



## **Donuts Inc. Comment on New gTLD Auction Proceeds Discussion Paper**

Thank you for the opportunity to comment on this discussion paper.

Donuts supports a community-driven approach for determining how to apply excess funds generated through ICANN's auction process for new generic top-level domains (new gTLDs). We identify here the critical elements of the process that should be considered.

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

ICANN should take care to thoughtfully steward these funds. ICANN auctions were and are a last-resort mechanism for resolving contention, not a source of operational revenue. Accordingly, proposals for use of auction revenue should be self-sustaining. Proposals that contemplate supplementing auction revenue with other sources of ICANN funds, whether from 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**

Donuts supports 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."

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.

### **The GNSO should have an enhanced role.**

Should a cross-community working group (CCWG) be convened, the Generic Names Support Organization (GNSO) should have enhanced participation, as the body that developed policy recommendations for the introduction of new gTLDs and whose members are responsible for new gTLD auction proceeds.

### **Potential uses of auction proceeds**

Potential uses of the new gTLD auction proceeds could include (1) continued work on Universal Acceptance of new gTLDs; (2) business and consumer education and awareness regarding new gTLDs and the Domain Name System; (3) work to support a healthy domain name ecosystem by funding industry-led best practices initiatives; and (4) funding of research and development designed to increase adoption of domain names and the use of the domain name system.