



## **Re: New gTLD Auction Proceeds Discussion Paper**

Via Electronic Mail: [comments-new-gtld-auction-proceeds-08sep15@icann.org](mailto:comments-new-gtld-auction-proceeds-08sep15@icann.org)

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The Domain Name Association (DNA)<sup>1</sup> offers the following comments on the New gTLD Auction Proceeds Discussion Paper. We strongly support a community-driven approach for determining how to apply excess fees generated through the ICANN New Generic Top Level Domain (new gTLD) auctions. Below, we identify two critical principles that should constrain the scope for any working group addressing the use of auction proceeds, and should be used to evaluate whether auction proceeds should be directed at proposed initiatives .

### **The funds generated through the ICANN auction must be treated as an exceptional, one-time source of revenue.**

Proposals for use of the new gTLD auction revenue should be self-sustaining. The goal of the new gTLD auctions was not to generate excess revenue; conversely, it was intended to be a mechanism of *last resort* for resolving new gTLD conventions. ICANN explicitly established that neither the costs of the new gTLD Program, nor any aspect of ICANN's regular operations, should depend on funds generated through this process. As a result, the circumstances leading up to the generation of this excess revenue must be treated as an exceptional one-time circumstance. Moreover, proposals that contemplate supplementing auction revenue with other sources of ICANN funds, whether out of ICANN's operating budget or from excess fees generated through the new gTLD application process, should be considered out of scope.

### **Auction proceeds must be applied in a manner that directly supports and aligns with ICANN's Mission and Core Values.**

We support the principles identified during the New gTLD Auction Proceeds Workshop during ICANN 53 and outlined in Section 3.2 of the discussion paper. Of these, we believe that it is of foremost importance that auction proceeds be used in a manner that directly supports ICANN's mission and mandate to "coordinate, at the overall level, the global Internet's systems of unique identifiers, and in particular to ensure the stable and secure operation of the Internet's unique identifier systems."<sup>2</sup>

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<sup>1</sup> The DNA is a non-profit global business association that represents the interests of the domain name industry. Its members are groups, businesses, and individuals involved in the provision, support, and sale of domain names, including domain name registries, registrars, resellers, and registry service providers.

<sup>2</sup> See Bylaws for Internet Corporation for Assigned Names and Numbers, Article X: Mission and Core Values (ICANN Bylaws).



The outcome of this process must also take into account the ICANN's Core Values, which include a commitment to “[respect] 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.” These principles should guide the working group on auction proceeds through charter development, idea generation, and selection.

This scope could include activities that support broad, informed participation within ICANN and and raise awareness of domain related issues.<sup>3</sup> Particularly, we recommend that the working group consider the following applications:

- Consumer awareness and education efforts on the introduction of new gTLDs and how domain names fit into the Internet landscape;
- Studies to better understand how users engage with the Domain Name System, to inform future ICANN policy work;
- Work related to the universal acceptance of new gTLDs, particularly IDN TLDs; and
- Work to support a healthy domain name ecosystem by funding industry-led best practices initiatives on issues such malicious conduct and security.

The DNA would welcome the opportunity to participate in future work addressing each of these areas. We look forward to contributing to further work on this important topic and urge that ICANN and the working group keep the above principles in mind as this work moves ahead.

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<sup>3</sup> Cf. ICANN Bylaws, Art. I, § 2(4).