



November 8, 2015

Via Electronic Mail

comments-new-gtld-auction-proceeds-08sep15@icann.org

In 2012, ICANN recognized that auctions for resolving string contention among new generic Top Level Domain (gTLD) applicants could result in substantial revenue to ICANN, and observed that it would establish a separate process for determining how best to use those funds.<sup>1</sup> Three years later, these auctions have generated nearly *\$59 million* in net proceeds. The ICANN community now faces an enviable challenge: how to responsibly allocate these funds.

Google Inc. supports the comments made by the Domain Name Association addressing the allocation of auction revenue.<sup>2</sup> In particular, any working group on the use of auction proceeds should act with the following principles in mind.

**Auction proceeds should be allocated in accordance with ICANN's Mission and Core Values and in a way that preserves ICANN's non-profit status.** Specifically, the proposals should adhere to the Core Values mandate that ICANN focus its activities on "those matters within ICANN's mission requiring or significantly benefiting from global coordination."

**Auction proceeds should be used for discrete or self-sustaining projects.** Proposals that contemplate supplementing auction revenue with other sources of ICANN funds should be considered out of scope. The most appropriate projects for support will be ones that are either discrete or self-sustaining: i.e., they will not require ongoing supplemental revenue in order to create impact.

**Any allocation mechanism should be broadly inclusive, lightweight, and clearly separated from ICANN's day-to-day operations.** Any allocation process must allow for input from across the Internet community and function separately from ICANN's day-to-day activities while maintaining minimal overhead. The creation of a new bureaucracy would undermine nimble decision-making and consume resources that could be dedicated to projects supporting ICANN's mission.

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<sup>1</sup> New gTLD Applicant Guidebook, § 4.3.

<sup>2</sup> See [Domain Name Association Comments on the New gTLD Auction Proceeds Discussion Paper](#), November 6, 2015.

The process for allocating auction proceeds will pose a test to the multistakeholder model and will require ICANN to carefully balance community interests. Adhering to the principles set forth above, including setting clear limits on which kinds of projects are eligible for support and developing an inclusive, community-based process, will set the stage for ICANN to disburse auction funds in a way that furthers its mission. Google looks forward to collaborating with all stakeholders to address the challenge of effectively allocating these funds.

Sincerely,



Aparna Sridhar  
Counsel  
Google Inc.



Will Hudson  
Senior Advisor for International Policy  
Google Inc.