![W3C World Wide Web Consortium logo]

W3C Input on the New gTLD Auction Proceeds Discussion Paper

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This document is on the Web: https://www.w3.org/2015/10/dd-icann-auction.html

Introductory comment

W3C welcomes the opportunity to comment on the New gTLD Auction Proceeds Discussion Paper.

Creating a Cross-Community Working Group (CCWG) on the use of new gTLD auction proceeds within ICANN and open it to all interested parties seems to be the right approach. In particular we support the suggestion to study similar initiatives at the regional level, such as Nominet UK.

We hope that the questions around Conflict of Interest will be resolved early and that a process to allocate the auction proceeds for the betterment of the Internet and the Web becomes operational swiftly and with a well-defined timeline.

We believe Open Standards development brings tremendous value to the Internet and the Web and should be a beneficiary of the proceeds of the gTLD auctions. We present the specific value W3C brings, what such funding would enable, and why it makes sense to allocate funding to continued Open Standards development.

Executive summary

We recommend generally that ICANN gTLD auction proceeds be invested in work that is widely agreed to be for the common good, but which it is currently difficult to fund.

In particular, some money should be set aside to support work done by W3C on areas of common interest. While W3C's status as a non-governmental organization funded primarily by members ensures discipline in taking on work that has industry support, there are areas of its work which suffer from the fact that although there is agreement that they are common goods, it is difficult to get sufficient funding in our current model.

Horizontal activities are broadly recognized as an important part of the value of W3C. The following endeavors could be undertaken if W3C had more means:

- enhanced Web security and privacy (in conjunction with IETF),
- work on handling Web related IDN and Universal acceptance issues,

- more guidelines and tools for Web and Internet users,
- better education programs on Open Web Standards,
- more open APIs for mobile apps and social network platform to ensure a strong hyperlink paradigm,
- more involvement in Open standard advocacy, and in solving IPR issues,
- more resources for testing Web standards - critical to providing an open environment

W3C is **ideally positioned** to strengthen the Open Web platform infrastructure and address the continued strong demand for more distributed names and resources.

- The Web, following standards provided by W3C, is among the main drivers for the IP/DNS exponential growth in the past 25 years.
- W3C develops Web standards that are open and implementable royalty-free, maximizing the potential of the Web for interoperable innovation and exploitation.
- The Web is the premier presentation layer of the Internet. The exponential growth in domain names is directly correlated with their visibility in Web addresses and their importance to content providers and end users. Continued exposure to and trust in those names depends on strong and open Web standards.
- W3C has an explicit requirement to develop standards that increase the Web's support for internationalization, accessibility for people with disabilities, interoperability, greater security, and greater privacy protections. W3C's mission and core values are in strong alignment with and in support of ICANN's mission.
- W3C has co-developed with IETF, IEEE and others the OpenStand principles. W3C's agenda is controlled by its community and its by-laws, the W3C process; W3C is not a government-funded de-jure SDO.

The opportunity presented by the gTLD auctions proceeds - a source of neutral funding coming from the Internet technical community - is **a perfect match** to empower W3C and other Internet SDOs.

Longer version

The World Wide Web Consortium (W3C), led by Web inventor Tim Berners-Lee, is an international community where people from all continents develop Web standards and free Web developer tools that are **open and implementable royalty-free**, maximizing the potential of the Web for interoperable innovation and exploitation to ensure the long-term growth of the Web.

The Web, following standards provided by W3C, is among the main drivers for the IP/DNS exponential growth in the past 25 years. For 21 years now, W3C has developed Web technologies such as HTTP, URL (with IETF), XML, HTML, CSS, Web accessibility guidelines, that have greatly **contributed to the success of the Internet**, and therefore to the value of the Domain Name system and IP networks.

W3C receives its funding from Member organizations (each Member having equal privileges) and a limited number of R&D grants. This funding supports a staff of approximately 60 FTE, hosted at MIT (USA), ERCIM (France), Keio University (Japan), and Beihang University (China), that supports between one and two thousand representatives of the Members and the Web community participating in 60 working groups.

W3C has the ambitious **challenge** to address demands to make the Open Web Platform more robust, powerful, and inclusive of vertical requirements (e.g. health, automotive, transport, media, telco, publishing, etc.) in a constantly changing economic context, with core technical foundations of the Web and the Internet continuing to evolve, and to provide its standards specifications without charge. The expansion of the Open Web Platform has

created an explosion in demand to deal with societal issues of security, privacy, accessibility, and to meet ever growing needs of consumers and businesses.

The Web and the Internet have gone mobile and Web applications are facing competition from native platform-specific mobile applications. The silo'd approach of native mobile applications obscures domain names and the connections that use them, sacrificing the open navigation that has been the hallmark of the Web's quarter-century history. Increased investment in the Open Web Platform is necessary to achieve the usability and performance characteristics that currently make native mobile applications attractive.

Investing in Open Web standards development is necessary for the continued growth of both the Web and the domain name system on which it depends.

W3C commented in 2007 during the ICANN Call for Allocation Methods for Single-Letter and Single-Digit Domain Names, recommending that "*A portion of the funds should be used to support Internet Standards Development Organizations (e.g. W3C, the IETF, or the Unicode Consortium) whose global mission aligns with that of an open and innovative Internet and Web.*" where future TLD auctions were mentioned.

On Conflict of Interest

The Discussion Paper on new gTLD Auction Proceeds states:

"Conflicts of interest: How to avoid conflicts of interest, i.e. preventing those from developing the framework being able to directly benefit from the new gTLD auction proceeds? Should there be any specific rules in place that specify that participation in the drafting team and/or CCWG would automatically exclude members / participants from directly benefiting from the allocation of new gTLD auction proceeds? If so, how would this be enforced? If not, how can the perception or actual conflict of interest be avoided?"

Conflicts of interest can be prevented provided the proposed CCWG advises on general ideas for the allocation of funds, and provided that ICANN develops a process by which the body that makes specific decisions on funding allocation operates transparently based on the CCWG criteria. Once this is done there should be no further CoI concern relative to CCWG participants.

Annex: W3C and ICANN core values

The high level direction for allocation of the gTLD auction proceeds is provided in the Discussion Paper: **"funds must be used in a manner that supports directly ICANN's Mission and Core Values"**

ICANN's mission is to manage unique identifiers in a stable and secure way.

W3C's mission is to lead the Web to its full potential by producing standards and tools that **rely on those unique identifiers**, and on their stability and security features. These identifiers existed before the Web was invented and the Web was designed to integrate them well (HTTP + DNS + HTML). Any endeavor we'd pursue with the funds would continue to be aligned with ICANN's mission. It's vital for both organizations, and given the importance of the IP/DNS layer for the Web, W3C has been closely involved in various ICANN technical expert groups since 1998.

The core values of ICANN and W3C are fully aligned. The following comparative analysis shows that W3C and ICANN operate in similar ways, uphold openness and transparency, share a comparable constituency of Internet and Web users, and defend the same values.

1. Preserving and enhancing the operational stability, reliability, security, and global interoperability of the Internet.

> These are core values for W3C as well in the context of the Web. If for some reasons IP or DNS fail in the future, the Web will most likely fail too.

2. Respecting the creativity, innovation, and flow of information made possible by the Internet by limiting ICANN's activities to those matters within ICANN's mission requiring or significantly benefiting from global coordination.

> W3C not only respects but **enables** creativity, innovation, and flow of information on the Internet, which Free, open, accessible Web content standards ensure at the global level.

3. To the extent feasible and appropriate, delegating coordination functions to or recognizing the policy role of other responsible entities that reflect the interests of affected parties.

> The first principle in the OpenStand declaration, that W3C, IETF and IEEE designed and signed, is about respectful cooperation between various Internet technical organizations.

4. Seeking and supporting broad, informed participation reflecting the functional, geographic, and cultural diversity of the Internet at all levels of policy development and decision-making.

> W3C is present in all continents, the Web is used by billions, and we are a few dozens to manage its technical framework. We have no other viable option than being open to all, and get as much volunteers as possible to do the work with us. With more resources, we could better support and promote participation in early standard design phases from countries on the other side of the digital divide.

5. Where feasible and appropriate, depending on market mechanisms to promote and sustain a competitive environment.

> W3C promotes and sustains a highly competitive environment for Web developers, which in turns call for never-ending improvement of the Web standard platform. The growth of the Web applications market is a proof that Internet standardization is all about innovation of the layer above it. Many of the "big names" of the Web have an inherent interest in bringing the Web and its users under their control, competing with their peers for usage. W3C promotes an approach meant to minimize the extraction of "monopoly rents" from communities, with the idea that good standards allow people to change service providers as well as allowing providers to build as wide as possible a range of services to offer the market.

6. Introducing and promoting competition in the registration of domain names where practicable and beneficial in the public interest.

W3C works toward facilitating the development of individual Web sites and pages that can freely and seamlessly link to each other, thus snowballing to even more Web resources that are part of this ubiquitous Web network. We need to standardize **more semantics for Web resources**, in Web browsers, etc, so that privacy, social relationships, and connected things become as easy to manage as simple Web pages are today. More individual Web sites means more individual domain names, and a bigger market to share for the DNS industry, thus promoting competition among them.

7. Employing open and transparent policy development mechanisms that (i) promote well-informed decisions based on expert advice, and (ii) ensure that those entities most affected can assist in the policy development process.

W3C has an open and transparent policy, called the [W3C Process](#), applied to our own form of "policy" development: open standard development, which shares both of these properties.

8. Making decisions by applying documented policies neutrally and objectively, with integrity and fairness.

These are all properties aligned with our W3C Process and practices since our creation.

9. Acting with a speed that is responsive to the needs of the Internet while, as part of the decision-making process, obtaining informed input from those entities most affected.

These are the very criteria that have made the Internet and Web standardization bodies like IETF or W3C so successful vs. the de-jure standard system: speed (using the Internet itself) and global involvement (using the Internet as well).

10. Remaining accountable to the Internet community through mechanisms that enhance ICANN's effectiveness.

W3C is also accountable to the Internet and the Web communities. Our role is to lead the Web to its full potential. All our standards are done with technical experts from our members and the general public involved. At another level, improving Web standards, such as for accessibility to people with disabilities, or internationalization, also carries **direct benefits for the ICANN community** itself, as being representative of a large, inclusive and diverse set of people using the Web to communicate. The recent effort of ICANN to improve the usability and accessibility of their Web site, using W3C standards and guidelines as a foundation, is an example of how ICANN could help its community by helping better Web standard development and tools in this area. The issues of universal acceptance (e.g. of IDNs) primarily concern the Internet application layer and therefore the Web layer, and W3C could use more resources to help track and solve these new issues more effectively.

11. While remaining rooted in the private sector, recognizing that governments and public authorities are responsible for public policy and duly taking into

account governments' or public authorities' recommendations.

> We are clearly rooted in the private sector as well, and for the Web as much as for Internet matters, there is no clear dividing line between "technical" and "policy" issues, but a fairly significant grey area. W3C has long had technical activities that **inform external policy making discussions**, and are informed by them. We also play an important role in Internet governance discussions, as providers of pervasive standards used in sensitive areas such as disability (often a driver in policy-making dialog), in privacy (trying to get consensus between vastly different societal approach to the issues), in patents and copyright (to promote a royalty-free baseline for Web standards, implementable in open source), in Open Data for better eGovernment, for better language support, etc.

In summary, W3C's vision of the Web is as a public resource that encourages growth and competition, much like ICANN's vision.

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