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AT-LARGE ADVISORY COMMITTEE ALAC STATEMENT ON INITIAL REPORT OF THE NEW GTLD AUCTION PROCEEDS CROSS-COMMUNITY WORKING GROUP

Introduction

On 08 October 2018, public comment opened for the [Initial Report of the New gTLD Auction Proceeds Cross-Community Working Group](#). The At-Large Consolidated Working Group (CPWG) decided it would be in the interest of ALAC to develop a statement on behalf of Internet end users. During the CPWG meeting that week, members of the working group discussed the comment and assigned penholders to draft the statement.

On 21 November 2018, Maureen Hilyard, Chair of the At-Large Advisory Committee (ALAC), drafted an initial statement on behalf of the At-Large Advisory Committee (ALAC). ICANN policy staff in support of the At-Large community sent a call for comments on the statement to the At-Large community via the ALAC work mailing list. The At-Large community and ALAC Members began commenting on the topic on its [At-Large workspace](#). On 25 November 2018, the ALAC Chair updated the original draft.

On 26 November 2018, Judith Hellerstein, member of the North American Regional At-Large Organization (NARALO), incorporated additional comments into a revised draft of the statement.

On 27 November 2018, comments from the community were taken into account in revising the statement. The final statement was posted to the workspace incorporating the revisions from the two penholders, and feedback from the CPWG.

On 11 December 2018, the ALAC Chair, Maureen Hilyard, requested that the statement be transmitted to the ICANN public comment process, copying the ICANN staff member responsible for this topic, with a note that the statement is pending ALAC ratification.

ALAC STATEMENT ON INITIAL REPORT OF THE NEW GTLD AUCTION PROCEEDS CROSS-COMMUNITY WORKING GROUP

The ALAC appreciates the opportunity to comment on the Initial Report of the New gTLD Auction Proceeds Cross-Community Working Group. The ALAC Members have been following this issue closely and have discussed these issues internally prior to the issuance of this report. The ALAC discussed each of these mechanisms among the participants and members of the working group, and came up with the following:

Recommendation 1: After many discussions among ALAC Members and Participants to the CCWG: Auction Proceeds, the ALAC remains divided about the best mechanism to choose. The poll conducted among the At-Large members and participants highlighted that a plurality of people preferred Mechanism A, or a variant of it, over the other mechanisms, with Mechanism B finishing a strong second.

If Mechanism B is chosen, the ALAC recommends that any external organization working with ICANN will publish a conflict of interest policy that clearly addresses all the elements of the funding process, follow proper procedures on accountability and transparency, and be in accordance to its obligations with ICANN.

Recommendation 2: The ALAC is supportive of Recommendation 2 as it is written, as the recommendation itself speaks to the guidelines from the preamble which members and participants spent many hours writing and discussing.

Recommendation 3: The ALAC is supportive of this recommendation as it describes how accountable the process will be. The ALAC is in support of creating an accountable and transparent fund allocation mechanism that would include all the safeguards described in the response to charter question 2.

Recommendation 4: The ALAC agrees with the CCWG Auction Proceeds report in Recommendation 4 that states that robust conflict of interest provisions must be developed and put in place, regardless of which mechanism is ultimately selected. The ALAC is a strong believer in this recommendation, as it is one of the reasons that concern the ALAC with the possible choice of Mechanism A in Recommendation 1.

Recommendation 5: Because these funds were originally set up for philanthropic purposes, the ALAC believes strongly that At-Large Structures (ALSes) and Individual members should be able to apply for funds provided they follow the established process for all applicants. Projects that facilitate capacity building in the regions and that assist the work of At-Large members should be encouraged and supported. ICANN Org, Registries and Registrars, and Advisory Committees/Supporting Organizations (ACs/SOs) should not be able to apply.

The proceeds from past auctions were meant to be used for capacity building activities that enhance ICANN's mission and core principles and are consistent with an "open and interoperable Internet". The concept of "open and interoperable Internet" can be described from many angles: technological, business, political, social and cultural, and may have different meanings in different communities. Projects are expected to advance work related to open access, future-oriented developments, innovation and open standards, for the benefit of the Internet community.

The ALAC does not think that additional funds besides those that the ICANN Board has mentioned should be taken out of the Auction Proceeds fund, as this goes against the ideas that led to the creation of the fund and this Cross Community Working Group.

Recommendations 6 & 7: The ALAC is in support of Recommendations 6 & 7 and the correct mechanism and procedures for establishing the size of the tranches, and for how many years. The ALAC is in favor to allocate money according to the time of the project. If there is a collection of projects that will not take a long time to complete, they should go in one tranche while other projects that would take longer can go in a different tranche.

Recommendation 8: The ALAC is a strong supporter and believer that capacity building, especially for underserved populations, that focuses on building up knowledge and engagement about ICANN is at the heart of what these funds were set aside for.

The ALAC is also in support of Recommendations 9 & 10 which follow proper procedures on accountability and transparency which the ALAC feels should be at the core of all discussions.

Recommendation 9: As a standard element of program operations, an internal review of the mechanism should take place at regular intervals to identify areas for improvement and allow for minor adjustments in program management and operations.

Recommendation 10: Focuses on the metrics of evaluating how successful the program has been and these metrics are extremely important for all to ensure that regardless of the mechanism chosen the program has effectively met its identified goals and that the allocation of funds had or is having the intended impact.