CCWG charter, the objective of the CCWG is to develop a proposal(s) for consideration by the chartering organizations. The CCWG charter includes a series of guiding principles that the CCWG is expected to take into account and lists 11 charter questions for the CCWG to answer in the course of its work. Responses to these charter questions are included in section 5 of this report. The charter specifies that as part of this proposal, the CCWG is also expected to consider the scope of fund allocation, due diligence requirements that preserve ICANN’s tax status as well as how to deal with directly related matters such as potential or actual conflicts of interest. This means that the CCWG will not decide, nor provide recommendations on which specific organizations or projects are to be funded or not. Please see the CCWG’s charter for additional information about obligations and constraints that must be taken into account in the CCWG’s work. The CCWG welcomes feedback from the community on any of the issues raised in this report, however, the CCWG is particularly interested in obtaining input on the following: * The four options presented as possible mechanisms to allocate auction proceeds funds, which are described in section 4.1. The CCWG initially considered four possible mechanisms that could be used to implement the disbursement of new gTLD Auction Proceeds, all of which are probably viable. After analyzing these potential frameworks, and in light of legal and fiduciary constraints and other criteria identified by the CCWG and outlined in the report, the CCWG agreed to focus its responses to the charter questions on two of the mechanisms that is considers most promising to meet the constraints as well as criteria identified.
* Responses to charter questions included in section 5.
* Preliminary recommendations and implementation guidance included in section 5.

Community input will be carefully reviewed and used to support development of final responses to charter questions, as well as recommendations and implementation guidance in the form of a Final Report that is to be submitted to the Chartering Organizations for their consideration. Following approval of the proposal(s) by the Chartering Organizations, it will be submitted to the ICANN Board for its consideration.  |
| **Section II: Background** |
| An auction is the mechanism of last resort in ICANN’s new gTLD Program for resolving contention when two or more applicants apply for the same string. In the 2012 application round, most string contentions (approximately 90% of sets scheduled for auction) were resolved through other means before reaching an auction conducted using ICANN's authorized auction service provider. To date, 16 of the 218 contentions sets used a last resort auction conducted by ICANN’s authorized auction service provider. Proceeds generated from auctions of last resort were separated and reserved until the multistakeholder community develops a plan for their use. This plan must be authorized by the ICANN Board. Following sessions on this topic during the ICANN53 in Buenos Aires, a discussion paper was published in September 2015 to solicit further community input on this issue as well as the proposal to proceed with a CCWG. The feedback received on the discussion paper confirmed that there was support for moving forward with a CCWG. A Drafting Team (DT) was formed to develop the CCWG’s charter. The DT commenced its deliberations on Tuesday, 23 February 2016. The final proposed charter was submitted to all ICANN SOs/ACs on 17 October 2016 following which each ICANN SO/AC confirmed the adoption of the charter. The CCWG therefore has the following chartering organizations: Address Supporting Organization (ASO), the At-Large Advisory Committee (ALAC), the Country Code Names Supporting Organization (ccNSO), the Generic Names Supporting Organization (GNSO), the Governmental Advisory Committee (GAC), the Security and Stability Advisory Committee (SSAC), and the Root Server System Advisory Committee (RSSAC).Since the adoption of its charter, the CCWG has met regularly through telephone conferences and at ICANN public meetings. It has provided regular updates to the chartering organizations, and the broader community. |
| **Section III: Document and Resource Links** |
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| **Section IV: Additional Information** |
| [CCWG charter](https://community.icann.org/display/CWGONGAP/CCWG%2BCharter)[CCWG wiki](https://community.icann.org/display/CWGONGAP) |
| **Proceeding Facilitator:** | Marika Konings, Joke Braeken, Emily Barabas | **Email Address:** | policy-staff@icann.org  |