CCWG-Accountability Comments on Draft New ICANN Bylaws

Introduction

Because of the complexity of the Draft ICANN Bylaws and the limited time that was available to the CCWG-Accountability to review the most recent draft prior to publication for comment, the CCWG-Accountability elected to use the ICANN public consultation to perform a more complete analysis the Draft ICANN Bylaws dated 20 April 2016 that were posted for public comment (“Draft Bylaws”).

These comments are not offered as criticism of the outstanding work performed by the legal drafting team in producing these Draft Bylaws. The CCWG tasked the two law firms that have advised the CCWG when it prepared the CCWG Proposal to be part of the legal drafting team. The drafting exercise was a collaborative effort between the law firms and ICANN’s legal department. We commend the lawyers involved for the collegial manner in which this exceptionally complex task was undertaken, and for the work product, which with the few exceptions noted here embodies the spirit of the CCWG-Accountability recommendations.

Given the necessary complexity of the Draft Bylaws and the short timeframes we are working under, the CCWG-Accountability participants were unable to conduct a thorough review prior to publication for public consultation. To remedy this situation, the CCWG-Accountability has held a series of meetings since the publication of the Draft Bylaws for public consultation to identify any remaining issues its participants, as a group, had with the Draft Bylaws.

Each issue presented in this document has been discussed by the CCWG-Accountability participants at meetings and has been agreed to as a CCWG-Accountability comment on the Draft Bylaws. The list of topics mentioned in this CCWG-Accountability public comment might appear to be long, but many of the points cited are included as a final check to ensure that the CCWG Proposal requirements have been implemented in the ICANN Bylaws.

CCWG-Accountability members and participants may also submit comments in their individual or organizational roles.

Comments:

1. Draft Bylaws Section 1.1 (c)
1.1. Text from the Bylaws: “ICANN shall not regulate (i.e., impose rules and restrictions on) services that use the Internet’s unique identifiers or the content that such services carry or provide, outside the express scope of Section 1.1(a). For the avoidance of doubt, ICANN does not hold any governmentally authorized regulatory authority, and nothing in the preceding sentence should be construed to suggest that it does have authority to impose such regulations.”
1.2. Issue: The last clause of the last sentence: "...impose such regulations" Appears to create some ambiguity.
1.3. Recommendation: Remove this clause and end the sentence with "such authority." The text would now read: “ICANN shall not regulate (i.e., impose rules and restrictions on) services that use the Internet’s unique identifiers or the content that such services carry or provide, outside
the express scope of Section 1.1(a). For the avoidance of doubt, nothing in the preceding sentence should be construed to suggest that ICANN does have such authority.”

2. Draft Bylaws Section 1.1 (d) (ii)
2.1. Text from the Bylaws: “Notwithstanding any provision of the Bylaws to the contrary, the terms and conditions of the documents listed in subsections (A) through (F) below, and ICANN’s performance of its obligations or duties thereunder, may not be challenged by any party in any proceeding against, or process involving, ICANN (including a request for reconsideration or an independent review process pursuant to Article 4) on the basis that such terms and conditions conflict with, or are in violation of, ICANN’s Mission or otherwise exceed the scope of ICANN’s authority or powers pursuant to these Bylaws (“Bylaws”) or ICANN’s Articles of Incorporation (“Articles of Incorporation”):”
2.2. Issue: The CCWG-Accountability notes that its Report mentioned grandfathering provisions for the RA and RAA only. Previous discussions within the CCWG-Accountability while preparing the Bylaws Draft led to the conclusion that inclusion of renewals were acceptable for these types of agreements, as long as these renewals did not include any new terms. Any new terms would need to be within the scope and mission of ICANN.
2.3. Recommendation: The CCWG-Accountability highlights for the benefit of its Chartering Organizations and the ICANN Board that provisions B, C and D of section 1.1 (d) were not requested by the CCWG-Accountability Supplemental Report. In addition, some of the referenced documents, including the ICANN-PTI contract, do not yet exist. While we understand the desire to minimize the possibility of disputes regarding the legitimacy of important agreements relevant to ICANN’s Mission, the implementation phase is not a time to incorporate new provisions that were not in the CCWG-Accountability Recommendations.

3. Draft Bylaws Section 1.1(d) (ii) (A)(1)-(2)
3.1. Text from the Bylaws: “(1) All registry agreements and registrar accreditation agreements between ICANN and registry operators or registrars in force on, or undergoing negotiation as of, [1 October 2016]1, including, in each case, any terms or conditions therein that are not contained in the underlying form of registry agreement and registrar accreditation agreement”(2) any registry agreement or registrar accreditation agreement not encompassed by (1) above that is based on substantially the same underlying form of registry agreement or registrar accreditation agreement that existed on [1 October 2016];”
3.2. Issue: Items B (ASO-NRO-IETF-RIRs), C (RZM) and D (PTI contract) are not part of the CCWG-Accountability Recommendations. In addition, the text of the Bylaws provision that grandfathers existing Registry Agreements and the 2013 Registrar Accreditation Agreement appears to require clarification to ensure that it embodies the intent of the CCWG Accountability Report. Specifically, the CCWG agreed to grandfather (1) existing Registry Agreements (RAs) and Registrar Accreditation Agreements (RAAs), (2) new RAAs employing the 2013 form of agreement, and (3) RAs for applicants in the 2014 New gTLD round using the existing form of RA. We understand that these agreements are “evergreen” and must be renewable in accordance with their terms. That said, there is no intent to grandfather future forms of RAs or RAAs, nor is there any intent to grandfather non-standard terms or conditions in agreements not in effect at this time.
3.3. Recommendation: Review the language to ensure it is consistent with the CCWG-Accountability Recommendations and captures the scope of the grandfathering contemplated in these recommendations.
4. Draft Bylaws Section 4.3 (s)
4.1. Text from the Bylaws: “An IRP Panel should complete an IRP proceeding expeditiously, issuing an early scheduling order and its written decision no later than six months after the filing of the Claim, except as otherwise permitted under the Rules of Procedure. For the avoidance of doubt, an IRP Panel’s failure to issue a written decision within six months after the filing of a Claim shall not be grounds for another Claim.”
4.2. Issue: Some members of the CCWG-Accountability are concerned that the language “For the avoidance of doubt, an IRP Panel’s failure to issue a written decision within six months after the filing of a Claim shall not be grounds for another Claim” may be inconsistent with CCWG-Accountability Recommendation #7, which contemplates that, absent unusual circumstances, an IRP will be completed within six months of the filing of the Claim.
4.3 Recommendation: The language should be reviewed to ensure that it is consistent with the CCWG-Accountability Recommendations.

5. Draft Bylaws Section 4.6 (e) (v)
5.1. Text from the Bylaws: “The Directory Service Review shall be conducted no less frequently than every five years, measured from the date the previous Directory Service Review Team was convened.”
5.2. Issue: Although this is consistent with the CCWG-Accountability recommendations, approving the new Bylaws in October 2016 would make the Directory Services (WHOIS) Review immediately 1 year late given the last review began in October 2010.
5.3. Recommendation: This was an unintended consequence of the CCWG-Accountability Recommendations and an appropriate correction to avoid this default situation should be implemented.

6. Draft Bylaws 22.8
6.1. Excerpt from the Bylaws: “If three or more Decisional Participants deliver to the Secretary a joint written certification from the respective chairs of each such Decisional Participant that the constituents of such Decisional Participants have, by consensus, determined that there is a credible allegation that ICANN has committed fraud or that there has been a gross mismanagement of ICANN’s resources, ICANN shall retain a third-party, independent firm to investigate such alleged fraudulent activity or gross mismanagement.”
6.2. Issue: Requiring that the Decisional Participants determine by “consensus” is inconsistent with the CCWG-Accountability Recommendations (CCWG Recommendations Annex 1 – Lines 37-38) and is also inconsistent with the EC practice of allowing Decisional Participants to determine their own procedures.
6.3. Recommendation: The phrase “by consensus,” should be struck, and should be replaced with a clarification that such decisions are made according to individual Decisional Participants decision making processes.

7. Draft Bylaws 22.8
7.1. Excerpt from the Bylaws: “…The Board shall consider the recommendations and findings set forth in such report. Such report shall be posted on the Website, which may be in a redacted form as determined by the Board, including to preserve attorney-client privilege, work product doctrine or other legal privilege or where such information is confidential, in which case ICANN
will provide the Decisional Participants that submitted the certification a written rationale for such redactions."

7.2. Issue: The Board power to redact should not be so broad and was not specified in the CCWG-Accountability proposal (CCWG Recommendations Annex 1 – Lines 37-38). The CCWG-Accountability accepts that there is a need to provide the Board with the ability to redact some information but believes that the current language would allow the Board to solely determine what it can redact without limitations. The CCWG-Accountability believes only a specified list of grounds, as set out in the draft Bylaws, should be an acceptable basis for redaction.

7.3. Recommendation: Suggest replacing “including” with “in order to” to limit what can be redacted by the Board to a set list of elements.

8. Draft Bylaws Section 27.3 (a)
8.1. Text from the Bylaws: "(a) The Core Value set forth in Section 1.2(b)(viii) shall have no force or effect unless and until a framework of interpretation for human rights (“FOI-HR”) is approved by (i) the CCWG-Accountability as a consensus recommendation in Work Stream 2, (ii) each of the CCWG-Accountability’s chartering organizations and (iii) the Board (in the case of the Board, using the same process and criteria used by the Board to consider the Work Stream 1 Recommendations)."

8.2. Issue: The language stating that the FOI-HR must be approved by “(ii) each of the CCWG-Accountability’s chartering organizations...” is inconsistent with the CCWG-Accountability Recommendation #6 and may lead to some interpretations that formal approval is required from every Chartering Organization.

8.3. Recommendation: The CCWG-Accountability would ask that this language be reviewed to ensure that the decision process for the FOI-HR is aligned with the approval process from the CCWG-Accountability Charter which does not require the approval of all Chartering Organizations.

9. Draft Bylaws Section 1.2(b)(viii)
9.1. Text from the Bylaws: "(viii) Subject to the limitations set forth in Section 27.3, within the scope of its Mission and other Core Values, respecting internationally recognized human rights as required by applicable law. This Core Value does not create and shall not be interpreted to create any additional obligations for ICANN and shall not obligate ICANN to respond to or consider any complaint, request or demand seeking the enforcement of human rights by ICANN, except as provided herein."

9.2. Issue: current wording creates ambiguity with regards to potential enforcement duties of ICANN. The CCWG Supplemental Report - Annex 6 - paragraph 10 mentions that “any type of external enforcement or regulatory activity would be wholly out of scope.”

9.3 Recommendation (as proposed by CCWG-Accountability legal counsel): Replace current language with the following: "(viii) Subject to the limitations set forth in Section 27.3, within the scope of its Mission and other Core Values, respecting internationally recognized human rights as required by applicable law. This Core Value does not create, and shall not be interpreted to create, any obligation on ICANN outside its Mission, or beyond obligations found in applicable law. This Core Value does not obligate ICANN to enforce its human rights obligations, or the human rights obligations of other parties, against such other parties."
10. Draft Bylaws Section 7.12 (b)
10.1. Text from the Bylaws: “This Section 7.12(b) shall apply to Board vacancies occurring when all Directors (other than the President) are recalled as provided by Section 7.11(a)(ii). Within five days following the date such Directors are removed.....”
10.2. Issues:
10.2.1 Section 7.11(a)(ii) states:“(ii) The Board may remove any Director who has been declared of unsound mind by a final order of court, convicted of a felony, or been found by a final order or judgment of a court to have breached any duty under Sections 5230 through 5239 of the CCC, and in the case of such removal, the Secretary shall promptly notify the EC Administration in writing, with a copy to the body that nominated such Director, and shall promptly post such notification to the Website. The vacancies created by such removal shall be filled in accordance with Section 7.12(a). “.
10.2.2 Allowing 5 days to replace Board vacancies due to the EC recalling the Board seems inconsistent with the CCWG- Accountability recommendations Annex 4, Para 82: “If the ICANN Board were to be recalled, an Interim Board would be put in place. Interim Directors would be named with the exercising of the Community Power to ensure continuity.”
10.3. Recommendation (as proposed by CCWG-Accountability legal counsel): Replace the current language with: “(b) This Section 7.12(b) shall apply to Board vacancies occurring when all Directors (other than the President) are recalled as provided by Section 7.11(a)(iii). Concurrently with delivery of any EC Board Recall Notice (as defined in Section 3.3(f) of Annex D), the EC Administration shall provide written notice of the EC’s designation of individuals to fill such vacancies (each such individual, and “Interim Director”) to the Decisional Participants and to the Secretary, who shall cause such notice to be promptly posted to the Website.”

11. Draft Bylaws Section 4.6(b)(ii)
11.1. Text from the Bylaws: “The issues that the review team ... may assess are the following”
11.2. Issue: The use of “may assess” does not properly implement CCWG Annex 9, paragraph 84 which states: "Issues that may merit attention in this review include:" The Draft Bylaws formulation may unintentionally restrict the list of issues that are within the scope of the review team.
11.3. Recommendation: Review the language to ensure it is consistent with the CCWG-Accountability Recommendations.

12. Draft Bylaws Section 7.4(d)
12.1. Text from the Bylaws: “No person who serves on the EC Administration while serving in that capacity shall be considered for nomination or designated to the Board, nor serve simultaneously on the EC Administration and as a Director or Liaison to the Board.”
12.2. Issue: This provision was not included in the CCWG-Accountability Recommendations (although it was raised during one of the Bylaws drafting group calls as one of the questions raised by the drafting team). The existing restrictions on Board members conflicts of interest would appear to provide sufficient safeguards.
12.3. Recommendation: Review the language to ensure it is consistent with the CCWG-Accountability Recommendations.

13. Draft Bylaws Section 7.11(a)(i)(B)
13.1. Text from the Bylaws: “following notice to that Director, by a three-fourths (3/4) majority vote of all Directors; provided, however, that (x) each vote to remove a Director shall be a separate vote on the sole question of the removal of that particular Director; and (B) such removal shall not be effective until the Secretary has provided notice to the EC Administration of the Board’s removal vote and the requirements of Section 6.4 have been met.”

13.2. Issue: For removal of a Board member by the Board, the current Bylaw says a 3/4 majority vote of all Board members, except the member subject to the removal is required. The revision omits the exclusion, in theory allowing that director to participate in the vote.

13.3. Recommendation: This is outside the remit of the CCWG-Accountability and simply included as a note for consistency.

14. Draft Bylaws Annex D, Section 1.4(b)(i-ii)
14.1. Text from the Bylaws: “(i) The Approval Action does not relate to a Fundamental Bylaw Amendment and is (A) supported by three or more Decisional Participants and (B) not objected to by more than one Decisional Participant; or (ii) The Approval Action relates to a Fundamental Bylaw Amendment and is (A) supported by three or more Decisional Participants (including the Fundamental Bylaw Amendment PDP Decisional Participant if the Board Notice included a PDP Fundamental Bylaw Statement) and (B) not objected to by more than one Decisional Participant.”

14.2. Issue: The higher threshold should apply not only to Fundamental Bylaws, but also to the Articles of Incorporation as per the CCWG-Accountability Recommendations.

14.3. Recommendation: Review the language to ensure it is consistent with the CCWG-Accountability Recommendations.

Conclusion

In conclusion, we reiterate that these comments are not offered as criticism of the outstanding work performed by the legal drafting team in producing these Draft Bylaws. We commend the lawyers involved for the collegial manner in which this exceptionally complex task was undertaken, and for the work product, which with the few exceptions noted here embodies the spirit of the CCWG-Accountability recommendations.

Our group looks forward to the adoption of these Bylaws and is committed to remaining fully engaged in their finalization, as well as the rest of the implementation effort.