BARCELONA – GAC: CCWG Auction Proceeds Discussion
Saturday, October 20, 2018 – 14:30 to 15:00 CEST
ICANN63 | Barcelona, Spain

Unidentified speaker: Good afternoon, ICANN 63, this is the GAC CCWG auctions proceeds discussion.

TOM DALE: If people could please resume their seats we'll attempt to deal with the next agenda item, so GAC members please resume your seats thank you very much.

MANAL ISMAIL, GAC CHAIR: So, can you please take your seats?

Welcome again everyone to the second GAC session on auction proceeds. Today it's scheduled at 14:30 for a half hour. The objective of the session is to discuss the initial report of the cross community working group on auction proceeds which was posted recently. We have already brought this to your attention on the mailing list and also in the briefs that were circulated before the meeting. So, there is no urgent GAC response at this point in time but it's good to follow up the process and follow up the discussions, because at a certain point in time we will need to provide a GAC position since the GAC is a chartering organization of this cross community working group.

So, with this I will hand it over to Tom to take us through the brief which highlights the main points within the initial report. Over to you, Tom, please.

TOM DALE:

Thank you, Manal. Good afternoon again. I will take you through the main points of the briefing that we prepared and provide you with an update as I understand it, and then it may be that as there are a number of GAC members who are actually formal members of this group, a number of whom are in the room I notice, from Iran, Argentina and India, they will be able to add more information and help with the discussion.

But just to provide you with my understanding of the current situation first -- and please forgive me if a take of little bit of time to explain some of the terms because, As with a number of recent meetings we do have a number of new members and people have said several times could you please slow down a little bit with the acronym overload and the ICANN speak.

So, we're talking here firstly about a cross community working group. You won't find that in the bylaws. It's a cross community working group as the name implies, a number of different organizations across the ICANN community working together on issues of common concern. In this case the issue is auction proceeds from what were called contested string sets in the last round of applications for new generic top-level domains new gTLD's.

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Now, a contested string set is when several applicants want to have the same string, a string is the set of letters that form a domain name, and one of the means of resolving those disputes between applicants in the last round for these names was an ICANN-run auction process. There are a number of possible auctions that could be arranged privately but so we're talking about ICANN run actions. And there were a number of such auctions to allocate names, and those auctions raised a significant amount of money. Last count in the order of about $233 US million dollars, which is being held by ICANN at the moment and the cross community group of which the GAC is a part, a chartering organization in ICANN speak, the cross community working group has been given the job not of deciding how that money should be spent but rather what sort of mechanisms there should be for making those decisions, so several steps removed from allocating the funds themselves. So, there's that amount of money, that's where it came from, that's where it's sitting and this group, of which the GAC is a formal part, has been attempting to determine a mechanism for allocating the funds for the benefit of the community.

Now, at the GAC's last -- meeting in Panama City, there was some discussion, but it was mostly the GAC being briefed by the co-chairs of that cross community working group, the co-chairs and Erica Mann and Kim Chao, As I recall, the GAC was briefed on their work but there was very little substantial discussion there just wasn't time, and in fact on this matter the GAC has not, since joining the group two years ago, the GAC has not had a substantive discussion, but the GAC has retained membership through Iran, Argentina, and India.

So, to look quickly at the points covered on the brief that we prepared, the initial report was due to be published and in fact was published in early October, it is on the ICANN public comment page. Those comments closed, I believe on the 27th of November, so that means that the GAC or individual GAC members can make submissions on that draft report.

The brief indicates, it does focus on two possible mechanisms for allocating the funds, although there are a number of other options as well, if you could scroll down a little bit Gulten thank you. The two main options covered there were in the draft report a new ICANN Proceeds Allocation Department which we created as part of ICANN org, ICANN the organization or a new ICANN Proceeds Allocation Department, also created as part of ICANN.org which would work in collaboration with an existing charitable organization.

Now, I try to bring to your attention in the briefing some correspondence recently from the ICANN board to the CCWG because the board has particular views on mechanisms for spending these funds and the barred has indicated firstly that ICANN would not anticipate applying for funds itself which is perhaps self-evidence but is good to know. The board has said in writing that SO AC structures that are not legal entities in their own right independent of the multi stakeholder ICANN structure will be unable to apply for proceeds as they likely do not meet due diligence requirements, my understanding of what that means is now the GAC cannot apply for those funds nor could any other supporting organization or advisory committee however, if you can scroll down a little bit, please Gulten that would be good, the board has

also said that individual participants, that is GAC members, could potentially apply for funds through a mechanism but not the GAC itself because it's an ICANN organization.

So, as I indicated before, the GAC has not yet had substantive discussions on this, just hadn't been possible to find time within the agenda and there has been no pressing deadline, at the present time what is out for comment is a draft, initial report. I don't know the group has specifically set a deadline for all charter organizations to adopt a position but it would seem likely that would be by the next meeting in Kobe in March next year, so that is where the situation is up to It's a matter of the GAC of course to consider whether you want to start a discuss now, or whether you want to start a discussion between now and Kobe and whether you want to consider individual submissions from members or [indiscernible] not a GAC submission to the public comment process.

Finally, Manal, as I said in the beginning there is there are a number of GAC members, specifically Iran, India and Argentina, who may be able to provide a more substantive, update as formal GAC as participants in the group. Thank you.

MANAL ISMAIL, GAC CHAIR: Thank you, Tom. Any comments from GAC representatives? Yeah, I have Argentina and then Iran.

OLGA CAVALLI: Thank you, Manal and thank you Tom for the very good summary. I did participate quite frequently at the beginning of the process. I honestly must say that Work Track 5 absorb the most of my time in the last month so haven't been following the list but not very actively the discussions. Anyway, I would like to comment that most of the discussion was how to structure the formal way in which handling the allocation of the funds. It's not who will receive the fund or which kind of project will receive the funds but which is the mechanism through within the organization or outside the organization, if it's handled by ICANN or by an independent structure, that will handle those funds. So, it's not about how to allocate and the procedures, to allocation of the funds. Because some people think the group will decide who will receive the money. That's not it, not the point. That's something I wanted to comment. Maybe other colleagues had more time in the last calls to brief our friends here.

MANAL ISMAIL, GAC CHAIR: Thank you, Olga, for this important clarification and for your participation. Tom, go ahead and then we have Iran.

TOM DALE: Thank you Manal, Sorry, I should have added, for your information and my apologies, I just forgot, it's in the excitement of my last GAC meeting I'm getting carried away here, the CCWG will be providing an information session on its initial report to the ICANN community but that will be on Monday and many of you will be involved with a high

level governmental meeting but it's in the ICANN meeting for Monday. Thank you I'd thought I just add that in.

MANAL ISMAIL, GAC CHAIR: So again, if interested and busy with the high level governmental meeting you can still follow the recordings later. Iran please.

KAVOUSS ARASTEH: Thank you Manal. Good afternoon everybody, I will be a few minutes for coffee break, not coffee break, small drafting break over there for the EPDP, I came here. I think for the GAC members, although they're free to go to the detail of the organizations there should be option 1, option 2, Tom mentioned, most probable one option 3 and 4, but I think the most important issue for GAC would be what are the possibilities that GAC benefited of the allocation of money, in particular for the least served countries? This is important, in the form of tactical cooperation or assistance. I raise the issue and other people raise that. It is inside that, but I can tell you among 25 other options. However, if the GAC has the time and patience and wants to comment, perhaps to go to those different potential applicants and to see where the developing country or least served countries are mentioned and try either to extend that or add something on. For the time being it's not excluded. It could, but not clearly mentioned, but you could put that one. That's the first public comments.

I don't know to what extent the GAC members have time to do that, so many activities. But that is important, for the time being you note

probably that there are $330 million dollars on this whether in the future there will be more dollars or not, I don't know, but this is something, discuss about you are going into too much detail, a waste of time and so on so forth. It seems to me that there are many interested appetite people that want to use this money in one way or another. I don't object but please, I would like to call the GAC colleagues to look at that and see whether a particular developing country or least developed or least served country have any interest in the future to be an applicant which is not excluded and read those terms, conditions, and language, and if they have anything, please kindly indicate to us.

I participate as much as I possibly can, will leave up to 86 percent of the time, not 100, others, 96 percent, but if you have anything, please kindly tell that. There is room for that, up to you to see if you can do that. Why not? Because this is something that could help you. In particular those countries have little resources even to participate in the activities of the ICANN, just as travel support is not sufficient. You want to know better about the situation, how to use the DNS resources, how to go to the applications of the DNS or strings, and there is room for that. So please kindly do whatever you can. Thank you.

MANAL ISMAIL, GAC CHAIR: Thank you very much, Kavouss, and for multitasking between here and the EPDP and thank you so much for your dedication and for bringing up two very important points, first on the importance of getting engaged early, not necessarily waiting until the very final report at

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which time the GAC will be requested to provide the GAC position as a chartering organization. So, it's good that GAC members start participating or at least following the process now so that they are ready to take a position at that time.

The second thing is the importance of reaching out to those who may be interested and qualified to apply for this, for this fund.

KAVOUSS ARASTEH: The policy of the GAC, is the meeting the participant could not speak in the name of GAC, could mention, should you have any position, I would be more than happy to contribute that or raise that saying this is a GAC position. Otherwise, I would say as a participant. Sometimes I just say as a professional, even if it says participants, but I cannot represent GAC because you are not giving me any particular mission to speak on behalf, but should you have any positions, please provide that. Thank you very much, and allow me to go to the other room.

MANAL ISMAIL, GAC CHAIR: Thank you so very much Kavouss. So please either participate to the process follow up the process or even convey your views through colleagues who are representing the GAC on this cross community working group -- I have Indonesia and then Switzerland.

INDONESIA: I just want to know more about the process and the mechanism that could be used to distribute funds from auctions. Is there any discussion

during the process regarding the possibility of distributing funds to a particular area where the names are used in the gTLD, for example, if someone wants to use Jakarta, ok the funds will get 100 thousand dollars and the [indiscernible] will get 50% or something like that, is there discussion on that field?

TOM DALE: Manal, my understanding is that sort of detailed guidance is not currently being covered in the report. The idea as I have mentioned is that whatever the mechanism a new part of ICANN, for example, whatever the mechanism there, the group recommends will be responsible for making those sorts of decisions. They're trying to focus on a system of mechanism or whatever first and not on that detailed type of fund allocation at this stage or as Kavouss mentioned earlier, some ideas have been raised but my understanding they're not specifically going to be covered in the final report.

However, having said that, the matter is out there for public comment and GAC members could indicate in that process that some sort of criteria for specific areas, for example; lesser developed countries with particular issues concerning the Internet community for example could be covered but that's a matter for GAC members to take through the public comment process, I don't think it's covered in detail yet. I will be happy to try and obtain details of the briefing session from the CCWG co-chairs on Monday in due course and provide that to the GAC, although we're a little busy over the next few days but as soon as that

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information is available I will be happy to provide a factual update. Hope that helps.

MANAL ISMAIL, GAC CHAIR: Thank you very much, Tom. Switzerland, Jorge.

JORGE CANCIO: Thank you so much Manal. This was more of a question. If we look at the briefing prepared by Tom, there are two options for discussion mainly about the mechanisms for the funds distribution and I wonder whether there are any public policy implications on which mechanism to choose because just on paper it doesn't become apparent, at least to me. So that would be interesting to know from Tom or any fellow members who participate in that group, what is the reasoning behind having those options and whether that reasoning has public policy implications.

And the other comment or question is that mechanism really would distribute the funds? Or would it propose and the ICANN board would be the final decision maker? Because that would also influence very much what is the importance of having one mechanism or the other. So just if you have any further information on those points.

MANAL ISMAIL, GAC CHAIR: So maybe I can start here and then look to more maybe experienced people who are following the process more closely. So, I understand that there were four mechanisms under discussion and that there was

something like a very big table of comparison between the different mechanisms in terms of expenses, in terms of speed-- so it was more which mechanism would better fit the objectives of the distribution of these funds.

I think two of those four mechanisms were excluded, and then the two ones we have on the screen now were the most recommended by the members of the cross community working group with regards to the board I think -- again, this cross community working group is just setting the guidelines on how to deal with the auction proceeds but there will be a panel that would get into the selection and evaluation, and I understand that this is a separate process from the process that's going on right now and that probably ultimately the board will have to approve in terms of process, what process has been followed because they have a fiduciary obligation here. But again, I stand to be corrected or complemented by others.

Any further comments or questions? If not, then I would encourage you to follow the process and even bring back information to the GAC; this would also be very helpful.

So, we're just on time. We have now 15 minutes break. Please be back in the room by quarter past. Thank you.

[END OF TRANSCRIPTION]