

Cross Community Working Group (CCWG) Accountability Initial Draft Proposal for Public Comment

4 May 2015

These recommendations are not presented as the consensus of the CCWG-Accountability.

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Executive Summary

- 01 On 14 March 2014 the National Telecommunications and Information Administration (NTIA) announced its intent to transition its stewardship of the Internet Assigned Numbers Authority (IANA) functions and related root zone management to the global multistakeholder community. NTIA asked ICANN to convene a multistakeholder process to develop a proposal for the transition.
- 02 As initial discussions of the IANA Stewardship Transition were taking place, the ICANN community raised the broader topic of the impact of the transition on ICANN's current accountability mechanisms. From this dialogue, the Enhancing ICANN Accountability process was developed to propose reforms that would see ICANN attain a level of accountability to the global multistakeholder community that is satisfactory in the absence of its historical contractual relationship with the U.S. Government. This contractual relationship has been perceived as a backstop with regard to ICANN's organization-wide accountability since 1998.
- 03 This report for public comment represents the current work product of the CCWG-Accountability. It is focused on draft Work Stream 1 recommendations (Work Stream 1 is the CCWG-Accountability's work on changes to ICANN's accountability arrangements which must be in place, or committed to, prior to the IANA Stewardship transition), which were the focus of the first five months of work (from December 2014 until May 2015). **These recommendations are not presented as the consensus of the CCWG-Accountability at this point.** The CCWG-Accountability is seeking confirmation of its approach, and guidance upon several options, from the community.
- 04 The CCWG-Accountability Charter has been endorsed by the GNSO, ALAC, ccNSO, GAC and ASO. The CCWG-Accountability is composed of 26 members, appointed by each endorsing organization, and 154 participants. Participation in the group is open to any party. The CCWG-Accountability work was conducted through weekly conference calls, attended on average by 44 participants and members, and it held face-to-face meetings in Frankfurt (19-20 January 2015), Singapore (9-12 February 2015) and Istanbul (23-24 March 2015) as well as two intense work days (23-24 April 2015) with each 6 hours of telephone conferences.
- 05 The CCWG-Accountability has designed its work so that it may be coordinated with the timeline of the IANA Stewardship Transition. The Work Stream 1 proposals, when finalized, will be presented to the ICANN Board of Directors for transmission to NTIA along with the ICG assembled transition proposal.¹
- 06 The CCWG-Accountability has established a set of requirements that need to be fulfilled in order to enhance ICANN's accountability. In order to do so, the CCWG-Accountability has established

¹ Please see ICANN 52 Board statement at <https://www.icann.org/news/announcement-3-2015-02-12-en>

- ❑ An inventory of existing accountability mechanisms;
 - ❑ An inventory of contingencies that ICANN must be safeguarded against; and
 - ❑ A set of 26 stress tests to establish whether the newly designed accountability architecture efficiently protects ICANN from the contingencies identified.
- 07 The CCWG-Accountability has based its deliberations on requests and suggestions that have been provided by the community during a public comment period conducted last year following the NTIA announcement and added its own findings as well as input from independent advisors to establish a list of requirements that need to be met by an improved accountability system in ICANN. With this report, the CCWG-Accountability is seeking additional input and guidance from the community.
- 08 To date, the CCWG-Accountability has defined the following requirements:
- 09 The CCWG-Accountability identified four building blocks that need to be in place and that would form the accountability mechanisms required to improve accountability. These building blocks are:
- ❑ Principles that form the Mission and Core Values of ICANN;
 - ❑ The Board of Directors;
 - ❑ An empowered community;
 - ❑ Independent appeal mechanisms.
- 10 The recommendations include revising ICANN's Bylaws to clarify the scope of ICANN's policy authority, reflect key elements of the Affirmation of Commitments, and establish a set of "Fundamental Bylaws", which enjoy special protection and can only be changed based on prior approval by the Community. The following items shall have the status of Fundamental Bylaws:
- ❑ The Mission, Commitments and Core Values;
 - ❑ The Independent Review Process;
 - ❑ The power to veto non-fundamental Bylaw changes and to approve changes to Fundamental Bylaws;
 - ❑ Any reviews required by the CWG-Stewardship (e.g. the IANA Function Review);
 - ❑ New community powers such as recall of the Board.

The group also recommends bringing the regular reviews, which are required by the Affirmation of Commitments (such as the accountability and transparency reviews) into ICANN's Bylaws.

- 11 A key recommendation of the CCWG-Accountability is to empower the community to have more influence on certain Board decisions. The group identified powers and associated mechanisms including the ability to:
- ❑ Recall the ICANN Board of Directors;

- ❑ Remove individual Board Directors;
- ❑ Veto or approve changes to the ICANN Bylaws, Mission, Commitments and Core Values;
- ❑ Reject Board decisions on Strategic Plan and budget, where the Board has failed to appropriately reflect community input in these documents.

12 In addition to the aforementioned powers, the CCWG-Accountability recommends significantly enhancing ICANN's Independent Review Process. The Panel should become a standing panel of seven independent panelists, proposed by the ICANN Board with a confirmation procedure involving the community. Materially affected parties, including in some cases the community itself, would have standing to initiate a procedure in front of the panel. The decisions of the panel would not only assess compliance with process and existing policy, but also the merits of the case against the standard of ICANN's Mission, Commitments and Core values. Additionally, the decisions of the Panel would be binding upon the ICANN Board. The CCWG-Accountability also recommends improvements in the accessibility of the Independent Review Process, especially the cost of access.

13 Finally, the CCWG-Accountability proposes a number of key reforms to ICANN's Request for Reconsideration process. The key reforms proposed include the expansion of the scope of permissible requests to include Board/staff actions or inactions that contradict established policy, ICANN's Mission, Commitments, or Core Values, and the extension of the time for filing a Request for Reconsideration from 15 to 30 days.

14 **IMPLEMENTATION:**

15 In its deliberations and in discussion with its independent legal counsel, it has become clear that all requirements established by the CCWG-Accountability may be implemented while ICANN remains a not-for-profit public benefit corporation based in California. However, modifications will be required to ICANN's Articles of Incorporation and Bylaws in order to empower the multistakeholder community as proposed by the CCWG-Accountability. Counsel's inputs have included that ICANN could change from a corporation with no members to a membership-based organization.

16 The CCWG-Accountability proposes the creation of a formal membership with power to hold the ICANN Board accountable. It is the group's reference mechanism. This "SO/AC Membership Model" is the approach that, based on analysis so far, fits requirements best. This model would have the following key characteristics:

1. The ICANN Supporting Organizations (SOs) and Advisory Committees (ACs) would each form unincorporated associations, and through these associations would

exercise the rights they would gain as a “Member” of ICANN². The SO and AC unincorporated associations would be Members, completely linked to & under the control of the SO or AC they represent. No third party and no individuals would become Members of ICANN.

2. There would be no need for individuals or organizations to change the ways in which they participate in ICANN or in the SOs or ACs as a result of creating the new “Members” or “unincorporated associations.” Current functions would be exercised as they are today.
 3. Our legal counsel has advised that through this structure, there would be no material increase in the risks and liabilities individual ICANN participants face today.
 4. In the group’s reference mechanism, a community group exercising the community powers would have 29 votes in total: 5 for each the GNSO, the ccNSO, the ASO, the GAC and ALAC; 2 each for SSAC and RSSAC.
- 17 The group discussed variations of these mechanisms and seeks guidance from the community regarding the proposed options.
- 18 An essential part of the CCWG-Accountability Charter calls for stress testing of accountability enhancements. ‘Stress Testing’ is a simulation exercise where a set of plausible, but not necessarily probable, hypothetical scenarios are used to gauge how certain events will affect a system, product, company or industry. The 26 stress tests were grouped into 5 categories: financial crisis or insolvency, failure to meet operational obligations, legal / legislative actions, failure of accountability and failure of accountability to external stakeholders.
- 19 Applied to the recommendations, the stress tests demonstrate that these Work Stream 1 recommendations increase ICANN’s accountability significantly, providing adequate mitigation measures in situations where that was not the case without these recommendations. The requirement that ICANN remains compliant with applicable legislations, in jurisdictions where it operates, is also fulfilled.
- 20 The stress test exercise demonstrates that Work Stream 1 recommendations do enhance the community’s ability to hold ICANN Board and management accountable, relative to present accountability measures. It is also clear that the CWG-Stewardship proposals are complementary to CCWG-Accountability measures. One stress test regarding appeals of ccTLD revocations and assignments (ST 21) has not been adequately addressed in either the CWG-

² Unincorporated associations are the means by which the “legal personality” required to be a Member is established. They would be a vehicle for the SOs and ACs to exercise these membership powers. They are lightweight structures, and explained further in the memorandum from legal counsel at Appendix G.

Stewardship or CCWG-Accountability proposals, as both working groups await policy development from the ccNSO.

- 21 The CCWG-Accountability's assessment is that its recommendations published for public comment are consistent with the CWG-Stewardship expectations regarding budget, community empowerment, review and redress mechanisms, as well as appeals mechanisms with regards to ccTLD related issues. The group is grateful to the CWG-Stewardship for the constructive collaboration that was set up across the groups and for the weekly calls between the respective group chairs held since 12 December 2014.
- 22 During the public comment period, the CCWG-Accountability will pursue its efforts in order to finalize its proposals and facilitate implementation. An indicative, best-case implementation plan is provided in this report.

1) Introduction & Background

Note: This section is a summary. For more information on background, methodology, definitions and scoping, we invite you to refer to Appendix A of this report. An inventory of existing ICANN Accountability Mechanisms may also be found in Appendix A.

1.1 Introduction

- 23 On 14 March 2014 the National Telecommunications and Information Administration (NTIA) [announced](#) its intent to transition its stewardship of the Internet Assigned Numbers Authority (IANA) functions and related root zone management to the global multistakeholder community. NTIA asked ICANN to convene a multistakeholder process to develop a proposal for the transition.
- 24 As initial discussions of the IANA Stewardship Transition were taking place, the ICANN community raised the broader topic of the impact of the transition on ICANN's current accountability mechanisms. From this dialogue, the Enhancing ICANN Accountability process was developed to propose reforms that would see ICANN attain a level of accountability to the global multistakeholder community that is satisfactory in the absence of its historical contractual relationship with the U.S. Government. This contractual relationship has been perceived as a backstop with regard to ICANN's organization-wide accountability since 1998.
- 25 Informed by community discussions and public comment periods, the final [Revised Enhancing ICANN Accountability: Process and Next Steps](#) includes considering how ICANN's broader accountability mechanisms should be strengthened in light of the transition, including a review of existing accountability mechanisms such as those within the [ICANN Bylaws](#) and the [Affirmation of Commitments](#).
- 26 The Cross Community Working Group on Enhancing ICANN Accountability ([CCWG-Accountability](#)) was convened, designed and approved by a Drafting Team (DT) composed of five

ICANN community groups. The CCWG-Accountability [Charter](#) was circulated for adoption on 3 November – see Appendix B.

27 The CCWG-Accountability consists of 222 [people](#), organized as 26 [members](#), appointed by and accountable to the CCWG-Accountability chartering organizations, 154 [participants](#), who participate as individuals, and 48 [mailing list observers](#).

28 The CCWG-Accountability also includes:

- ❑ 1 ICANN Board liaison who brings the voice of the Board and Board experience to activities and deliberations;³
- ❑ 1 ICANN staff representative who provides input into the deliberations;⁴
- ❑ 1 former ATRT member who serves as a liaison and brings perspective and ensures that there is no duplication of work;⁵
- ❑ 4 ICG members who participate in the CCWG-Accountability, including two who serve as liaisons between the two groups.

29 Seven [Advisors](#) have also been appointed by a [Public Experts Group \(PEG\)](#) to contribute research and advice, and to bring perspectives on global best practices to enrich the CCWG-Accountability discussion, all while engaging with a broader network of accountability experts from around the world.

30 More information on the background, please refer to Appendix A.

1.2 Definitions & Legal Scoping

The CCWG-Accountability scoped out and elaborated a problem statement along with definitions to help refine its understanding of the task it was entrusted with. The group endeavored to produce a definition of what accountability is, listed transparency, consultation, review mechanisms and redress mechanisms as criteria of accountability mechanisms.

As a general concept, the group proposed that accountability encompassed processes whereby an actor answers to others for the effects on them of its actions and omissions. For the CCWG-

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³ Should there be an issue of a consensus call, the Board Liaison would not participate in such a consensus call.

⁴ Should there be an issue of a consensus call, the staff representative would not participate in such a consensus call.

⁵ Should there be an issue of a consensus call, the ATRT Expert would not participate in such a consensus call.

Accountability, then, accountability involves the processes whereby ICANN answers to its stakeholders for the impacts on those stakeholders of ICANN's decisions, policies and programs.

- 33 The group proposed that accountability is comprised four dimensions: One, transparency, means that an actor (ICANN) is answerable to its stakeholders by being open and visible to them. A second, consultation, means that the actor (ICANN) continually takes input from and explains its positions to the stakeholders. Third, review means that the actor's actions, policies and programs are subject to outside monitoring and evaluation. The fourth dimension, redress, means that the accountable actor makes compensations for any harms of its actions and omissions, for example, by means of policy changes, institutional reforms, resignations, financial reparations, etc.
- 34 Independence and checks and balances were identified as two key qualities of any accountability mechanism. The group defined "checks and balances mechanisms" as a series of mechanisms put in place to adequately address the concerns from the various interested parties in the discussion and decision process, as well as to ensure that the decision is made with the due consideration of the interests of all stakeholders. The group investigated two different non-exclusive views in order to assess independence: independence of persons participating in the decision process, and independence of a specific accountability mechanism with regards to other mechanisms.
- 35 The group flagged to whom should ICANN be accountable as an important component, and assembled a list of stakeholders which distinguished between affected parties and parties affecting ICANN. The following principles were agreed to guide the CCWG-Accountability's activities:
- ❑ ICANN accountability requires that it comply with its own policies, rules and processes (part of "due process", as a quality of fairness and justice);
 - ❑ ICANN accountability requires compliance with applicable legislation, in jurisdictions where it operates;
 - ❑ ICANN should be accountable to achieving certain levels of performance as well as security;
 - ❑ ICANN should be accountable to ensure that its decisions are for the benefit of the public, not just in the interests of a particular set of stakeholders or ICANN the organization.
- 36 See *Appendix B "CCWG-Accountability Accountability – Problem definition" (Current Version, 13 March 2015)* for more information.

1.3 Legal Advice

- 37 The CCWG-Accountability engaged two law firms to provide advice on the feasibility of its proposed frameworks and mechanisms, Adler & Colvin and Sidley Austin LLP.⁶ The firms' work was coordinated through the Legal Subteam of the CCWG-Accountability. See Appendix C for more information on the Legal Subteam methodology. The legal advice was key to the CCWG-Accountability in formulating its recommendations.
- 38 The CCWG-Accountability Legal Subteam's rules of engagement and working methodologies are described in Appendix C.

1.4 Input Gathered from the Community: Required Community Powers

- 39 As indicated in the methodology section of Appendix A, the group reviewed the collection of public comments received during the development of the Enhancing ICANN Accountability and categorized these as Work Stream 1 and Work Stream 2. Work Stream 1 mechanisms were defined as those that, when in place or committed to, would provide the community with confidence that any accountability mechanism that would further enhance ICANN's accountability would be implemented if it had consensus support from the community, even if it were to encounter ICANN management resistance or if it were against the interest of ICANN as a corporate entity.
- 40 The mechanisms were divided in three sections:
1. **Mechanisms giving the ICANN community ultimate authority over the ICANN corporation.** Most of these were initially designated as Work Stream 1, since community members need the leverage of IANA transition to obtain these Bylaws changes.
 2. **Mechanisms to restrict actions of the Board and management of the ICANN corporation.** Most of these are initially designated as Work Stream 2, since the Members could veto certain Board decisions if reserved for Members if Members are empowered in Work Stream 1 (1, above).
 3. **Mechanisms to prescribe actions of the ICANN corporation.** Most of these are initially designated as Work Stream 1, since the Members could veto certain Board decisions if reserved for Members if Members are empowered in Work Stream 1

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03 ⁶ When referring to legal advice and counsel, this report refers to joint advice and counsel unless noted otherwise.

(above). For example, a bottom-up consensus process to change ICANN Bylaws might be rejected by the ICANN Board, but the Members could then veto that decision.

41 Work Stream 1 accountability mechanisms are presented in detail in Section 2.

42 In addition, the CWG-Stewardship has advised the CCWG-Accountability, including in a [correspondence](#) from the CWG-Stewardship co-chairs dated 15 April 2015, the expectations from their group with regards to CCWG-Accountability accountability Work Stream 1 recommendations. These expectations are:

- ❑ **ICANN budget:** The CWG-Stewardship supports the ability for the community to approve a budget, including on IANA functions' costs. This expectation is dealt with in Section 5.2.
- ❑ **Community empowerment mechanisms:** The CWG-Stewardship will be relying on the community empowerment and accountability mechanisms that the CCWG-Accountability is currently considering and developing being in place at the time of the stewardship transition. In particular, mechanisms such as: the ability to recall the ICANN Board decisions relating to periodic or special reviews of the IANA functions undertaken through the IANA Function Review (IFR); the ability to approve change to Fundamental Bylaws as well as the related creation of a stakeholder community / member group in order ensure the ability to exercise these kinds of rights. This expectation is dealt with in Section 5.
- ❑ **Creation of a customer standing committee:** The CWG-Stewardship will be relying on the creation of a customer standing committee (CSC) within the ICANN Bylaws. Additionally, under the current CWG-Stewardship proposal, if not currently within their mandates, the ccNSO and/or GNSO would be empowered to address matters escalated by the CSC.
- ❑ **Review and redress mechanisms:** The CWG-Stewardship would like to have the assurance that an IANA Function Review (or related special review) could be incorporated as part of the Affirmation of Commitments mandated reviews integration into ICANN's Bylaws as a Fundamental Bylaw. This expectation is dealt with in section 2.7.2. The CWG-Stewardship is also relying on a mechanism for a separation review once certain remedies are exhausted, which would trigger a separation of the Post-Transition IANA entity (PTI) from ICANN.
- ❑ **Appeal mechanisms (especially with regard to ccTLD related issues):** The CWG-Stewardship recommends that the CCWG-Accountability should be mindful of the recommendations of the CWG-Stewardship in relation to an appeals mechanism for ccTLDs in delegation and re-delegation. The CWG-Stewardship has conducted a survey among the ccTLDs as part of the work of our Design Team B, and the results led to a recommendation which notes that ccTLDs may decide to develop their own appeals mechanism regarding re/delegation at a later date (post-transition). As such, any appeal mechanism developed by the CCWG-Accountability should not cover ccTLD delegation / re-delegation issues as these are expected to be developed by the ccTLD community through the appropriate processes. However, the CWG-Stewardship does want to emphasize the importance and need for an appeal

mechanism to cover any other issues that may involve IANA and notes that this is option is expected to be specifically called out as one of the possible escalation mechanisms⁷ in the draft transition proposal. This expectation is dealt with in section 3.

- ❑ **Fundamental Bylaws:** To address the various matters above, the CWG-Stewardship is also relying on these mechanisms being included as Fundamental Bylaws.

2) Accountability Mechanisms

2.1 Description of Overall Accountability Architecture

- 43 The CCWG-Accountability identifies four building blocks that would form the accountability mechanisms required to improve accountability.



- 44 **Drawing a state analogy:**

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- 04 ⁷ As a note of clarification, the CWG-Stewardship has been referring previously to this appeals mechanism as IAP (Independent Appeals Panel) but understands that the CCWG-Accountability is referring to this mechanism as Independent Review Mechanism (IRP), which would also include the option for appeal. As such the CWG-Stewardship will be updating its references.

- ❑ Empowered community refers to the powers that allow the community (in the state analogy, **the people**) to take action should ICANN breach the principles.
 - ❑ The group identified powers and associated mechanisms including the ability to:
 - Remove individual directors or recall the ICANN Board of Directors;
 - Approve or veto changes to the ICANN Bylaws, Mission, Commitments and Core Values
 - Reject Board decisions on Strategic Plan and budget, where the Board has failed to appropriately consider community input
 - ❑ Principles form the Mission, Commitments and Core Values of the organization (i.e the Constitution).
 - ❑ The group proposes changes that should be made to the Mission, Commitments and Core Values in ICANN's Bylaws. For example, the group discussed how key provisions of the [Affirmation of Commitments](#) could be reflected into the Bylaws
- ❑ ICANN Board represents **the executive** entity the community may act against, as appropriate
- ❑ Independent Review Mechanisms, (i.e. **the judiciary**), confers the power to review and provide redress, as needed
 - ❑ The group proposes to strengthen the existing independent review process suggesting improvements to its accessibility and affordability, and process design including establishment of a standing panel capable of issuing binding outcomes. The IRP panel decisions would be guided by ICANN's Mission, Commitments and Core Values.

45 This section of the public comment report details the key recommendations upon which the CCWG-Accountability would like to receive input from the community. These recommendations do not reflect CCWG-Accountability consensus at this point.

3) Principles

3.1 Revised Mission, Commitments & Core Values

46 ICANN's current Bylaws contain (a) a Mission statement; (b) a statement of Core Values; and (c) a provision prohibiting policies and practices that are inequitable or single out any party for disparate treatment. These three sections are at the heart of ICANN's accountability: they obligate ICANN to act only within the scope of its limited Mission, and to conduct its activities in accordance with certain fundamental principles. As such, these three sections also provide a

standard against which ICANN's conduct can be measured and held accountable through existing and enhanced mechanisms such as Reconsideration and Independent Review.

47 The relevant language in the current Bylaws was adopted in 2003. Based on community input and our discussions since January, the CCWG-Accountability concluded that these provisions should be strengthened and enhanced to provide greater assurances that ICANN is accountable to its stakeholders and the global Internet community. In particular, the CCWG-Accountability found that:

- ❑ ICANN's Mission statement needs clarification with respect to the scope of ICANN's policy authority;
- ❑ The language in the Bylaws describing how ICANN should apply its Core Values is weak and permits ICANN decision makers to exercise excessive discretion;
- ❑ The current Bylaws do not reflect key elements of the Affirmation of Commitments; and
- ❑ The Board should have only a limited ability to change these key accountability provisions of ICANN's Bylaws.

48 **SUMMARY OF RECOMMENDED CHANGES**

49 [**Note:** Legal counsel has not reviewed the underlying proposed Bylaw revisions at this stage. The proposed language for Bylaw revisions is conceptual in nature at this stage; once there is consensus about direction developed through this comment process, the legal team will need time to draft appropriate proposed language for revisions to the Articles of Incorporation and Bylaws.]

50 The CCWG-Accountability is seeking input on a number of recommended changes to the ICANN Bylaws to address the deficiencies described above. We have deliberately attempted to minimize language changes, and in the charts that follow, we have (i) included the existing language; (ii) provided a redline showing proposed changes; and (iii) identified the source or justification for the proposed changes. The group discussed how to balance the needs of limiting ICANN's Mission and the necessary ability of the organization to adjust to a changing environment. Below we provide a summary of the proposed changes.

1. **ICANN Mission Statement.** The CCWG-Accountability recommends the following changes to ICANN's "Mission Statement," (Bylaws, Article I, Section 1):
 - a. Clarify that ICANN's Mission is limited to coordinating and implementing policies that are designed to ensure the stable and secure operation of the DNS and are reasonably necessary to facilitate the openness, interoperability, resilience, and/or stability of the DNS.
 - b. Clarify that ICANN's Mission does not include the regulation of services that use the DNS or the regulation of the content these services carry or provide.

Clarify that ICANN's powers are "enumerated" – meaning that anything not articulated in the Bylaws are outside the scope of ICANN's authority. This does not mean ICANN's powers can never evolve – but ensures that any changes will be deliberate and supported by the community.

2. **Core Values.** The CCWG-Accountability recommends the following changes to ICANN's "Core Values" (Bylaws, Article I, Section 2 and Article II, Section 3):

- a. Divide the existing Core Values provisions into Commitments and "Core Values."
 - i. Incorporate into the Bylaws ICANN's obligation to operate for the benefit of the Internet community as a whole, and to carry out its activities in accordance with applicable law and international law and conventions through open and transparent processes that enable competition. These obligations are now contained in ICANN's Articles of Incorporation.
 - ii. Designate certain Core Values as "Commitments". These values are so fundamental to ICANN's operation that they should rarely need to be balanced against each other. Those Commitments include ICANN's obligations to:
 1. Preserve and enhance the stability, reliability, security, global interoperability, resilience, and openness of the DNS and the Internet;
 2. Limit its activities to those within ICANN's Mission that require or significantly benefit from global coordination;
 3. Employ open, transparent, bottom-up, multistakeholder processes; and
 4. Apply policies consistently, neutrally, objectively and fairly, without singling any party out for discriminatory treatment.
 - iii. Slightly modify the remaining Core Values to:
 1. Reflect various provisions in the Affirmation of Commitments, e.g., efficiency, operational excellence, and

fiscal responsibility;

2. Clarify that any decision to defer to input from public authorities must be consistent with ICANN's Commitments and Core Values. We believe that this is inherent in the current Bylaws, but felt that it was appropriate to call it out clearly for purposes of accountability. This does not interfere with the ability of the GAC to provide input or advice on any topic; rather, it clarifies that ICANN must always act in compliance with its Bylaws obligations.
3. Add an obligation to avoid capture.

3. Balancing or Reconciliation Test

- a. Modify the "balancing" language in the Bylaws to clarify the manner in which this balancing or reconciliation takes place. Specifically:
 - i. In any situation in which one Commitment must be reconciled with another Commitment or Core Value, the proposed language requires ICANN to ensure that its interpretation is (i) justified by an important, specific, and articulated public interest goal within its Mission; (ii) likely to promote that public interest goal; (iii) narrowly tailored to achieve that goal; and (iv) no broader than necessary to do so; and
 - ii. In any situation where one Core Value must be reconciled with another, potentially competing Core Value, the balancing must further an important public interest in a way that is substantially related to that interest.
 1. Fundamental ("durable" or "enduring") Bylaws Provisions. The CCWG-Accountability recommends that the revised Mission Statement, Commitments and Core Values be adopted as "durable" or "enduring" elements of the ICANN Bylaws. Any modification to these Bylaws provisions would be subject to heightened

standards including, for example, community ratification or subject to community veto.

DISCUSSION

- 51 To whom is ICANN accountable? For what is it accountable? Those questions were a necessary starting point for the work of the CCWG-Accountability, and the answers inform all of our recommendations. Our work on Independent Review attempts to answer the first question. The Bylaws changes recommended here are designed to answer the second. Most important, ICANN has a limited Mission, and it must be accountable for actions that exceed the scope of its Mission. In undertaking its Mission, ICANN is also obligated to adhere to policy supported by community consensus and an agreed-upon standard of behavior, articulated through its Commitments and Core Values. Taken together, the proposed Mission, Commitments, and Core Values statement articulate the standard against which ICANN's behavior can be measured and to which it can be held accountable. Because these Bylaws provisions are fundamental to ICANN's accountability, we propose that they be adopted as Fundamental Bylaws that can only be changed with the approval of the community subject to procedural and substantive safeguards.

QUESTIONS AND OPEN ISSUES:

1a) Do you agree that these recommended changes to ICANN's Mission, Commitments and Core Values would enhance ICANN's accountability?

1b) Do you agree with the list of requirements for this recommendation?

If not, please detail how you would amend these requirements.

- 52 The proposed language is intended to convey the substance of the proposed Bylaws changes related to ICANN's Mission, Commitments and Core Values. Legal counsel has not reviewed the underlying proposed Bylaws revisions. The proposed language for Bylaw revisions is conceptual in nature at this stage; once there is consensus about direction developed through this comment process, the legal team will need time to draft appropriate language for revisions to the Articles of Incorporation and Bylaws. Once further developed, the proposed amendments to the Articles of Incorporation and Bylaws will be subject to public consultation.
- 53 The table below compares the current draft proposals with the current language and explains the context in the "Notes" column. We are particularly interested in the community's view as to the broad approach painted: of providing an almost "constitutional core" for ICANN against which the Board and staff can be held to account – by the community, and by the various review and redress procedures that feature elsewhere in this report.

MISSION

Current Bylaws Language	Working Draft New/changed text appears in red or strike-out text	Notes, Comments, Questions
<p>54 The Mission of The Internet Corporation for Assigned Names and Numbers ("ICANN") is 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. In particular, ICANN:</p> <ol style="list-style-type: none"> 1. Coordinates the allocation and assignment of the three sets of unique identifiers for the Internet, which are Domain names (forming a system referred to as "DNS"); Internet protocol ("IP") addresses and autonomous system ("AS") numbers; and Protocol port and parameter numbers. 2. Coordinates the operation and evolution of the DNS root name server system 3. Coordinates policy development reasonably and appropriately related to these technical functions. 	<p>55 The Mission of The Internet Corporation for Assigned Names and Numbers ("ICANN") is 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. In particular, ICANN:</p> <ol style="list-style-type: none"> 1. Coordinates the allocation and assignment of the three sets of unique identifiers for the Internet, which are Domain names (forming a system referred to as "DNS"); Internet protocol ("IP") addresses and autonomous system ("AS") numbers; and Protocol port and parameter numbers. 2. Coordinates the operation and evolution of the DNS root name server system 3. Coordinates policy development reasonably and appropriately related to these technical functions. <p>56 <i>In this role, with respect to domain names, ICANN's Mission is to coordinate the development and implementation of policy developed through a bottom-up, consensus-based multistakeholder process that is designed to ensure the stable and secure operation of the Internet's unique names systems, and for which uniform or coordinated resolution is reasonably necessary to</i></p>	<p>61 <i>The additional language is intended clarify, but not to either diminish or expand ICANN's current Mission. The proposed Mission statement also reflects ICANN's obligation under the Affirmation of Commitments.</i></p>

Current Bylaws Language	Working Draft New/changed text appears in red or strike-out text	Notes, Comments, Questions
	<p><i>facilitate the openness, interoperability, resilience, security and/or stability of the DNS.</i></p> <p>57 <i>In this role, with respect to IP addresses and AS numbers, ICANN's Mission is described in the ASO MoU between ICANN and RIRs.</i></p> <p>58 <i>In this role, with respect to protocol port and parameter numbers, ICANN's Mission is to [to be provided by the IETF].</i></p> <p>59 <i>In this role, with respect to the DNS root server system, ICANN's Mission is to [to be provided by root server operators].</i></p> <p>60 <i>ICANN shall not undertake any other Mission not specifically authorized in these Bylaws. Without in any way limiting the foregoing absolute prohibition it is expressly noted that ICANN shall not engage in or use its powers to attempt the regulation of services that use the Internet's unique identifiers, or the content that they carry or provide.</i></p>	<p>62 Some members of the CCWG-Accountability have expressed concern that this language may constrain ICANN's ability to evolve to meeting the changes needs of the DNS. Others, however, point out that this does not preclude such evolution; rather, it merely requires such changes to be agreed upon and formally reflected in the Bylaws.</p>

COMMITMENTS AND CORE VALUES

- 63 The CCWG-Accountability proposes to ensure that key elements of the [Affirmation of Commitments](#) that deal with commitments by ICANN to the community are reflected in ICANN's Bylaws and Articles of Incorporation. Some Affirmation of Commitments provisions are incorporated as Commitments and Core Values, others are included in other sections of the

governing documents. For example:

1. In the **Affirmation of Commitments Section 8(b)**, ICANN commits to remain a not for profit corporation, headquartered in the United States of America with offices around the world to meet the needs of a global community.
 - a. Article XVIII, Section 1 of the Bylaws currently provide that *“the principal office for the transaction of the business of ICANN shall be in the County of Los Angeles, State of California, United States of America. ICANN may also have an additional office or offices within or outside the United States of America as it may from time to time establish.”*
 - b. As set forth in the current Articles of Incorporation, ICANN’s is incorporated as a *“nonprofit public benefit corporation under the California Nonprofit Public Benefit Corporation Law for charitable and public purposes.”*
2. In the **Affirmation of Commitments Section 7**, ICANN commits to adhere to transparent and accountable budgeting processes, fact-based policy development, cross community deliberations and responsive consultation procedures, including detailed explanations of the basis for decisions, including how comments have influenced the development of policy consideration, to publish an annual report of its progress, and to provide thorough and reasoned explanations for its decisions, etc. The CCWG-Accountability proposes to incorporate this commitment into Bylaws Article III, which governs transparency.
3. In the **Affirmation of Commitments Section 4**, ICANN commits to perform and publish analysis of the positive and negative effects of its decisions on the public. The CCWG-Accountability proposes to incorporate this commitment into Bylaws Article III, which governs transparency.

64 In each case above, any changes to the relevant governing documents would be subject to rejection by the community or a direction that the Board reconsider the proposed change in accordance with the recommendations set out in Section 2.6.3 of the CCWG-Accountability Draft Report.

65 Some members of the CCWG-Accountability believe that some wording from the existing Bylaws as well as the Affirmation of Commitments might need to be reviewed. For example, both the White Paper and the Bylaws contain the phrase “private sector led”. The Affirmation of Commitments calls on ICANN to remain “rooted in the private sector”. In each case the group felt that it is important to clarify that the “private sector” includes individual and business users and civil society as well as DNS industry participants. Some felt that the concept of private sector leadership is inconsistent with the multistakeholder model. The CCWG-Accountability has not arrived at consensus on this point, and therefore the term is placed in square brackets for further review. The CCWG-Accountability welcomes community input on this matter.

Current Bylaws Language	Working Draft New/changed text appears in red or strike-out text	Notes, Comments, Questions
<p>66 Bylaws re reconciling competing Core Values.</p> <p>67 In performing its Mission, the following core values should guide the decisions and actions of ICANN: [Core Values Listed].</p> <p>68 These core values are deliberately expressed in very general terms, so that they may provide useful and relevant guidance in the broadest possible range of circumstances. Because they are not narrowly prescriptive, the specific way in which they apply, individually and collectively, to each new situation will necessarily depend on many factors that cannot be fully anticipated or enumerated; and because they are statements of principle rather than practice, situations will inevitably arise in which perfect fidelity to all eleven core values simultaneously is not possible. Any ICANN body making a recommendation or decision shall exercise its judgment to determine which core values are most relevant and how they apply to the specific circumstances of the case at hand, and to determine, if necessary, an appropriate and defensible balance among competing values.</p>	<p>69 Commitments and Core Values</p> <p>70 In performing carrying out its Mission, ICANN will act in a manner that complies with and reflects ICANN's Commitments and respects ICANN's Core Values, both described below.</p> <p>71 These Commitments and Core Values are deliberately expressed in very general terms, so that they may intended to apply provide useful and relevant guidance in the broadest possible range of circumstances. Because they are not narrowly prescriptive, the The specific way in which they apply, individually and collectively, to each new situation will necessarily may depend on many factors that cannot be fully anticipated or enumerated. and because they are statements of principle rather than practice, Situations may will inevitably arise in which perfect fidelity to all eleven Fundamental Commitments and Core Values simultaneously is not possible.</p> <p>72 To the extent a Commitment must be reconciled with other Commitments and/or one or more Core Values in any particular situation, such reconciliation must be:</p> <p>73 Justified by an important,</p>	<p>77 <i>ICANN's Mission Statement articulates WHAT is in scope and includes examples of what is out of scope for ICANN. ICANN's "Core Values" articulate HOW ICANN is to carry out its Mission. The CCWG-Accountability acknowledges that in some situations the Core Values may be in tension with one another, requiring a decision maker to reconcile the competing values to achieve ICANN's Mission. ICANN's current Bylaws describe this process and permit the decision maker to exercise its judgment in order to achieve "an appropriate and defensible balance among competing values."</i></p> <p>78 <i>While some degree of flexibility is needed, the language in the current Bylaws provides no principled basis for reconciling the principles in any particular situation. The proposed language articulates the standard to be applied when an ICANN decision maker is</i></p>

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	<p>specific, and articulated public interest goal that is within ICANN's Mission and consistent with a balanced application of ICANN's other Commitments and Core Values (a "Substantial and Compelling Reason in the Public Interest");</p> <p>74 Likely to promote that interest, taking into account competing public and private interests that are likely to be affected by the balancing;</p> <p>75 Narrowly tailored using the least restrictive means reasonably available; and No broader than reasonably necessary to address the specified Substantial and Compelling Reason in the Public Interest.</p> <p>76 In any situation where one Core Value must be reconciled with another, potentially competing Core Value, the balancing must further an important public interest in a way that is substantially related to that interest.</p>	<p><i>required to reconcile competing values. To facilitate this process and to limit opportunities for abuse, the CCWG-Accountability proposes to create a two-tiered values statement consisting of ICANN "Commitments" and "Core Values."</i></p> <p>79 <i>To the extent that this kind of reconciliation would impinge on one or more of the fundamental Commitments, the proposed language would require the decision maker to meet a high bar, demonstrating that any balancing is necessary and likely to achieve an important public interest goal, and narrowly tailored to achieve that goal. The bar is set to be somewhat more flexible with respect to reconciliation of Core Values.</i></p>
<p>Section 2. CORE VALUES</p> <p>80 In performing its Mission, the following core values should guide the decisions and actions of ICANN:</p>	<p>86 Commitments. In performing its Mission, the following core values should guide the decisions and actions of ICANN: ICANN must operate for the benefit of the Internet community as a whole, carrying out its activities in conformity with relevant principles of international law and applicable law and international conventions and through open and transparent processes that enable</p>	<p>92 This additional language is derived from ICANN's current Articles of Incorporation. This language also supports the Affirmation of Commitments language, including Section 3, in which ICANN "commits to: (a) ensure that decisions made related to the global technical coordination of the DNS are made in the public interest and are accountable and transparent; (b) preserve the security, stability and resiliency</p>

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<p>81 Preserving and enhancing the operational stability, reliability, security, and global Interoperability of the Internet.</p> <p>82 Respecting 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.</p> <p>83 Employing open and transparent policy development mechanisms that (i) promote well-informed decisions based on expert advice, and (ii) ensure that those entities most affected can assist in the policy development process.</p>	<p>competition and open entry in Internet-related markets, and that reflect the Commitments and Core Values the Fundamental Rights set forth below. Specifically, ICANN's action must:</p> <p>87 Preserving and enhancing the operational stability, reliability, security, global interoperability, resilience, and openness of the DNS and the Internet; Maintain the capacity and ability to coordinate the internet DNS at the overall level and to work for the maintenance of a single, interoperable Internet;</p> <p>88 Respecting the creativity, innovation, and flow of information made possible by the Internet by limiting ICANN's activities to matters that are within ICANN's Mission and requiring or significantly benefit from global coordination;</p> <p>89 Employing open, transparent and bottom-up, [private sector led multistakeholder] policy development mechanisms processes that (i) seeks input from the public, for whose benefit ICANN shall in all events act, (ii) promote well-informed decisions based on expert advice, and (iii) ensure that those entities most affected can assist in the policy development process;</p>	<p>of the DNS; (c) promote competition, consumer trust, and consumer choice in the DNS marketplace; and (d) facilitate international participation in DNS technical coordination.”</p> <p>93 In the <i>Affirmation of Commitments Section 9.2 and Affirmation of Commitments Section 3(b)</i> ICANN commits to preserve the security, stability and resiliency of the DNS.</p> <p>94 In the Affirmation of Commitments Section 8(a), ICANN affirms its commitments to maintain the capacity and ability to coordinate the Internet DNS at the overall level and to work for the maintenance of a single, interoperable Internet.</p> <p>In the Affirmation of Commitments Section 8(c), ICANN commits to operate as a multistakeholder, private sector led organization with input from the public, for whose benefit ICANN shall in all events act.</p>

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<p>84 Making decisions by applying documented policies neutrally and objectively, with integrity and fairness. ALSO: Bylaws Section 3: ICANN shall not apply its standards, policies, procedures, or practices inequitably or single out any particular party for disparate treatment unless justified by substantial and reasonable cause, such as the promotion of effective competition.</p> <p>85 Remaining accountable to the Internet community through mechanisms that enhance ICANN's effectiveness.</p>	<p>90 Making decisions by applying documented policies consistently, neutrally, objectively, and fairly, with integrity and fairness without singling out any particular party for disparate discriminatory treatment unless justified by substantial and reasonable cause, such as the promotion of effective competition;</p> <p>91 Remaining accountable to the Internet Community through mechanisms defined in the Bylaws that enhance ICANN's effectiveness.</p>	<p>95 The changes in the current Bylaws for Core Value #8 reflect and incorporate current Bylaws Section 3. On NON-DISCRIMINATORY TREATMENT. The OED defines "disparate" as "Essentially different in kind; not able to be compared." "Discriminatory" is defined as "making or showing an unfair or prejudicial distinction between different categories of people or things." This change was suggested by one of the CCWG-Accountability's independent experts.</p> <p>96 <i>In the Affirmation of Commitments Section 9.1</i>, ICANN commits to maintain and improve robust mechanisms for public input, accountability, and transparency."</p>
<p>97 Core Values: In performing its Mission, the following core values should guide the decisions and actions of ICANN:</p> <p>98 4. Seeking and supporting broad, informed participation reflecting the functional, geographic, and cultural diversity of the Internet at all levels of policy development and decision-making.</p>	<p>104 Core Values: In performing its Mission, the following core values should also guide the decisions and actions of ICANN:</p> <p>105 Seeking and supporting broad, informed participation reflecting the functional, geographic, and cultural diversity of the Internet at all levels of policy development and decision-making to ensure that decisions are made in the global public interest identified through the bottom-up, multistakeholder policy development process and are accountable, transparent, and</p>	<p>112 <i>In the Affirmation of Commitments Section 7</i>, ICANN commits to "fact-based policy development, cross-community deliberations, and responsive consultation procedures that provide detailed explanations of the basis for decisions, including how comments have influenced the development of policy consideration."</p>

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	<p>respect the bottom-up multistakeholder nature of ICANN process;</p>	<p>113 The Affirmation of Commitments 3(a) provides that ICANN will ensure that decisions made related to the global technical coordination of the DNS are made in the public interest and are accountable and transparent.</p> <p>114 Text has been added in an attempt to address the difficulty in defining “public interest” without reference to the substantive issue in question, the context in which the issue arises, and the process through which it is identified. Does this solve the problem? Is the language redundant and unnecessary in light of the Commitment to operate for the benefit of the public?</p>
<p>99 3. To the extent feasible and appropriate, delegating coordination functions to or recognizing the policy role of other responsible entities that reflect the interests of affected parties.</p>	<p>106 To the extent feasible and appropriate, delegating coordination functions to or recognizing the policy role of other responsible entities that reflect the interests of affected parties and the roles of both ICANN’s internal bodies and external expert bodies;</p>	
<p>100 5. Where feasible and appropriate, depending on market mechanisms to promote and sustain a competitive environment.</p>	<p>107 Where feasible and appropriate, depending on market mechanisms to promote and sustain a healthy competitive environment in the DNS market that enhances consumer trust and choice.</p>	<p>115 In the <i>Affirmation of Commitments Section 9.3</i>, ICANN commits to promote “competition, consumer trust, and consumer choice.”</p>
<p>101 6. Introducing and promoting competition in the registration of domain names where practicable and beneficial in</p>	<p>108 Introducing and promoting competition in the registration of domain names where practicable and beneficial in</p>	<p>116 The Affirmation of Commitments 3(c) provides that ICANN will “promote competition, consumer trust,</p>

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<p>the public interest.</p> <p>102 9. Acting with a speed that is responsive to the needs of the Internet while, as part of the decision-making process, obtaining informed input from those entities most affected.</p> <p>103 11. While remaining rooted in the private sector, recognizing that governments and public authorities are responsible for public policy and duly taking into account governments' or public authorities' recommendations.</p>	<p>the public interest as identified through the bottom-up, multistakeholder policy development process.</p> <p>109 Operate with efficiency and excellence, acting in a fiscally responsible and accountable manner and at a speed that is responsive to the needs of the global Internet community.</p> <p>110 While remaining rooted in the private sector, recognizing that governments and public authorities are responsible for public policy and duly taking into account the public policy advice of governments and public authorities in accordance with the Bylaws and to the extent consistent with these Fundamental Commitments and Core Values.</p> <p>111 [Not advance] [Refrain from advancing] the interests of one or more interest groups at the expense of others.</p>	<p>and consumer choice in the DNS marketplace.” In the Affirmation of Commitments Section 9.3, ICANN commits to promote “competition, consumer trust, and consumer choice.” See discussion above re “public interest.”</p> <p>117 In the <i>Affirmation of Commitments Section 7</i>, ICANN “commits to adhere to transparent and accountable budgeting processes.”</p> <p>118 In the <i>Affirmation of Commitments Section 8</i>, ICANN commits to “operate as a multi-stakeholder, private sector led organization.” The <i>Affirmation of Commitments Section 8</i> further provides that ICANN is a private organization and not controlled by any one entity.</p> <p>119 In the Affirmation of Commitments Section 4, ICANN commits to perform analyses to ensure that its decisions are in the public interest, and not just the interests of a particular set of stakeholders.</p>

3.2 Fundamental Bylaws

3.2.1 What is a “Fundamental Bylaw”

- 120 ICANN’s Bylaws can generally be changed by resolution of the Board. With a 2/3 majority, the Board can change the rules of the game within ICANN. The CCWG-Accountability believes that some aspects of ICANN’s Bylaws should be **harder to change** than others. These would be deemed Fundamental Bylaws. The Mission, Commitments, and Core Values of ICANN, or core features of the accountability tools set out in this Report, would be examples of things that the Board on its own should not be able to change.

3.2.2 Establishing Fundamental Bylaws

- 121 The CCWG-Accountability therefore proposes the creation of Fundamental Bylaws. They become fundamental by identifying them as such, and by defining a different (and more difficult) process to change them than the process used for general Bylaws changes.
- 122 To implement this, a new provision would be added to the Bylaws that sets out:
1. Which sections of the Bylaws are Fundamental Bylaws (i.e. a list of the articles / sections / subsections that are Fundamental – which would include this new provision)
 2. How new Fundamental Bylaws can be defined and how existing Fundamental Bylaws can be changed or removed
- 123 Legal advice has confirmed this proposition is feasible.

3.2.3 Adding new or changing existing Fundamental Bylaws

- 124 It is important to be able to define new Fundamental Bylaws over time, or to change or remove existing ones, as the purpose of these accountability reforms would not be served if ICANN could not change in response to the changing Internet environment. On the other hand, there appears to be consensus that ICANN should be able to expand its Mission only under very limited circumstances. To establish a new Fundamental Bylaw or to change or remove an existing one, the following steps would be followed where the Board (or the staff through the Board) is proposing the addition:
1. The Board would propose the new Fundamental Bylaw or a change to / removal of an existing one through the usual process, but would need to identify it as a Fundamental Bylaw Proposal throughout the process.
 2. The Board would need to cast 3/4 of votes in favor of the change (higher than the usual threshold of 2/3).

3. The new community power set out in 5.4 to approve changes to Fundamental Bylaws would apply. The threshold to approve the change would be set at a high bar, similar to the level of support needed to recall the entire Board.
4. If the change were agreed, then the new Fundamental Bylaw would appear in the Bylaws wherever it had to, and reference to the text as a Fundamental Bylaw would be added to the part of the Bylaws that lists them. In the case of an amendment, the text would be amended. In the case of a removal, the text would be removed and the reference to that part would be removed.

125 **QUESTIONS AND OPEN ISSUES:**

- 126 *2) The CCWG-Accountability welcomes feedback on whether there is a need, as part of Work Stream 1 (pre-Transition), to provide for any other means for other parts of the ICANN system to be able to propose new Fundamental Bylaws or changes to existing ones. In particular, the CCWG-Accountability welcomes feedback on whether the Mission should be subject to even higher thresholds of Board or community assent.*

3.2.4 Which of the current Bylaws would become Fundamental Bylaws?

- 127 The general approach should be to have only critical matters defined in the Fundamental Bylaws to avoid introducing unnecessary rigidity into ICANN's structures. It would harm, not help, accountability to make changes to Bylaws in general face the same thresholds as are proposed for Fundamental Bylaws. In the CCWG-Accountability's view, "critical matters" are those that define the corporation's scope and Mission, and the core accountability tools the community requires. Accordingly, the following would be Fundamental Bylaws in the first instance:
1. The Mission / Commitments / Core Values;
 2. The Independent Review process;
 3. The manner in which Fundamental Bylaws can be amended;
 4. The powers set out in Section 5 of this report;
 5. Reviews that are part of the CWG-Stewardship's work – the IANA Function Review and any others they may require, as well as the creation of a Customer Standing Committee.

QUESTIONS AND OPEN ISSUES:

- 128 3a) Do you agree that the introduction of Fundamental Bylaws would enhance ICANN's accountability?
- 129 3b) Do you agree with the list of requirements for this recommendation, including the list of which Bylaws should become Fundamental Bylaws?
- 130 If not, please detail how you would recommend amending these requirements.

4) Appeals Mechanisms

4.1 Independent Review Process Enhancement

INTRODUCTION

- 131 The consultation process undertaken by ICANN produced numerous comments calling for overhaul and reform of ICANN's existing Independent Review Process (IRP). Commenters called for ICANN to be held to a *substantive standard of behavior* rather than just an evaluation of whether or not its action was taken in good faith. Commenters called for a process that was *binding* rather than merely advisory. Commenters also strongly urged that the IRP be *accessible*, both financially and from a standing perspective, transparent, *efficient*, and that it be designed to produce *consistent and coherent results* that will serve as a guide for future actions.
- 132 The process described below calls for a standing, independent panel of skilled jurists/arbitrators who are retained by ICANN and can be called upon over time and across issues to resolve disputes regarding whether ICANN is staying within its limited technical Mission, whether it is abiding by policies adopted by the multistakeholder community, and whether in carrying out its Mission and applying consensus policies it is acting in accordance with ICANN's Articles of Incorporation and/or Bylaws, including commitments spelled out in the proposed *Statement of Mission, Commitments & Core Values*, or ICANN policies. (See, *Statement of Mission, Commitments, and Core Values*.)
- 133 The proposal calls for a fully *independent* judicial/arbitral function. The purpose of a standing panel is to ensure that panelists are not beholden to ICANN or any of its constituent bodies – but a core skill of this IRP's panelists is the need to build a thorough and detailed understanding of how ICANN's Mission is implemented, and its commitments and values applied – over time and across a variety of situations.
1. **Purpose of the IRP:** The overall purpose is to ensure that ICANN does not exceed the scope of its limited technical Mission and, in carrying out that Mission, acts in a manner that respects community-agreed fundamental rights, freedoms, and values.
 - a. Empower the community and affected individuals/entities to prevent “mission creep,” enforce compliance with established multistakeholder policies, provide redress for due process violations, and protect the

multistakeholder process through meaningful, affordable, access to expert review of ICANN actions.

- b. Ensure that ICANN is accountable to the community and individuals/entities for actions outside its Mission or that violate community-approved standards of behavior, including violations of established ICANN policies.
 - c. Reduce disputes going forward by creating precedent to guide and inform ICANN Board, staff, SOs/ACs, and the community in connection with policy development and implementation.
2. **A Standing Panel:** The IRP should have a standing judicial/arbitral panel tasked with reviewing and acting on complaints brought by individuals, entities, and/or the community who have been materially harmed by ICANN's action or inaction in violation of commitments made in ICANN's Articles of Incorporation and/or Bylaws, including commitments spelled out in the proposed *Statement of Mission, Commitments & Core Values*, and ICANN policies established to hold ICANN accountable to legal requirements applicable to non-profit corporate and charitable organizations. This reflects proposed changes and enhancements to ICANN's existing Independent Review Process.
3. **Initiation of an IRP:** An aggrieved party would trigger the IRP by filing a complaint alleging that a specified action or inaction is in violation of ICANN's Articles of Incorporation and/or Bylaws, including commitments spelled out in the proposed *Statement of Mission, Commitments & Core Values* or ICANN policies. Matters specifically reserved to any "Members" of ICANN in the Articles or Bylaws would be excluded from IRP review. Likewise, the IRP could also not address matters that are so material to the Board that it would undermine its statutory obligations and fiduciary roles to allow the IRP to bind the Board.
4. **Possible Outcomes of the IRP:** Decision that an action/failure to act in violation of ICANN's Articles of Incorporation and/or Bylaws, including commitments spelled out in the proposed *Statement of Mission, Commitments & Core Values* or ICANN policies. The intent is that IRP decisions should be binding on ICANN.
 - a. Decisions of the IRP Panel are not subject to appeal (except for review of very limited issues such whether the outcome exceeded the permissible scope of the arbitration or was procured by fraud or corruption. However, the panel may not direct the Board or ICANN on how to amend specific decisions, it shall only be able to make decisions that confirm a decision by ICANN, or cancel a decision, totally or in parts.
 - b. This balance between the absence of appeal and the limitation to the type of decision made is intended to mitigate the potential effect that one key decision of the panel might have on several third parties, and

to avoid that the panel's outcome overcomes the Board in its fiduciary duties.

5. **Standing:** Any person/group/entity "materially affected" by an ICANN action or inaction in violation of ICANN's Articles of Incorporation and/or Bylaws, including commitments spelled out in the proposed *Statement of Mission, Commitments & Core Values* or ICANN policies.
 - a. Interim (prospective, interlocutory, injunctive, status quo preservation) relief will be available in advance of Board/management/staff action where a complainant can demonstrate:
 - b. Harm that cannot be cured once a decision has been taken or for which there is no adequate remedy once a decision has been taken;
 - c. Either (a) a likelihood of success on the merits or (b) sufficiently serious questions going to the merits; and
 - d. A balance of hardships tipping decidedly toward the party seeking the relief.
6. The CCWG-Accountability recommends giving the community, as described in Section 5.1, the right to have standing with the IRP. In such a case, the burden of the legal fees would be on ICANN. The precise process for such a case is still under development.
7. In their letter dated 15 April 2015, the CWG-Stewardship-Stewardship indicated "As such any appeal mechanism developed by the CCWG-Accountability should not cover ccTLD delegation/re-delegation issues as these are expected to be developed by the ccTLD community through the appropriate processes". As requested by the CWG-Stewardship, decisions regarding ccTLD delegations or revocations would be excluded from standing, until relevant appeal mechanisms have been developed by the ccTLD community, in coordination with other parties.
8. In case of including the global number resources policy in its scope, further considerations should be made of its implications. The bottom up policy development process and its forum for the number resources is outside the ICANN, even though the ICANN Board approves its global policies, and the same mechanisms as the names related policies may not be applicable.
9. **Standard of Review:** A party challenging an action or inaction would have the burden to demonstrate that the complained-of action violates either (a) substantive limitations on the permissible scope of ICANN's actions, or (b) decision-making procedures, in each case as set forth in ICANN's Bylaws, Articles of Incorporation, or *Statement of Mission, Commitments, and Core Values* or ICANN policies.

10. **Composition of Panel; Expertise:** Significant legal expertise, particularly international arbitration expertise and expertise, developed over time, about the DNS and ICANN's policies, practices, and procedures. At a minimum, Panelists should receive training on the workings and management of the domain name system. Panelists must have access to skilled technical experts upon request. In addition to legal expertise and a strong understanding of the DNS, panelists may confront issues where highly technical, civil society, business, diplomatic, and regulatory skills are needed. To the extent that individual panelists have one or more of these areas of expertise, the process must ensure that this expertise is available upon request.
 - a. While most of the working group was comfortable with this formulation, some participants prefer to require that the panelists themselves possess the requisite skill sets – of course, individual panelists need not possess every kind of expertise, rather, they suggest that taken together the panel should possess the requisite skills.
11. **Diversity: Geographic diversity.** English as primary working language with provision of translation services for claimants as needed. The Standing Panel members should have diversity in geographic and cultural representation. Diversity of experience will be considered in completing the composition of the Panel. Reasonable efforts should be undertaken to achieve such diversity.
12. **Size of Panel**
 - a. Standing Panel – 7
 - b. Decisional Panel – 1 or 3 Panelists
13. **Independence:** Members must be independent of ICANN, including ICANN SOs and ACs. Members should be compensated at a rate that cannot decline during their fixed term; no removal except for specified cause (corruption, misuse of position for personal use, etc.) To ensure independence, term limits should apply, and post-term appointment to Board, NomCom, or other positions within ICANN would be prohibited.
14. **Selection and Appointment:** The selection of panelists would follow a 3-step process:
 - a. Third party international arbitral bodies would nominate candidates
 - b. The ICANN Board would select proposed panelists subject to community confirmation.
 - c. The community mechanism (see Section 5.1) would be asked to confirm appointments.

15. **Recall or other Accountability:** Appointments made for a fixed term with no removal except for specified cause (corruption, misuse of position for personal use, etc.).

16. **Settlement Efforts:**

- a. Reasonable efforts, as specified in a public policy, must be made to resolve disputes informally prior to/in connection with filing an IRP case.
- b. Parties to cooperatively engage informally, but either party may inject independent dispute resolution facilitator (mediator) after initial CEP meeting. Either party can terminate informal dispute resolution efforts (CEP or mediation) if, after specified period, that party's concludes in good faith that further efforts are unlikely to produce agreement.
- c. The process must be governed by clearly understood and **pre-published rules applicable to both parties** and be subject to strict time limits.

17. **Decision Making:**

- a. In each case, a single or 3 member panel will be drawn from standing panels. In single member panel, ICANN and complaining party agree on panelist. In 3-member panel cases, each party selects one panelist, and those panelists select a third. We anticipate that the Standing Panel would draft, issue for comment, and revise procedural rules. Focus on streamlined, simplified processes with rules that are easy to understand and follow.
- b. Panel decisions will be based on each IRP panelist's assessment of the merits of the claimant's case. The panel may undertake a de novo review of the case, make findings of fact, and issue decisions based on those facts. All decisions will be documented and made public and will reflect a well-reasoned application of the standard to be applied (i.e., Bylaws, the *Statement of Mission, Commitments, and Core Values*, and ICANN policies).

18. **Decision:**

- a. Panel decisions (where there is more than one panelist) would be determined by a simple majority. Alternatively, this could be included in the category of procedures that the IRP Panel itself should be empowered to set.
- b. The CCWG-Accountability recommends that IRP decisions be "precedential" – meaning, that deference should a panel give to prior decisions? By conferring precedential weight on panel decisions, the IRP can provide guidance for future actions and inaction by ICANN

decision-makers, which is valuable. It also reduces the chances of inconsistent treatment of one claimant or another, based on the specific individuals making up the decisional panel in particular cases. But this makes it more likely that a “bad” decision in one case affects other cases going forward.

- c. It is expected that judgments of the IRP Panel would be enforceable in the court of the US and other countries that accept international arbitration results.

19. **Accessibility and Cost:**

- a. The CCWG-Accountability recommends that ICANN would bear the administrative the costs of maintaining the system (including Panelist salaries). The Panel may provide for loser pays/fee shifting in the event it identifies a challenge or defense as frivolous or abusive. ICANN should seek to establish access to pro bono representation for community, non-profit complainants.
- b. The Panel should complete work expeditiously; issuing a scheduling order early in the process, and in the ordinary course should issue decisions within a standard time frame.

20. **Implementation:** The CCWG-Accountability proposes that the revised IRP provisions be adopted as Fundamental Bylaws.

21. **Transparency:** The community has expressed concerns regarding the ICANN document/information access policy and implementation. Free access to relevant information is an essential element of a robust independent review process. We recommend reviewing and enhancing the Documentary Information Disclosure Policy (DIDP) as part of the accountability enhancements in Work Stream 2.

134 **QUESTIONS AND OPEN ISSUES**

135 *4a) Do you agree that the proposed improvements to the IRP would enhance ICANN's accountability?*

136 *4b) Do you agree with the list of requirements for this recommendation? If not, please detail how you would recommend to amend these requirements.*

137 *A detailed list of questions regarding principles and implementation for the IRP is provided in Appendix G. The CCWG-Accountability would appreciate detailed community input to guide its work into providing more detailed requirements for the enhanced IRP. A specific community input form is provided.*

4.2 Reconsideration Process Enhancement

138 INTRODUCTION

139 The CCWG-Accountability proposes a number of key reforms to ICANN's Request for Reconsideration process, whereby the ICANN Board of Directors is obliged to reconsider a recent decision or action / inaction by ICANN's Board or staff, and which is provided for in Article IV, Section 2 of ICANN's Bylaws. The key reforms proposed include: the scope of permissible requests has been expanded to include Board/staff actions or inactions that contradict ICANN's Mission or core values, and the time for filing a Request for Reconsideration has been extended from 15 to 30 days. Additionally, the grounds for summary dismissal have been narrowed and the ICANN Board of directors must make determinations on all requests (rather than a committee handling staff issues). Another proposed change is that ICANN's ombudsman should make the initial substantive evaluation of the requests to aid the Board Governance Committee in its recommendation, and then requesters are provided an opportunity to rebut the Board Governance Committee's recommendation before a final decision by the entire Board. More transparency requirements and firm deadlines in issuing of determinations are also proposed.

140 STANDING

141 Amend "who" has proper standing to file a Reconsideration Request to widen its scope by including Board/staff actions/inactions that contradict ICANN's *Mission or core values* (was only *policies* before). It is noted that under the existing Bylaws paragraph 2 significantly reduces the rights purportedly granted in paragraph 1 of the Reconsideration Request process.

142 ICANN's Bylaws could be revised (added text in red below):

- a. ICANN shall have in place a process by which any person or entity materially affected by an action of ICANN may request review or reconsideration of that action by the Board.
- b. Any person or entity may submit a request for reconsideration or review of an ICANN action or inaction ("Reconsideration Request") to the extent that he, she, or it have been adversely affected by:
 - c. One or more **ICANN Board or** staff actions or inactions that contradict established ICANN policy(ies), **its Mission, core values**; or
 - d. One or more actions or inactions of the ICANN Board that have been taken or refused to be taken without consideration of ~~material~~ **relevant** information, except where the party submitting the request could have submitted, but did not submit, the information for the Board's consideration at the time of action or refusal to act; or
 - e. One or more actions or inactions of the ICANN Board that are taken as a result of the Board's reliance on false or inaccurate ~~material~~ **relevant** information.

143 In their letter dated 15 April 2015, the CWG-Stewardship requested indicated “As such, any appeal mechanism developed by the CCWG-Accountability should not cover ccTLD delegation / re-delegation issues as these are expected to be developed by the ccTLD community through the appropriate processes.” As requested by the CWG-Stewardship, decisions regarding ccTLD delegations or revocations would be excluded from standing, until relevant appeal mechanisms have been developed by the ccTLD community, in coordination with other interested parties.

144 In case of including the global number resources policy in its scope, further considerations should be made of its implications. The bottom up policy development process and its forum for the number resources is outside the ICANN, even though the ICANN Board approves its global policies, and the same mechanisms as the names related policies may not be applicable.

145 GOALS

146 The CCWG-Accountability proposals aim to:

- ❑ Broaden the types of decisions, which can be re-examined to include Board/staff action/inaction against ICANN’s Mission or core values (as stated in Bylaws / Articles).
- ❑ Provide more transparency in dismissal process.
- ❑ Provide Board with reasonable right to dismiss frivolous requests, but not on the grounds that one didn’t participate in ICANN’s public comment or on the claim that the request is vexatious or querulous, which is too subjective.
- ❑ Propose to amend Paragraph 9 on BGC summary dismissal as follows:
 - ❑ The Board Governance Committee shall review each Reconsideration Request upon its receipt to determine if it is sufficiently stated. The Board Governance Committee may summarily dismiss a Reconsideration Request if: (i) the requestor fails to meet the requirements for bringing a Reconsideration Request; (ii) it is frivolous querulous or vexatious; or (iii) ~~the requestor had notice and opportunity to, but did not, participate in the public comment period relating to the contested action, if applicable.~~ The Board Governance Committee’s summary dismissal of a Reconsideration Request shall be **documented and promptly** posted on the Website.

147 COMPOSITION

148 The group considers there is need to rely less on the legal department (who holds a strong legal obligation to protect the corporation) to guide the BGC on its recommendations. More Board member engagement is needed in the overall decision-making process.

149 Requests should no longer go to ICANN’s lawyers (in-house or out-house) for the first substantive evaluation. Instead, the Requests could go to ICANN’s Ombudsman for a first look, who could make the initial recommendation to the BGC. The Ombudsman may have more of an eye for fairness to the community in looking at these requests. Note the Bylaws charge the BGC

with these duties, so BGC would utilize the Ombudsman instead of its current practice of ICANN's lawyers to aid the BGC's in its initial evaluation.

150 All final determinations of reconsideration requests are to be made by the entire Board (not only requests about Board actions as is the current practice).

151 **Amend Paragraph 3:**

f. The Board has designated the Board Governance Committee to review and consider any such Reconsideration Requests. The Board Governance Committee shall have the authority to:

- Evaluate requests for review or reconsideration;
- Summarily dismiss insufficient requests;
- Evaluate requests for urgent consideration;
- Conduct whatever factual investigation is deemed appropriate;
- Request additional written submissions from the affected party, or from other parties;
- ~~Make a final determination on Reconsideration Requests regarding staff action or inaction, without reference to the Board of Directors;~~ and
- Make a recommendation to the Board of Directors on the merits of the request, as necessary.

152 And delete Paragraph 15 since the Board will make all final decisions regarding requests related to staff action/inaction.

153 **DECISION-MAKING**

154 Transparency improvements are needed regarding the information that goes into the Board's decision-making process and the rationale for why decisions are ultimately taken. Recordings / transcripts should be posted of the substantive Board discussions on the option of the requester.

155 Provide a rebuttal opportunity to the BGC's final recommendation (although requesters can't raise new issues in a rebuttal) before the full Board finally decides.

156 Adding hard deadlines to the process, including final determinations of the Board issued within 120 days from request.

157 Propose to amend reconsideration rules as follows:

158 The Board Governance Committee shall make a final ~~determination~~ or a recommendation to the Board with respect to a Reconsideration Request within thirty days following its receipt of the request, unless impractical, in which case it shall report to the Board the circumstances that

prevented it from making a final recommendation and its best estimate of the time required to produce such a final ~~determination~~ or recommendation. In any event, the BGC's final recommendation to the Board shall be made within 90 days of receipt of the Request. The final recommendation shall be promptly posted on ICANN's website and shall address each of the arguments raised in the Request. The Requestor may file a rebuttal to the recommendation of the BGC within 15 days of receipt of it, which shall also be promptly posted to ICANN's website and provided to the entire Board for its evaluation.

- 159 The Board shall not be bound to follow the recommendations of the Board Governance Committee. The final decision of the Board and its rationale shall be made public as part of the preliminary report and minutes of the Board meeting at which action is taken. The Board shall issue its decision on the recommendation of the Board Governance Committee within 60 days of receipt of the Reconsideration Request or as soon thereafter as feasible. Any circumstances that delay the Board from acting within this timeframe must be identified and posted on ICANN's website. In any event, the Board's final decision shall be made within 120 days of receipt of the Request. The final recommendation shall be promptly posted on ICANN's website and shall address each of the arguments raised in the request. The Board's decision on the recommendation is final.

160 **ACCESSIBILITY**

- 161 Extend the time deadline for filing a Reconsideration Request from 15 to 30 days from when Requester learns of the decision/inaction.

- 162 Amend paragraph 5 as follows:

1. All Reconsideration Requests must be submitted to an e-mail address designated by the Board Governance Committee within-30 days after:
 - a) For requests challenging Board actions, the date on which information about the challenged Board action is first published in a resolution, unless the posting of the resolution is not accompanied by a rationale. In that instance, the request must be submitted within 30 days from the initial posting of the rationale; or
 - b) For requests challenging staff actions, the date on which the party submitting the request became aware of, or reasonably should have become aware of, the challenged staff action; or
 - c) For requests challenging either Board or staff inaction, the date on which the affected person reasonably concluded, or reasonably should have concluded, that action would not be taken in a timely manner.

163 **DUE PROCESS**

164 ICANN's Document and Information Disclosure Policy (DIDP) should be improved to accommodate the legitimate need for requesters to obtain internal ICANN documents that are relevant to their requests.

165 Provide all briefing materials supplied to the Board to the Requester should be provided so that they may know the arguments against them and have an opportunity to respond (subject to legitimate and documented confidentiality requirements).

166 Final decisions should be issued sooner – hard deadline of 120 days.

167 Requesters should be provided more time to learn of action/inaction and to file the request.

168 Transparency improvements throughout the process are called for, including more complete documentation and prompt publication of submissions and decisions including their rationale.

169 **QUESTIONS AND OPEN ISSUES**

170 *5a) Do you agree that the proposed improvements to the reconsideration process would enhance ICANN's accountability?*

171 *5b) Do you agree with the list of requirements for this recommendation? If not, please detail how you would recommend to amend these requirements.*

172 *6) Are the timeframes and deadlines proposed reconsideration process sufficient to meet the community's needs?*

173 *7) Is the scope of permissible requests broad / narrow enough for the reconsideration process to meet the community's needs?*

5) Community Empowerment

5.1 Mechanism to empower the community

174 Initial legal advice has indicated that the set of powers proposed in this report can be reserved to the ICANN multistakeholder community. More specifically there are approaches we can take within ICANN to make these powers legally available and enforceable.

175 As overall comments, the CCWG-Accountability is largely agreed on the following:

1. To be as restrained as possible in the degree of structural or organizing changes required in ICANN to create the mechanism for these powers.
2. To organize the mechanism along the same lines as the community – that is, in line and compatible with the current SO / AC / SG structures (without making it impossible to change these in future).

176 The subsections below explain the CCWG-Accountability’s reference proposal for the Community Mechanism and the major alternative considered to it (5.1.1), and the proposed participants in the mechanism and their levels of influence (5.1.2).

5.1.1 The Community Mechanism: SO/AC Membership Model

177 In its deliberations and in discussion with its independent legal counsel, it has become apparent that ICANN as a non-profit public benefit corporation organized under California law is able to reserve to the multistakeholder community the powers the CCWG-Accountability is proposing for the community. To secure the delivery of these powers, however, ICANN needs to make use of membership or designator roles.

178 While the status quo has elements of a designator model, efforts to simply expand the powers of the multistakeholder community through the Bylaws would be insufficient because such Bylaws would be unlikely to be enforceable to the degree the global multistakeholder community - or this CCWG-Accountability - would expect.

179 California law, similar to the law of many other jurisdictions, allows for membership of non-profit corporations. Members have certain powers provided by law that may be expanded upon through Articles and Bylaws in a manner that is enforceable.

180 The CCWG-Accountability proposes the creation of a formal membership body with the power to hold the ICANN Board accountable. This “SO/AC Membership Model” is the approach that, based on analysis so far, fits requirements best. This model, referred to here as the Reference Mechanism, would have the following key characteristics:

1. The ICANN Supporting Organizations and the Advisory Committees who currently have the right to elect directors (as opposed to non-voting observers) to the ICANN Board would each form unincorporated associations, and through these associations would exercise the rights they would gain as a “Member” of ICANN.⁸

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05 ⁸ Unincorporated associations are the means by which the “legal personality” required to be a Member is established. They would be a vehicle for the SOs and ACs to exercise these membership powers. They are lightweight structures, and explained further in the memorandum from legal counsel at Appendix G.

2. In their role as Members, they would exercise the new community powers set out in 5.2-5.6 below, in conjunction with the community mechanism described in Section 5.1.2. Our legal counsel has advised that the powers we are proposing can be realized and enforced through this Membership model.

3. All of the existing functions and work of the SOs and ACs would continue being done within the framework of the ICANN Bylaws. It is only the new accountability powers that would require use of the unincorporated associations.

4. There would be no need for individuals or organizations to change the ways in which they participate in ICANN or the SOs or ACs as a result of creating the new “Members” or “unincorporated associations.” Community participants would have the choice of opting in and participating in this new accountability system, or to simply keep on doing what they do today in an ICANN that is more accountable than it is today.

5. Our legal counsel has advised that through this structure, there would be no material increase in the risks and liabilities individual ICANN participants face today. In fact, in some respects individual participants would be safer from hostile legal action than they are today.

6. A more detailed description of the use of unincorporated associations and a set of practical questions and answers regarding unincorporated associations is also available in Appendix G.

181 The powers proposed can be implemented under the Reference Mechanism, and it has advantages in terms of enforceability. Because, according to legal counsel, the SO/AC Membership model provides the clearest path for the community to exercise the six community powers explicitly sought by the CCWG-Accountability, it is our Reference Mechanism at this time.

182 In arriving at this SO/AC Membership Model, the primary alternative the CCWG-Accountability has investigated is a model based on “designators” – an “SO/AC Designator” model. Designators are a construct in California law that can achieve reliable enforcement of four of the six community powers sought, specifically with respect to community approval or blocking of changes of Bylaws and the selection and removal of Board Directors. There is concern however, regarding the ease and reliability with which the other two community powers sought (approval of budget and strategic plan) can be enforced once created under the SO/AC Designator model, according to legal counsel. Legal counsel further advises that those SOs and ALAC who are empowered to select Board Directors and enforce the community powers noted below, should create closely affiliated unincorporated associations in both corporate governance models, whether a designator or membership structure, that would be able to enforce their rights.

183 Variations of these mechanisms were also discussed:

- a. The notion of creating a permanent CCWG-Accountability or a Community Council that was the sole “member” or “designator” was considered but rejected mainly

because it created additional accountability problems and offered no accountability advantages compared with the Reference Mechanism.

- b. The notion of all SOs and ACs collectively creating an unincorporated association that would be the single member of ICANN was considered. However this model “would add only complexity without contributing real advantages.”
- c. The CCWG-Accountability also considered the notion of a first step (in a timeframe consistent with Work Stream 1) focusing on changes in the Bylaws and current mechanisms only, while assessing the opportunity to go one step further as part of Work Stream 2.

184 None of the mechanism possibilities should be considered “off the table”. The work of the CCWG-Accountability has proceeded quickly, and our counsel are rapidly becoming familiar with the complexities of ICANN’s history and current approach to dealing with many of these matters.

185 That said, the CCWG-Accountability is clearly of the view that the SO/AC Membership Model is the currently preferred approach, and relies on this in much of what follows.

186 How the Reference Mechanism operates (e.g., whether the votes are “cast” by the SOs and ACs as organized through a Membership model, whether there is some community group where there are representatives, how the community’s decisions are implemented through those SOs and ACs that are Members, and/or model rules for the unincorporated associations) is an important implementation detail that will be developed by the CCWG-Accountability and open for thorough community consultation in our second Public Comment report.

187 Please see the additional detail that explains this model set out in Appendix G.

188 **QUESTIONS AND OPEN ISSUES**

189 *8) Do you agree that the introduction of a community mechanism to empower the community over certain Board decisions would enhance ICANN’s accountability?*

190 *9) What guidance, if any, would you provide to the CCWG-Accountability regarding the proposed options? Please provide the underlying rationale in terms of required accountability features or protection against certain contingencies.*

5.1.2 Influence in the Community Mechanism

191 The CCWG-Accountability considered the decision weights of the various parts of the community. The following table sets out the Reference Mechanism, which was the most supported approach among CCWG-Accountability participants.

Community segment	Reference Mechanism “votes”
ASO	5
ccNSO	5
gNSO	5
At Large	5
GAC	5
SSAC	2
RSSAC	2

192 The CCWG-Accountability also discussed two further approaches, neither of which received significant support:

1. Alternative A - Each SOs receives 4 “votes”; each AC receives 2 “votes.”
2. Alternative B - Each SO and AC receives 5 “votes.”

193 The rationale for these options is as follows:

- a. The Reference Mechanism gives the bulk of influence on an equal basis between the three SOs for which ICANN deals with policy development and the two ACs that are structurally designed to represent stakeholders (Governments and Internet users, respectively) within ICANN, while still guaranteeing a say for the other ACs.
- b. The reasons to allocate a lower number of “votes” to SSAC in the Reference Mechanism is that it is a specific construct within ICANN designed to provide expertise on security and stability, rather than a group representing a community of stakeholders.
- c. For RSSAC, the reason is slightly different but relies on the limited size of the community of root server operators as well as the strong focus of their mission on operations (compared with ICANN’s Mission being focused mainly on policy).
- d. The rationale for Alternative A is that it gives the bulk of influence to the SOs, while guaranteeing a say for the ACs on an equal basis between them. It is therefore more closely aligned with the existing structure of ICANN.
- e. The rationale for Alternative B is to give equal influence to each of the seven SOs and ACs, and more closely aligned with the currently preferred five-region approach to geographic representation.
- f. The logic for 5 “votes” in the Reference Mechanism for the higher number is to allow for greater diversity of views, including the ability to represent all the ICANN regions in each SO. The logic for 4 “votes” in Alternative A is to allow for appropriate coverage

across SGs in the GNSO.

- g. The Reference Mechanism emerged as part of Work Party 1's deliberations following up on the CCWG-Accountability's discussions in Singapore. Alternatives A and B emerged recently in deliberations and of the whole CCWG-Accountability.
- h. The subsidiary option discussed in Istanbul of 2 votes for the first five SOs and ACs, and one vote for the remaining two, has not been pursued.

194 **QUESTIONS AND OPEN ISSUES:**

- 195 *10) What guidance, if any, would you provide to the CCWG-Accountability regarding the proposed options related to the relative influence of the various groups in the community mechanism? Please provide the underlying rationale in terms of required accountability features or protection against certain contingencies.*

5.1.3 Governance models and community powers

- 196 Please refer to Appendix G produced by legal counsel.

5.2 Power: reconsider/reject budget or strategy/operating plans

- 197 The right to set budgets and strategic direction is a critical governance power for an organization. By allocating resources and defining the goals to which they are directed, strategic/operating plans and budgets have a material impact on what ICANN does and how effectively it fulfills its role.
- 198 Today, ICANN's Board makes final decisions on strategy, operations plans and budgets. While ICANN consults the community in developing strategic/business plans, there is no mechanism defined in the Bylaws that requires ICANN to develop such plans in a way that includes a community feedback process. Even if feedback was unanimous, the Board could still opt to ignore it.
- 199 This new power would give the community the ability to consider strategic & operating plans and budgets after they are approved by the Board (but before they come into effect) and reject them based on perceived inconsistency with the purpose, Mission and role set out in ICANN's Articles and Bylaws, the global public interest, the needs of ICANN stakeholders, financial stability or other matters of concern to the community. The community consultations conducted before Board approval could raise concerns; based on that feedback, the Member SOs/ACs would have the power to reject the budget.
- 200 Time would be included in planning and budgeting processes for the community to consider adopted plans and decide whether to reject such plans (timeframe to be determined). These processes would also need to set out the required level of detail for such documents. The CWG-

Stewardship has expressed a requirement for the budget to be transparent with respect to the IANA function's costs and clear itemization of such costs. Note that improvements to the community's input into these processes are for consideration by the CCWG-Accountability as part of Work Stream 2 efforts.

- 201 If the community exercised this power, the Board would have to absorb the feedback that came with the decision, make adjustments and pass amended plans. The planning process should be structured so this can be done before there was any day-to-day impact on ICANN's business arising from the power being exercised.
- 202 In a situation of significant and sustained disagreement between the community and the Board regarding a proposed annual budget, ICANN would temporarily continue to operate according to the previous year's approved budget. The Board must however resolve the situation of not operating with an approved budget. Eventually it will have to reconcile itself to the community's view. If the Board is unable or unwilling to do so, other mechanisms (as set out in this part of the First Public Comment Report) are available if the community wanted to take the matter further.
- 203 This power does not allow the community to re-write a plan or a budget: it is a process that requires reconsideration of such documents by the Board if the community feels they are not acceptable. Where a plan or budget has been sent back, all the issues must be raised on that first return. That plan or budget cannot be sent back again with new issues raised, but the community can reject a subsequent version where it does not accept the Board's response to the previous rejection.
- 204 As this power would become part of existing planning processes (incorporated into the Bylaws as required), it does not raise questions of standing in respect of someone raising a complaint.
- 205 At the appropriate point in the planning cycle the challenge period would be open, and any participant in the community powers mechanism would be able to raise the question. A 2/3 level of support in the mechanism would be required in the mechanism to reject a first time: a 3/4 level of support for subsequent rejection/s.
- 206 **QUESTIONS AND OPEN ISSUES:**
- 207 *11a) Do you agree that the power for the community to reject a budget or strategic plan would enhance ICANN's accountability?*
- 208 *11b) Do you agree with the list of requirements for this recommendation? If not, please detail how you would recommend amending these requirements.*

5.3 Power: reconsider/reject changes to ICANN "standard" Bylaws

- 209 This Section applies to "standard" bylaws – all those bylaws that are not Fundamental Bylaws (see 5.4 below).

- 210 ICANN's Bylaws set out many of the details for how power is exercised in ICANN, including by setting out the company's Mission, Commitments and Core Values. Changes to those Bylaws are generally the right of the Board. It is possible for the Board to make bylaws changes that the community does not support. For example, the Board could unilaterally change the ccNSO's Policy Development Policy, or the SG structure of the GNSO, or the composition of the Nominating Committee.
- 211 This power would give the Member SOs/ACs (with input from the larger community) the right to reject proposed Bylaws changes after they are approved by the Board (but before they come into effect). This would most likely be where a proposed change altered the Mission, Commitments and Core Values, or had a negative impact on ICANN's ability to fulfill its purpose in the community's opinion, but would be available in response to any proposed Bylaws change.
- 212 The time required for this power to be exercised would be included in the Bylaws adoption process (probably a two-week window following Board approval). If the community exercises this power, the Board would have to absorb the feedback, make adjustments, and propose a new set of amendments to the Bylaws.
- 213 It would require a 3/4 level of support in the community mechanism to reject a proposed Bylaw change. Note that for the Board to propose a Bylaws change requires a 2/3 vote in favor.
- 214 This power does not allow the community to re-write a proposed Bylaw change: it is a rejection process where the Board gets a clear signal the community is not happy. There is no limit to the number of times a proposed change can be rejected, but the threshold for sending one back is a supermajority in the community mechanism set out in 5.1 above, to limit any potential for abuse of this power.
- 215 **QUESTIONS AND OPEN ISSUES:**
- 216 *12a) Do you agree that the power for the community to reject a proposed bylaw change would enhance ICANN's accountability?*
- 217 *12b) Do you agree with the list of requirements for this recommendation?*
- 218 *If not, please detail how you would recommend to amend these requirements.*

5.4 Power: approve changes to "Fundamental" Bylaws

- 219 As outlined in Section 3.2, the CCWG-Accountability is proposing that some core elements of the Bylaws be defined as "fundamental". Fundamental Bylaws will be harder to amend or replace, and through a different process, than the rest of the Bylaws. The intention is to make sure that matters like critical aspects of the powers and processes required to maintain ICANN's accountability to the community, and the organization's purpose and core values, are highly unlikely to change.

- 220 This power would form part of the process set out for agreeing to any changes of the “fundamental” Bylaws. In conjunction with a community mechanism process, the Member SOs/ACs would have to give positive *assent* to any change *before* it was finalized, as part of a co-decision process between the Board and the community.
- 221 Such changes would require a very high degree of community assent, as the purpose of this power is to make changing items in such Bylaws possible only with very wide support from the community.
- 222 For further information, see section 3.2.3 of this report, where we set out what the “fundamental” Bylaws are alongside the process for their creation and amendment.
- 223 **QUESTIONS AND OPEN ISSUES:**
- 224 *13a) Do you agree that the power for the community to approve any fundamental Bylaw change would enhance ICANN's accountability?*
- 225 *13b) Do you agree with the list of requirements for this recommendation?*
- 226 *If not, please detail how you would recommend to amend these requirements.*

5.5 Power: Removing individual ICANN Directors

- 227 The Board is the governing body of ICANN, with main responsibilities that include employing the President and CEO, appointing the Officers, overseeing organizational policies, making decisions on key issues, defining the organization’s strategic and operating plans and holding the staff to account for implementing them.
- 228 Directors are currently appointed for a fixed term and generally are in office for the whole term they are appointed - by their SO/AC, by the Nominating Committee. In addition the Board appoint the President and CEO (confirmed each year at the AGM). The power to remove individual directors of the ICANN Board is available only to the Board itself, and can be exercised through a 75% vote of the Board. There is no limitation⁹ on the types of situation for which the Board can remove a director.
- 229 This power would clarify that each specific community organization that appoints a given director may end his or her service in office, prior to the expiration of the term, and trigger a

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⁹ There are escalation paths, up to and including removal from the Board, for Board member violations of the Code of Conduct and Conflict of Interest Policies, but the Bylaws do not currently require such a violation occur prior to Board removal.

reappointment process. The general approach, consistent with the law, is that the appointing body is the removing body.

230 For the seven directors appointed by the three Supporting Organizations or by the At-Large community (or by subdivisions within them e.g. within the GNSO), a process led by that organization or subdivision would lead to the director's removal.

231 For the directors appointed by the Nominating Committee, the CCWG-Accountability seeks the community's views about how to allow for removal. Following the principle of "the appointing body is the removing body", it does need to be the NomCom that takes the decision to remove one of these directors. Consistent with the Reference Mechanism outlined above, we expect that the NomCom will need to obtain legal structure to be able to remove directors as well as to appoint directors.

232 Our initial view is that such a removal process should only be triggered on the petition of at least two of the SOs or ACs (or an SG from the GNSO). Such a petition would set out the reason/s removal was sought, and then the NomCom would consider the matter. Legal counsel is also considering alternative approaches that would permit NomCom to act without itself becoming a legal entity.

233 The CCWG-Accountability sees two options (either of which is legally viable) for the composition of the NomCom when considering removal of a director.

1. It could simply be that the NomCom members at the time of a petition being lodged would decide.
2. Alternatively, a special committee of the NomCom could be established to deal with removal petitions when they arise. This is likely to only rarely be used. The composition of such a special committee has not been determined, and input is welcome.

234 The advantage of such a separate committee is that it avoids burdening the ordinary NomCom with such matters. The disadvantage is that it would require a new set of volunteers to populate it, as it would be preferable for the personnel of the two groups to be separate.

- Whether the decision-making body is the SO/AC or the NomCom, removal would require a **[75%]** level of support (or equivalent) to decide in favor of removal.
- The petitioning threshold to start the NomCom consideration of removing a director should be set at least at a majority of the SO/AC's governing body/council.

235 An additional mechanism to support the removal and recall of Directors is to have each person sign a letter of resignation when they accept the appointment. This pre-signed resignation letter would be triggered by certain pre-defined criteria, such as the ones described in this Section or the following ("recalling the entire Board").

236 **QUESTIONS AND OPEN ISSUES:**

237 *14a) Do you agree that the power for the community to remove individual Board Directors would enhance ICANN's accountability?*

238 *14b) Do you agree with the list of requirements for this recommendation?*

239 *If not, please detail how you would recommend to amend these requirements.*

5.6 Power: Recalling the entire ICANN Board

240 There may be situations where removing individual ICANN directors is not seen as a sufficient remedy for the community: where a set of problems have become so entrenched that the community wishes to recall the entire ICANN Board in one decision.

241 Beyond the power set out above to remove individual directors, this power would allow the community to cause the recall of the entire ICANN Board. The community would initiate use of this power on the petition of two thirds of the SOs and ACs in ICANN, with at least one SO and one AC petitioning. Again, implementation of this community decision will be accompanied through a further step to be developed in conjunction with legal counsel.

242 After a petition is raised, there would be a set period of time for SOs / ACs to individually and collectively deliberate and discuss whether the removal of the Board is warranted under the circumstances. Each SO and AC, following its internal processes, would decide how to vote on the matter. Again, implementation of this community decision will be accompanied through a further step to be developed in conjunction with legal counsel.

243 It would be preferable for a decision of this sort to be the result of cross-community consensus. Where this consensus is not apparent, a suitably high threshold for the exercise of this power, **[75%]** of all the support available within the community mechanism would have to be cast in favor to implement it. This ensures that non-participation does not lower the threshold required to remove the Board.

244 This threshold was chosen to stop any particular SO or AC being able to prevent the recall of the Board, but to be as high as possible without allowing that to occur. The requirement on all recordable support/opposition to be counted was to avoid non-participation reducing the effective threshold for decision.

245 An alternative option for the threshold is to set it at 80%. This alternative is being considered, but as it would require a unanimous vote by the community, save for one SO or AC. Such a threshold is seen as too high.

246 Ongoing work in the CCWG-Accountability will flesh out how to implement this community decision through the ICANN Members, and how to deal with transitional matters raised, including at least the following:

1. A phase of "caretaker" behavior by the outgoing Board while new members are elected;

2. A need to elect alternate Board Directors in each Board selection process;
3. A pre-defined subset of the community that could function as an interim Board;
4. Continuity in the role of Chief Executive were the Board to be removed;
5. “Caretaker” conventions for the CEO to follow in a situation where the Board had been removed.

247 It should be noted that legal advice has confirmed that a caretaker Board mechanism was achievable.

248 **QUESTIONS AND OPEN ISSUES:**

249 *15a) Do you agree that the power for the community to recall the entire Board would enhance ICANN's accountability?*

250 *15b) Do you agree with the list of requirements for this recommendation? If not, please detail how you would recommend to amend these requirements.*

6) Incorporating the Affirmation of Commitments into the ICANN Bylaws

251 The Affirmation of Commitments is a 2009 bilateral agreement between the US government and ICANN. After the IANA agreement is terminated, the Affirmation of Commitments will become the next target for elimination since it would be the last remaining aspect of a unique United States oversight role for ICANN.

252 Elimination of the Affirmation of Commitments as a separate agreement would be simple matter for a post-transition ICANN, since the Affirmation of Commitments can be terminated by either party with just 120 days' notice. The CCWG-Accountability Stress Test Work Party addressed this contingency since it was cited in prior public comments (see Stress Test 14 in Section 8). The CCWG-Accountability evaluated the contingency of ICANN unilaterally withdrawing from the Affirmation of Commitments against existing and proposed accountability measures, including:

253 Preserving ICANN commitments from the Affirmation of Commitments, including Sections 3, 4, 7, and 8 as well as commitments cited in the Section 9 reviews.

254 Bringing the four Affirmation of Commitments review processes into ICANN's Bylaws.

255 All of the other sections in the Affirmation of Commitments are either preamble text or commitments of the US Government. As such they don't contain commitments by ICANN, and so they cannot usefully be incorporated in the Bylaws.

- 256 Each of the above measures is addressed below.
- 257 The Affirmation of Commitments based reviews and the commitments ICANN has made are being added to the ICANN Bylaws as part of the IANA Stewardship transition process. It is possible that once adopted as fundamental Bylaws, ICANN and the NTIA could consider mutually agreed changes to or ending of some or all of the Affirmation of Commitments, since in some respects it will no longer be necessary.
- 258 In reviewing this suggested approach to incorporating the Affirmation of Commitments into the Bylaws, the community should consider the degree to which it finds the suggestions implementable and reasonable. The concepts outlined through these changes, rather than the specific drafting quality or precision, are the points to consider at this stage in the CCWG-Accountability's work.

6.1 Preserving ICANN Commitments from the Affirmation of Commitments

- 259 [**Note:** All Bylaw text will need significant attention from the Legal Team once the mechanism and power have been decided upon. Legal counsel has not taken on review of this text at this time.]

ICANN COMMITMENTS IN THE AFFIRMATION OF COMMITMENTS	AS EXPRESSED IN ICANN BYLAWS
<p>260 3. This document affirms key commitments by DOC and ICANN, including commitments to:</p> <p>261 (a) ensure that decisions made related to the global technical coordination of the DNS are made in the public interest and are accountable and transparent;</p> <p>262 (b) preserve the security, stability and resiliency of the DNS;</p> <p>263 (c) promote competition, consumer trust, and consumer choice in the DNS marketplace; and</p> <p>264 (d) facilitate international participation in DNS technical coordination.</p>	<p>265 In revised Core Values:</p> <p>266 <i>Proposed core value 6</i> (with <u>additional text</u>);</p> <p>267 Ensure that decisions made related to the global technical coordination of the DNS are made in the <u>global</u> public interest and are accountable, transparent <u>and should respect the bottom-up multistakeholder nature of ICANN.</u></p> <p>268 <i>Proposed core value 5</i> (with <u>additional text</u>):</p> <p>269 Where feasible and appropriate, depending on market mechanisms to promote and sustain a competitive environment <u>that enhances consumer trust and choice.</u></p>

<p>270 4. DOC affirms its commitment to a multi-stakeholder, private sector led, bottom-up policy development model for DNS technical coordination that acts for the benefit of global Internet users. A private coordinating process, the outcomes of which reflect the public interest, is best able to flexibly meet the changing needs of the Internet and of Internet users. ICANN and DOC recognize that there is a group of participants that engage in ICANN's processes to a greater extent than Internet users generally. To ensure that its decisions are in the public interest, and not just the interests of a particular set of stakeholders, ICANN commits to perform and publish analyses of the positive and negative effects of its decisions on the public, including any financial impact on the public, and the positive or negative impact (if any) on the systemic security, stability and resiliency of the DNS.</p>	<p>271 In revised Core Values:</p> <p>272 <i>Proposed new Section 9 in Bylaws Article III Transparency (with additional text);</i></p> <p>273 ICANN shall perform and publish analyses of the positive and negative effects of its decisions on the public, including any financial or non-financial impact on the public, and the positive or negative impact (if any) on the systemic security, stability and resiliency of the DNS.</p>
<p>274 7. ICANN commits to adhere to transparent and accountable budgeting processes, fact-based policy development, cross-community deliberations, and responsive consultation procedures that provide detailed explanations of the basis for decisions, including how comments have influenced the development of policy consideration, and to publish each year an annual report that sets out ICANN's progress against ICANN's Bylaws, responsibilities, and strategic and operating plans. In addition, ICANN commits to provide a thorough and reasoned explanation of decisions taken, the rationale thereof and the sources of data and information on which ICANN relied.</p>	<p>275 In revised Core Values:</p> <p>276 <i>Proposed insertion of new Section 8 in Article III Transparency (this is the Affirmation of Commitments paragraph 7 in its entirety including additional text):</i></p> <p>277 ICANN shall adhere to transparent and accountable budgeting processes, providing [reasonable] [adequate] advance notice to facilitate stakeholder engagement in policy decision-making, fact-based policy development, cross-community deliberations, and responsive consultation procedures that provide detailed explanations of the basis for decisions, including how comments have influenced the development of policy consideration, and to publish each year an annual report that sets out ICANN's progress against ICANN's Bylaws, responsibilities, and strategic and operating plans.</p> <p>278 In addition, ICANN shall provide a thorough and reasoned explanation of decisions taken, the rationale thereof and the sources of data and information on which ICANN relied.</p>

ICANN COMMITMENTS IN THE AFFIRMATION OF COMMITMENTS	AS EXPRESSED IN ICANN BYLAWS
<p>279 8. ICANN affirms its commitments to:</p> <p>280 (a) maintain the capacity and ability to coordinate the Internet DNS at the overall level and to work for the maintenance of a single, interoperable Internet;</p> <p>284 (b) remain a not for profit corporation, headquartered in the United States of America with offices around the world to meet the needs of a global community; and</p>	<p>281 In revised Core Values:</p> <p>282 <i>Propose inserting 8(a) in full as a new core value in the Bylaws</i></p> <p>283 maintain the capacity and ability to coordinate the Internet DNS at the overall level and to work for the maintenance of a single, interoperable Internet.</p> <p>285 The nonprofit commitment in 8b is reflected in ICANN's ARTICLES OF INCORPORATION:</p> <p style="padding-left: 40px;">a. "3. This Corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the California Nonprofit Public Benefit Corporation Law for charitable and public purposes. "</p> <p>286 A change to the Articles would require 2/3 vote of the Board and 2/3 vote of the Members.</p> <p>287 The "<u>headquartered</u>" commitment in 8b is already in current ICANN Bylaws, at Article XVIII Section 1:</p> <p style="padding-left: 40px;">a. "OFFICES. The principal office for the transaction of the business of ICANN shall be in the County of Los Angeles, State of California, United States of America. ICANN may also have an additional office or offices within or outside the United States of America as it may from time to time establish."</p> <p>288 While the Board could propose a change to this Bylaws provision, Members/Designators could block the proposed change (75% vote).</p> <p>289 The CCWG-Accountability is considering whether Bylaws Article 18 Section 1 should be keep its current status or be listed as "Fundamental Bylaws". In the latter case, any Bylaws change would require approval by Members/Designators (75% vote).</p>

<p>290 (c) to operate as a multi-stakeholder, private sector led organization with input from the public, for whose benefit ICANN shall in all events act. ICANN is a private organization and nothing in this Affirmation should be construed as control by any one entity.</p>	<p>291 Propose inserting 8(c) in full as a new core value in the Bylaws (including additional text):</p> <p>292 Operating as a multi-stakeholder, bottom-up private sector led organization with input from the public, for whose benefit ICANN shall in all events act.</p>
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ICANN COMMITMENTS IN THE AFFIRMATION OF COMMITMENTS	AS EXPRESSED IN ICANN BYLAWS
<p>293 9. Recognizing that ICANN will evolve and adapt to fulfill its limited, but important technical Mission of coordinating the DNS, ICANN further commits to take the following specific actions together with ongoing commitment reviews specified below:</p>	<p>294 See Section 6.2 of this document for Bylaws text to preserve commitments to perform these ongoing reviews.</p>

295 **QUESTIONS AND OPEN ISSUES:**

296 *16a) Do you agree that the incorporation into ICANN's Bylaws of these Affirmation of Commitments principles would enhance ICANN's accountability?*

297 *16b) Do you agree with the list of requirements for this recommendation? If not, please detail how you would recommend to amend these requirements.*

6.2 Affirmation of Commitments Reviews

298 Suggestions gathered during 2014 comment periods on ICANN accountability and the IANA Stewardship Transition suggested several ways the Affirmation of Commitments Reviews should be adjusted as part of incorporating them into ICANN's Bylaws:

- Ability to sunset reviews and create new reviews;
- Community stakeholder groups should appoint their own Members to review teams;
- Give review teams access to all ICANN internal documents;
- Require the ICANN Board to consider approval and begin implementation of review team recommendations, including from previous reviews. The Board's decision would

be subject to challenge through enhanced Reconsideration and IRP processes.

299 In Bylaws Article IV, add a new section for **Periodic Review of ICANN Execution of Key Commitments**, with an overarching chapeau for the way these reviews are conducted and then one subsection for each of the four current Affirmation Reviews.

300 **POSSIBLE BYLAW THAT PROVIDES A CHAPEAU FOR ALL PERIODIC REVIEWS**

301 All of the reviews listed in this Section 6.2 would be governed by the following:

PROPOSED BYLAW TEXT	COMMENT
302 ICANN will produce an annual report on the state of improvements to Accountability and Transparency.	304 This is new. It is a recommendation based on one in ATRT2 and becomes more important as reviews are spread further apart.
303 ICANN will be responsible for creating an annual report that details the status of implementation on all reviews defined in this section. This annual review implementation report will be opened for a public review and comment period that will be considered by the ICANN Board and serve as input to the continuing process of implementing the recommendations from the review teams defined in this section.	
305 All reviews will be conducted by a volunteer community review team comprised of representatives of the relevant Advisory Committees, Supporting Organizations, Stakeholder Groups, and the chair of the ICANN Board. The group must be as diverse as possible.	
306 Review teams may also solicit and select independent experts to render advice as requested by the review team, and the review team may choose to accept or reject all or part of this advice.	
307 To facilitate transparency and openness in ICANN's deliberations and operations, the review teams shall have access to ICANN internal documents, and the draft output of the review will be published for public comment. The review team will consider such public comment and amend the review as it deems appropriate before issuing its final report and forwarding the recommendations to the Board.	
308 The final output of all reviews will be published for public comment. The Board shall consider approval and begin implementation within six months of receipt of the recommendations.	309 The Affirmation of Commitments requires Board to 'take action' within 6 months.

PROPOSED BYLAWS TEXT FOR THIS AFFIRMATION OF COMMITMENTS REVIEW	NOTES
<p>310 1. Accountability & Transparency Review. The Board shall cause a periodic review of ICANN's execution of its commitment to maintain and improve robust mechanisms for public input, accountability, and transparency so as to ensure that the outcomes of its decision-making will reflect the public interest and be accountable to all stakeholders.</p> <p>311 In this review, particular attention should be paid to:</p> <p>312 (a) assessing and improving ICANN Board governance which shall include an ongoing evaluation of Board performance, the Board selection process, the extent to which Board composition meets ICANN's present and future needs, and the consideration of an appeal mechanism for Board decisions;</p> <p>314 (b) assessing the role and effectiveness of GAC interaction with the Board and making recommendations for improvement to ensure effective consideration by ICANN of GAC input on the public policy aspects of the technical coordination of the DNS;</p> <p>315 (c) assessing and improving the processes by which ICANN receives public input (including adequate explanation of decisions taken and the rationale thereof);</p> <p>316 (d) assessing the extent to which ICANN's decisions are embraced, supported and accepted by the public and the Internet community; and</p> <p>317 (e) assessing the policy development process to facilitate enhanced cross community deliberations, and effective and timely policy development.</p> <p>318 The review team shall assess the extent to which the Board and staff have implemented the recommendations arising from the reviews required by this section.</p>	<p>313 This commitment is reflected in Bylaws Core Values.</p> <p>319 Rephrased to avoid implying a review of GAC's effectiveness.</p>
<p>320 The review team may recommend termination of other periodic reviews required by this section, and may recommend additional periodic reviews.</p>	<p>321 New.</p>
<p>322 This periodic review shall be conducted no less frequently than every five years, measured from the date the Board received the final report of the prior review team.</p>	<p>323 Affirmation of Commitments Reviews are required every 3 years.</p>

PROPOSED BYLAWS TEXT FOR THIS AFFIRMATION OF COMMITMENTS REVIEW	NOTES
<p>324 2. Preserving security, stability, and resiliency.</p> <p>325 The Board shall cause a periodic review of ICANN's execution of its commitment to enhance the operational stability, reliability, resiliency, security, and global interoperability of the DNS.</p> <p>326 In this review, particular attention will be paid to:</p> <p>327 (a) security, stability and resiliency matters, both physical and network, relating to the secure and stable coordination of the Internet DNS;</p> <p>328 (b) ensuring appropriate contingency planning; and</p> <p>329 (c) maintaining clear processes.</p> <p>330 Each of the reviews conducted under this section will assess the extent to which ICANN has successfully implemented the security plan, the effectiveness of the plan to deal with actual and potential challenges and threats, and the extent to which the security plan is sufficiently robust to meet future challenges and threats to the security, stability and resiliency of the Internet DNS, consistent with ICANN's limited technical Mission.</p> <p>332 The review team shall assess the extent to which prior review recommendations have been implemented.</p> <p>334 This periodic review shall be conducted no less frequently than every five years, measured from the date the Board received the final report of the prior review team.</p>	<p>331 This commitment is reflected in Bylaws Core Values.</p> <p>333 Make this explicit.</p> <p>335 Affirmation of Commitments Reviews are required every 3 years.</p>

PROPOSED BYLAWS TEXT FOR THIS AFFIRMATION OF COMMITMENTS REVIEW	NOTES
<p>336 3. Promoting competition, consumer trust, and consumer choice.</p> <p>ICANN will ensure that as it expands the top-level domain space, it will adequately address issues of competition, consumer protection, security, stability and resiliency, malicious abuse issues, sovereignty concerns, and rights protection.</p> <p>338 The Board shall cause a review of ICANN's execution of this commitment after any batched round of new gTLDs have been in operation for one year.</p> <p>339 This review will examine the extent to which the expansion of gTLDs has promoted competition, consumer trust, and consumer choice, as well as effectiveness of:</p> <p>340 (a) the gTLD application and evaluation process; and</p> <p>341 (b) safeguards put in place to mitigate issues involved in the expansion.</p> <p>343 The review team shall assess the extent to which prior review recommendations have been implemented.</p> <p>345 Subsequent rounds of new gTLDs should not be opened until the recommendations of the previous review required by this section have been implemented.</p> <p>347 These periodic reviews shall be conducted no less frequently than every five years, measured from the date the Board received the final report of the relevant review team.</p>	<p>337 This commitment will be added to Bylaws Core Values.</p> <p>342 Re-phrased to cover future new gTLD rounds.</p> <p>344 Make this explicit.</p> <p>346 New.</p> <p>348 The Affirmation of Commitments also required a review 2 years after the 1 year review.</p>

349	4. Reviewing effectiveness of WHOIS/Directory Services policy and the extent to which its implementation meets the legitimate needs of law enforcement and promotes consumer trust.	
350	ICANN commits to enforcing its existing policy relating to WHOIS/Directory Services, subject to applicable laws. Such existing policy requires that ICANN implement measures to maintain timely, unrestricted and public access to accurate and complete WHOIS information, including registrant, technical, billing, and administrative contact information.	
351	Such existing policy also includes the requirements that legal constraints regarding privacy, as defined by OECD in 1980 as amended in 2013 .	352 New.
353	The Board shall cause a periodic review to assess the extent to which WHOIS/Directory Services policy is effective and its implementation meets the legitimate needs of law enforcement and promotes consumer trust.	
354	The review team shall assess the extent to which prior review recommendations have been implemented.	355 Make this explicit.
356	This periodic review shall be conducted no less frequently than every five years, measured from the date the Board received the final report of the prior review team.	357 The Affirmation of Commitments is required every 3 years.

358 The CWG-Stewardship has also proposed an IANA Function Review that should be added to the ICANN Bylaws, as a Fundamental Bylaw.

IANA FUNCTION REVIEW

- 359 The CWG-Stewardship recommends that the Statement of Work (SOW) review be done as part of the IANA Function Review (IFR). The IFR would not only take into account performance against the SOW, but would be obliged to take into account multiple input sources into account including community comments, IANA Customer Standing Committee (CSC) evaluations, reports submitted by the Post-Transition IANA entity (PTI), and recommendations for technical or process improvements. The outcomes of reports submitted to the CSC, reviews and comments received on these reports during the relevant time period will be included as input to the IFR.
- 360 The first IFR is recommended to take place no more than 2 years after the transition is completed. After the initial review, the IFR should occur every 5 years.
- 361 The IFR should be outlined in the ICANN Bylaws and included as a Fundamental Bylaw as part of the work of the CCWG-Accountability and would operate in a manner analogous to an Affirmation of Commitments review. The Members of the IANA Function Review Team (IFRT) would be selected by the Supporting Organizations and Advisory Committees and would include several liaisons from other communities. While the IFRT is intended to be a smaller group, it will be open to participants in much the same way as the CWG-Stewardship.
- 362 While the IFR will normally be scheduled based on a regular 5-year cycle with other ICANN reviews, a Special Review may also be initiated following the CSC raising concerns with the GNSO and/or the ccNSO or by concerns raised by TLDs directly with the ccNSO or the GNSO. In the event of a Special Review being proposed, the ccNSO and GNSO should consult with both Members and non-member TLDs, in the light of the consultations, the Councils can decide by a supermajority to call for a special review.

363 **QUESTIONS AND OPEN ISSUES:**

- 364 *17a) Do you agree that the incorporation into ICANN's Bylaws of the Affirmation of Commitments reviews would enhance ICANN's accountability?*
- 365 *17b) Do you agree with the list of requirements for this recommendation? If not, please detail how you would recommend to amend these requirements.*

7) Bylaws changes suggested by Stress Tests

- 366 [**Note:** Legal Counsel is not reviewing Bylaw text at this stage of review.]
- 367 The CCWG-Accountability Charter calls for stress testing of accountability enhancements in both Work Streams 1 and 2. Among deliverables listed in the charter are:
- 368 **Identification of contingencies to be considered in the stress tests.**

- 369 Review of possible solutions for each Work Stream including stress tests against identified contingencies.
- 370 The CCWG-Accountability should consider the following methodology for stress tests:
- Analysis of potential weaknesses and risks;
 - Analysis existing remedies and their robustness;
 - Definition of additional remedies or modification of existing remedies;
 - Description how the proposed solutions would mitigate the risk of contingencies or protect the organization against such contingencies.
- 371 CCWG-Accountability must structure its work to ensure that stress tests can be (i) designed (ii) carried out and (iii) its results being analyzed timely before the transition.
- 372 The CCWG-Accountability Stress Test Work Party documented contingencies identified in prior public comments. The Stress Test Work Party then prepared a draft document showing how these stress tests are useful to evaluate existing and proposed accountability measures.
- 373 The exercise of applying stress tests identified changes to ICANN Bylaws that might be necessary to allow the CCWG-Accountability to evaluate proposed accountability mechanisms as adequate to meet the challenges uncovered.

7.1 Forcing the Board to respond to Advisory Committee formal advice

- 374 Several stress tests indicate the need for a community power to force ICANN to take a decision on previously-approved Review Team Recommendations, consensus policy, or formal advice from an Advisory Committee (SSAC, ALAC, GAC, RSSAC).
- 375 The CCWG-Accountability is developing enhanced community powers to challenge a Board decision, but this may not be effective in cases where the Board has taken no decision on a pending matter. In those cases, the community might need to force the Board to make a decision about pending AC advice in order to trigger the ability for community to challenge the decision via Reconsideration or IRP processes.
- 376 Recommendation 9 from ATRT2¹⁰ may answer this need:

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¹⁰ See page 11 of this the following document: <https://www.icann.org/en/system/files/files/draft-recommendations-31dec13-en.pdf>

9.1. ICANN Bylaws Article XI should be amended to include the following language to mandate Board Response to Advisory Committee Formal Advice:

The ICANN Board will respond in a timely manner to formal advice from all Advisory Committees, explaining what action it took and the rationale for doing so.

- 377 This ATRT2 recommendation has not yet been reflected in ICANN Bylaws, so this change should be required before the IANA stewardship transition. In addition, there is a question as to whether a Board "response" would be sufficient to trigger the RR and IRP review mechanisms in this proposal. The CCWG-Accountability and CWG-Stewardship are waiting on legal advice as to that question.

7.2 Require consultation and mutually acceptable solution for GAC advice that is backed by consensus

- 378 Stress Test 18 addresses ICANN's response to GAC advice in the context of NTIA's statement regarding the transition: "NTIA will not accept a proposal that replaces the NTIA role with a government-led or an inter-governmental organization solution". This Stress Test was applied to existing and proposed accountability measures, as seen below:

STRESS TEST	EXISTING ACCOUNTABILITY MEASURES	PROPOSED ACCOUNTABILITY MEASURES
<p>379 18. Governments in ICANN's Government Advisory Committee (GAC) amend their operating procedures to change from consensus decisions to majority voting for advice to ICANN's Board.</p> <p>380 Consequence: Under current Bylaws, ICANN must consider and respond to GAC advice, even if that advice were not supported by consensus. A majority of governments could thereby approve GAC advice that restricted free expression, for example.</p>	<p>381 Current ICANN Bylaws (Article XI) require ICANN to try and find a mutually agreeable solution for GAC advice.</p> <p>382 This is required for any GAC advice, not just for GAC consensus advice.</p> <p>383 Today, GAC adopts formal advice according to its Operating Principle 47: "<i>consensus is understood to mean the practice of adopting decisions by general agreement in the absence of any formal objection¹¹.</i>" But the GAC may at any time change its procedures to use majority voting instead of its present consensus.</p>	<p>384 One proposed measure would amend ICANN bylaws (Article XI, Section 2, item 1j) to require trying to find a mutually agreeable solution only where GAC advice was supported by GAC consensus.</p> <p>The GAC could change its Operating Principle 47 to use majority voting for formal GAC advice, but ICANN bylaws would require trying to find a mutually agreeable solution only on advice that had GAC consensus.</p> <p>385 GAC can still give ICANN advice at any time, with or without consensus.</p>

386 The CCWG-Accountability proposes a response to Stress Test 18 to amend ICANN Bylaws such that only consensus advice would trigger the obligation to try to find a mutually acceptable solution. The proposal is to amend ICANN Bylaws, Article XI Section 2 clause j as seen below. (Addition here **bold, italic and underlined**) Clause k is also shown for completeness but is not being amended.

387 *j: The advice of the Governmental Advisory Committee on public policy matters shall be duly taken into account, both in the formulation and adoption of policies. In the event that the ICANN Board determines to take an action that is not consistent with the Governmental Advisory Committee advice, it shall so inform the Committee and state the reasons why it decided not to follow that advice. **With respect to Governmental Advisory Committee advice that is supported by consensus**, the Governmental Advisory Committee and the ICANN Board will then try, in good faith and in a timely and efficient manner, to find a mutually acceptable solution.*

¹¹ ICANN Government Advisory Committee (GAC) - Operating Principles, October, 2011, at <https://gacweb.icann.org/display/gacweb/GAC+Operating+Principles>

388 *k: If no such solution can be found, the ICANN Board will state in its final decision the reasons why the Governmental Advisory Committee advice was not followed, and such statement will be without prejudice to the rights or obligations of Governmental Advisory Committee members with regard to public policy issues falling within their responsibilities.*

389 Note that the proposed Bylaws change for stress test 18 does not interfere with the GAC's method of decision-making. If the GAC decided to adopt advice by majority voting or methods other than today's consensus, ICANN would still be obligated to give GAC advice due consideration: "advice shall be duly taken into account, both in the formulation and adoption of policies."

390 Moreover, ICANN would still have to explain why GAC advice was not followed: "In the event that the ICANN Board determines to take an action that is not consistent with the Governmental Advisory Committee advice, it shall so inform the Committee and state the reasons why it decided not to follow that advice."

391 The only effect of this Bylaws change is to limit the kind of advice where ICANN is obligated to "try, in good faith and in a timely and efficient manner, to find a mutually acceptable solution". That delicate and sometimes difficult consultation requirement would only apply for GAC advice that was approved by consensus – this is how GAC advice has been approved since ICANN began.

392 NTIA gave specific requirements for this transition, and stress test 18 is the most direct test of the requirement to avoid significant expansion of the role of governments in ICANN decision-making. Unless and until there are other proposed measures that address this stress test, the proposed Bylaws change should remain in consideration as an important part of the community's proposal.

393 **QUESTIONS AND OPEN ISSUES:**

394 *18a) Do you agree that the incorporation into ICANN's Bylaws of the above changes, as suggested by stress tests, would enhance ICANN's accountability?*

395 *18b) Do you agree with the list of requirements for this recommendation? If not, please detail how you would recommend to amend these requirements.*

8) Stress Tests

8.1 Introduction

396 An essential part of our CCWG-Accountability Charter calls for stress testing of accountability enhancements in both Work Streams 1 and 2. 'Stress Testing' is a simulation exercise where a set of plausible, but not necessarily probable, hypothetical scenarios are used to gauge how

certain events will affect a system, product, company or industry. In the financial industry for example 'stress testing' is routinely run to evaluate the strength of institutions.

8.2 Purpose & Methodology

397 The purpose of these stress tests is to determine the stability of ICANN in the event of
consequences and/or vulnerabilities, and to assess the adequacy of existing and proposed
398 accountability mechanisms available to the ICANN community.

398 AMONG DELIVERABLES LISTED IN THE CCWG-ACCOUNTABILITY CHARTER ARE:

399 Identification of contingencies to be considered in the stress tests.

400 Review of possible solutions for each Work Stream including stress tests against
identified contingencies. The CCWG-Accountability should consider the following
methodology for stress tests:

1. Analysis of potential weaknesses and risks;
2. Analysis of existing remedies and their robustness;
3. Definition of additional remedies or modification of existing remedies;
4. Description of how the proposed solutions would mitigate the risk of contingencies or protect the organization against such contingencies.

401 CCWG-Accountability must structure its work to ensure that stress tests can be (i)
designed (ii) carried out and (iii) analyzed timely before the transition.

402 In addition, the CCWG-Accountability chairs asked our work party to consider this yes/no
question:

403 *While this is not a gating factor, is the threat directly related to the transition of the
IANA stewardship?*

404 Also, note that the CCWG-Accountability charter does not ask that probability estimates be
assigned for contingencies. The purpose of applying tests to proposed accountability measures
is to determine if the community has adequate means to challenge ICANN's reactions to the
contingency.

405 CCWG-Accountability Work Team 4 gathered an inventory of contingencies identified in prior
public comments. That document was posted to the wiki at
<https://community.icann.org/display/acctcrosscomm/ST-WP+--+Stress+Tests+Work+Party>.

406 We consolidated these into five 'stress test categories' listed below, and prepared draft
documents showing how these stress tests are useful to evaluate ICANN's existing and CCWG-
Accountability's proposed accountability measures.

407 **I. FINANCIAL CRISIS OR INSOLVENCY (SCENARIOS #5, 6, 7, 8 AND 9)**

408 ICANN becomes fiscally insolvent, and lacks the resources to adequately meet its
obligations. This could result from a variety of causes, including financial crisis specific to
the domain name industry, or the general global economy. It could also result from a legal
judgment against ICANN, fraud or theft of funds, or technical evolution that makes domain
name registrations obsolete.

409 **II. FAILURE TO MEET OPERATIONAL OBLIGATIONS (SCENARIOS #1, 2, 11, 17, AND 21)**

410 ICANN fails to process change or delegation requests to the IANA Root Zone, or executes
a change or delegation over the objections of stakeholders, such as those defined as
'Significantly Interested Parties' [[http://ccnso.icann.org/workinggroups/foi-final-07oct14-
en.pdf](http://ccnso.icann.org/workinggroups/foi-final-07oct14-en.pdf)].

411 **III. LEGAL/LEGISLATIVE ACTION (SCENARIOS #3, 4, 19, AND 20)**

412 ICANN is the subject of litigation under existing or future policies, legislation, or regulation.
ICANN attempts to delegate a new TLD, or re-delegate a non-compliant existing TLD, but
is blocked by legal action.

413 **IV. FAILURE OF ACCOUNTABILITY (SCENARIOS #10, 12, 13, 16, 18, 22, 23, 24 AND 26)**

414 Actions (or expenditure of resources) by one or more ICANN Board Directors, CEO, or
other Staff, are contrary to ICANN's Mission or Bylaws. ICANN is "captured" by one
stakeholder segment, including governments via the GAC, which either is able to drive its
agenda on all other stakeholders, or abuse accountability mechanisms to prevent all other
stakeholders from advancing their interests (veto).

415 **V. FAILURE OF ACCOUNTABILITY TO EXTERNAL STAKEHOLDERS (SCENARIOS #14, 15,
AND 25)**

416 ICANN modifies its structure to avoid obligations to external stakeholders, such as
terminating the Affirmation of Commitments, terminating presence in a jurisdiction where it
faces legal action, moving contracts or contracting entities to a favorable jurisdiction.
ICANN delegates, subcontracts, or otherwise abdicates its obligations to a third party in a
manner that is inconsistent with its Bylaws or otherwise not subject to accountability.
ICANN merges with or is acquired by an unaccountable third party.

417 **Applying Additional Stress Tests**

418 Public comment participants may conceive of other contingencies and risks beyond the 26 stress
tests identified in this section. In that case, we encourage commenters to apply their own stress
test analysis. To do so, a commenter can examine ICANN's present accountability mechanisms
to determine whether they adequately address the contingency. Then, the commenter can
examine the proposed accountability enhancements in this document, and assess whether they
would give the community adequate means to challenge Board decisions and to hold the Board

accountable for its actions.

- 419 For example, the stress test team evaluated contingencies that could generally be described as external events (cyber attack, financial crisis, etc.). We discovered that while some risk mitigation was possible, it became clear that no accountability framework could eliminate the risk of such events or entirely alleviate their impact. Instead, it was critical to explore the ability of the community to hold ICANN Board and management accountable for their preparation and reaction to the external events. The proposed accountability measures do provide adequate means to do so.
- 420 Note that we cannot apply stress tests definitively until CCWG-Accountability and CWG-Stewardship have defined mechanisms/structures to test. This draft applies stress tests to a 'snapshot' of proposed mechanisms under consideration at this point in the process.
- 421 Also, note that several stress tests can specifically apply to work of the CWG-Stewardship regarding transition of the IANA naming functions contract (see Stress Tests #1 & 2, 10, 11, 14, 15, 16, 17, 19, 22, 24, 25.)
- 422 The stress test exercise demonstrates that Work Stream 1 recommendations do enhance the community's ability to hold ICANN Board and management accountable, relative to present accountability measures. It is also clear that the CWG-Stewardship proposals are complementary to CCWG-Accountability measures. One stress test regarding appeals of ccTLD revocations and assignments (ST 21) has not been adequately addressed in either the CWG-Stewardship or CCWG-Accountability proposals, awaiting policy development from the ccNSO.
- 423 The following table shows the stress test scenarios for each of our five categories of risk, alongside existing accountability mechanisms and measures and proposed accountability measures. Conclusions have been drawn after discussion and exploration of each hypothetical situation, and the table also lists whether a) if the 'threat' is or is not directly related to the transition of IANA stewardship; b) if and to what extent existing measures and mechanisms are deemed adequate; and c) the adequacy and effectiveness of any proposed measures or mechanisms.

8.3 Stress test category I: Financial Crisis or Insolvency

STRESS TEST #5, 6, 7, 8	EXISTING ACCOUNTABILITY MEASURES	PROPOSED ACCOUNTABILITY MEASURES
<p>424 5. Domain industry financial crisis. Consequence: significant reduction in domain sales generated revenues and significant increase in registrar and registry costs, threatening ICANN's ability to operate.</p> <p>425 6. General financial crisis.</p> <p>426 7. Litigation arising from private contract, e.g., Breach of Contract.</p> <p>427 8. Technology competing with DNS.</p> <p>428 Consequence: loss affecting reserves sufficient to threaten business continuity.</p>	<p>429 ICANN could propose revenue increases or spending cuts, but these decisions are not subject to challenge by the ICANN community.</p> <p>430 The Community has input in ICANN budgeting and Strategic Plan.</p> <p>431 Registrars must approve ICANN's variable registrar fees. If not, registry operators pay the fees.</p> <p>432 ICANN's reserve fund could support operations in a period of reduced revenue. Reserve fund is independently reviewed periodically.</p>	<p>433 One proposed measure would empower the community to veto ICANN's proposed annual budget. This measure enables blocking a proposal by ICANN to increase its revenues by adding fees on registrars, registries, and/or registrants.</p> <p>434 Another proposed mechanism is community challenge to a Board decision using a reconsideration request and/or referral to an Independent Review Panel (IRP) with the power to issue a binding decision. If ICANN made a revenue or expenditure decision outside the annual budget process, the Reconsideration or IRP mechanisms may be able to reverse that decision unless it was deemed vital to ICANN.</p>
<p>435 Conclusions:</p> <p>436 a) This threat is not directly related to the transition of IANA stewardship.</p>	<p>437 b) Existing measures would be adequate, unless the revenue loss was extreme and sustained.</p>	<p>438 c) Proposed measures are helpful, but might not be adequate if revenue loss was extreme and sustained.</p>

STRESS TEST #9	EXISTING ACCOUNTABILITY MEASURES	PROPOSED ACCOUNTABILITY MEASURES
<p>439 9. Major corruption or fraud.</p> <p>440 Consequence: major impact on corporate reputation, significant litigation and loss of reserves.</p>	<p>441 ICANN has annual independent audit that includes testing of internal controls designed to prevent fraud and corruption.</p> <p>442 ICANN maintains an anonymous hotline for employees to report suspected fraud.</p> <p>443 ICANN Board can dismiss CEO and/or executives responsible.</p> <p>444 The community has no ability to force the Board to report or take action against suspected corruption or fraud.</p>	<p>445 One proposed measure is to empower the community to force ICANN's Board to consider a recommendation arising from an Affirmation of Commitments Review. An ATRT could make recommendations to avoid conflicts of interest. An ICANN Board decision against those recommendations could be challenged with a Reconsideration and/or IRP.</p> <p>446 Another proposed measure would empower the community to veto ICANN's proposed annual budget. This measure enables blocking a budget proposal that is tainted by corruption or fraud.</p> <p>447 If ICANN's Board were involved, or if the Board did not act decisively in preventing corruption or fraud (for instance by enforcing internal controls or policies), a proposed measure empowers the community to remove individual Directors or recall the entire Board.</p>
<p>448 Conclusions:</p> <p>449 a) This threat is not directly related to the transition of IANA stewardship.</p>	<p>450 b) Existing measures would not be adequate if litigation costs or losses were extreme and sustained.</p>	<p>451 c) Proposed measures are helpful, but might not be adequate if litigation costs and losses were extreme and sustained.</p>

8.4 Stress test category II: Failure to Meet Operational Expectations

STRESS TEST #1, 2	EXISTING ACCOUNTABILITY MEASURES	PROPOSED ACCOUNTABILITY MEASURES
<p>452 1. Change authority for the Root Zone ceases to function, in part or in whole.</p> <p>453 2. Delegation authority for the Root Zone ceases to function, in part or in whole.</p> <p>454 Consequence: interference with existing policy relating to Root Zone and/or prejudice to the security and stability of one or several TLDs.</p>	<p>455 Under the present IANA functions contract, NTIA can revoke ICANN's authority to perform IANA functions and re-assign to different entity/entities.</p> <p>456 After NTIA relinquishes the IANA functions contract, this measure will no longer be available.</p>	<p>457 The CWG-Stewardship proposal includes various escalation procedures to prevent degradation of service, as well as a framework (operational) for the transition of the IANA function.</p> <p>458 The CWG-Stewardship proposes that IANA naming functions be legally transferred to a new Post-Transition IANA entity (PTI) that would be a subsidiary or affiliate of ICANN.</p> <p>459 The CWG-Stewardship proposes a multistakeholder IANA Function Review (IFR) to conduct reviews of PTI. Results of IFR are not prescribed or restricted and could include recommendations to the ICANN Board to terminate or not renew the IANA Functions Contract with PTI. An ICANN Board decision against those recommendations could be challenged with a Reconsideration and/or IRP.</p> <p>460 The CWG-Stewardship proposes the ability for the multistakeholder community to require, if necessary and after other escalation mechanisms and methods have been exhausted, the selection of a new operator for the IANA functions.</p> <p>461 Suggestions for Work Stream 2: Require annual external security audits and publication of results, and require certification per international standards (ISO 27001) and publication of results.</p>
<p>462 Conclusions:</p> <p>463 a) This threat is directly related to the transition of IANA stewardship.</p>	<p>464 b) Existing measures would be inadequate after NTIA terminates the IANA contract.</p>	<p>465 c) Proposed measures are, in combination, adequate to mitigate this contingency.</p>

STRESS TEST #11	EXISTING ACCOUNTABILITY MEASURES	PROPOSED ACCOUNTABILITY MEASURES
<p>466 11. Compromise of credentials.</p> <p>467 Consequence: major impact on corporate reputation, significant loss of authentication and/or authorization capacities.</p>	<p>468 Regarding compromise of internal systems:</p> <p>469 Based upon experience of the recent security breach, it is not apparent how the community holds ICANN management accountable for implementation of adopted security procedures.</p> <p>470 It also appears that the community cannot force ICANN to conduct an after-action report on a security incident and reveal that report.</p> <p>471 Regarding DNS security:</p> <p>472 Beyond operating procedures, there are credentials employed in DNSSEC.</p> <p>473 ICANN annually seeks SysTrust Certification for its role as the Root Zone KSK manager.</p> <p>474 The IANA Department has achieved EFQM Committed to Excellence certification for its Business Excellence activities.</p> <p>475 Under C.5.3 of the IANA Functions Contract, ICANN has undergone annual independent audits of its security provisions for the IANA functions.</p>	<p>476 Regarding compromise of internal systems:</p> <p>477 No measures yet suggested would force ICANN management to conduct an after-action report and disclose it to the community.</p> <p>478 Nor can the community force ICANN management to execute its stated security procedures for employees and contractors.</p> <p>479 Regarding DNS security:</p> <p>480 One proposed measure empowers the community to force ICANN's Board to consider a recommendation arising from an Affirmation of Commitments Review – namely, <i>Security Stability and Resiliency</i>. An ICANN Board decision against those recommendations could be challenged with a Reconsideration and/or IRP.</p> <p>481 A proposed Bylaws change would require ICANN Board to respond to formal advice from advisory committees such as SSAC and RSSAC. If the Board took a decision to reject or only partially accept formal AC advice, the community could be empowered to challenge that Board decision to an IRP.</p> <p>482 Suggestions for Work Stream 2:</p> <p>483 - Require annual external security audits and publication of results.</p> <p>484 - Require certification per international standards (ISO 27001) and publication of results.</p>
<p>485 Conclusions:</p> <p>486 a) This threat is directly related to the transition of IANA stewardship</p>	<p>487 b) Existing measures would not be adequate.</p>	<p>488 c) Proposed Work Stream 1 measures, in combination, would be helpful to mitigate the scenario, but not to prevent it. Work Stream 2 suggestions might provide risk mitigation measures.</p>

STRESS TEST #17	EXISTING ACCOUNTABILITY MEASURES	PROPOSED ACCOUNTABILITY MEASURES
<p>489 17. ICANN attempts to add a new top-level domain in spite of security and stability concerns expressed by technical community or other stakeholder groups.</p> <p>490 Consequence: DNS security and stability could be undermined, and ICANN actions could impose costs and risks upon external parties.</p>	<p>491 In 2013-14 the community demonstrated that it could eventually prod ICANN management to attend to risks identified by SSAC. For example: dotless domains (SAC 053); security certificates and name collisions such as .mail, .home (SAC 057)</p> <p>492 NTIA presently gives clerical approval for each delegation to indicate that ICANN has followed its processes. NTIA could delay a delegation if its finds that ICANN has not followed its processes. Not clear if that would/could have been a finding if ICANN attempted to delegate a new TLD such as .mail or .home.</p>	<p>493 One proposed measure is to empower the community to force ICANN's Board to respond to recommendations arising from an Affirmation of Commitments Review – namely, 9.2 Review of Security, Stability, and Resiliency. An ICANN Board decision against those recommendations could be challenged with a Reconsideration and/or IRP.</p> <p>494 A proposed Bylaws change would require ICANN Board to respond to formal advice from advisory committees such as SSAC and RSSAC. If the Board took a decision to reject or only partially accept formal AC advice, the community could be empowered to challenge that Board decision to an IRP.</p>
<p>495 Conclusions:</p> <p>496 a) This threat is partially related to the transition of IANA stewardship.</p>	<p>497 b) Existing measures were adequate to mitigate the risks of this scenario.</p>	<p>498 c) Proposed measures enhance community's power to mitigate the risks of this scenario.</p>

STRESS TEST #21	EXISTING ACCOUNTABILITY MEASURES	PROPOSED ACCOUNTABILITY MEASURES
<p>499 21. A government official demands ICANN rescind responsibility for management of a ccTLD from an incumbent ccTLD Manager.</p> <p>500 However, the IANA Functions Manager is unable to document voluntary and specific consent for the revocation from the incumbent ccTLD Manager.</p> <p>501 Also, the government official demands that ICANN assign management responsibility for a ccTLD to a Designated Manager. But the IANA Functions Manager does not document that: Significantly Interested Parties agree; that other Stakeholders had a voice in selection; the Designated Manager has demonstrated required capabilities; there are not objections of many Interested Parties and/or Significantly Interested Parties.</p> <p>502 This stress test examines the community's ability to hold ICANN accountable to follow established policies. It does not deal with the adequacy of policies in place.</p> <p>503 Consequence: Faced with this re-delegation request, ICANN lacks measures to resist re-delegation while awaiting the bottom-up consensus decision of affected stakeholders.</p>	<p>504 Under the present IANA contract with NTIA, the IANA Department issues a boiler-plate report to the ICANN Board, which approves this on the Consent Agenda and forwards to NTIA, which relies on the Board's certification and approves the revocation, delegation or transfer.</p> <p>505 There is presently no mechanism for the incumbent ccTLD Manager or the community to challenge ICANN's certification that process was followed properly.</p> <p>506 See GAC Principles for delegation and administration of ccTLDs. GAC Advice published in 2000 and updated in 2005 specifically referenced to Sections 1.2 & 7.1.</p> <p>507 See Framework of Interpretation, 20-Oct-2014.</p>	<p>508 From the CWG-Stewardship draft proposal: "CWG-Stewardship recommends not including any appeal mechanism that would apply to ccTLD delegations and redelegations in the IANA Stewardship Transition proposal."</p> <p>509 From CWG-Stewardship co-chair correspondence on 15-Apr-2015: "As such, any appeal mechanism developed by the CCWG-Accountability should not cover ccTLD delegation / re-delegation issues as these are expected to be developed by the ccTLD community through the appropriate processes."</p> <p>510 Regarding CCWG-Accountability proposed measures:</p> <p>511 One proposed CCWG-Accountability measure could give the community standing to request Reconsideration of management's decision to certify the ccTLD change. Would require a standard of review that is more specific than amended ICANN Mission, Commitments and Core Values.</p> <p>Another proposed CCWG-Accountability mechanism is community challenge to a Board decision, referring it to an Independent Review Panel (IRP) with the power to issue a binding decision. If ICANN took action to revoke or assign management responsibility for a ccTLD, the IRP mechanism might be enabled to review that decision. Would require a standard of review.</p>
<p>512 Conclusions:</p> <p>513 a) This threat is directly related to the transition of IANA stewardship.</p>	<p>514 b) Existing measures would not be adequate.</p>	<p>515 c) Proposed measures do not adequately empower the community to address this scenario until the appropriate processes develop appropriate mechanisms.</p>

8.5 Stress test category III: Legal/Legislative Action

STRESS TEST #3	EXISTING ACCOUNTABILITY MEASURES	PROPOSED ACCOUNTABILITY MEASURES
<p>516 3. Litigation arising from existing public policy, e.g., Antitrust suit.</p> <p>517 In response, ICANN Board would decide whether to litigate, concede, settle, etc.</p> <p>518 Consequence: significant interference with existing policies and/or policy development relating to relevant activities.</p>	<p>519 The community could develop new policies that respond to litigation challenges.</p> <p>520 An ICANN Board decision (litigate or settle) could not be challenged by the community at-large, which lacks standing to use IRP.</p> <p>521 Reconsideration looks at process but not substance of a decision.</p> <p>522 ICANN must follow orders from courts of competent jurisdiction.</p>	<p>523 After ICANN Board responded to the lawsuit (litigating, changing policies or enforcement, etc.) the community would have several response options:</p> <p>524 The community could develop new policies that respond to litigation challenges.</p> <p>525 Another measure would give the community standing to file for Reconsideration or IRP, based on amended Mission, Commitments and Core Values.</p> <p>526 Another measure would allow each Affirmation of Commitments review team to assess implementation of prior recommendations, ad renew the recommendations. An ICANN Board decision against those recommendations could be challenged with a Reconsideration and/or IRP.</p>
<p>527 Conclusions:</p> <p>528 a) This threat is not directly related to the transition of IANA stewardship.</p>	<p>529 b) Existing measures are inadequate.</p>	<p>530 c) Proposed measures would help the community hold ICANN accountable, but might not be adequate to stop interference with ICANN policies.</p>

STRESS TEST #4	EXISTING ACCOUNTABILITY MEASURES	PROPOSED ACCOUNTABILITY MEASURES
<p>531 4. New regulations or legislation.</p> <p>532 For example, a government could cite anti-trust or consumer protection laws and find unlawful some rules that ICANN imposes on TLDs. That government could impose fines on ICANN, withdraw from the GAC, and/or force ISPs to use a different root, thereby fragmenting the Internet.</p> <p>533 In response, ICANN Board would decide whether to litigate, concede, settle, etc.</p> <p>534 Consequence: significant interference with existing policies and/or policy development relating to relevant activities.</p>	<p>535 The community could develop new policies that respond to new regulations.</p> <p>536 An ICANN Board decision on how to respond to the regulation (litigate or change policy/implementation) could not be challenged by the community at-large, which lacks standing to use IRP.</p> <p>537 Reconsideration looks at process but not substance of a decision.</p> <p>538 ICANN must follow orders from courts of competent jurisdiction.</p>	<p>539 After ICANN Board responded to the regulation (litigate or change policy/implementation), the community would have several response options:</p> <p>540 The community could develop new policies that respond to regulation.</p> <p>541 Another measure would give the community standing to file for Reconsideration or IRP, based on amended Mission, Commitments and Core Values.</p> <p>542 Another measure would allow each Affirmation of Commitments review team to assess implementation of prior recommendations, and renew the recommendations. An ICANN Board decision against those recommendations could be challenged with a Reconsideration and/or IRP.</p>
<p>543 Conclusions:</p> <p>544 a) This threat is not directly related to the transition of IANA stewardship.</p>	<p>545 b) Existing measures are inadequate.</p>	<p>546 c) Proposed measures would be an improvement but might still be inadequate.</p>

STRESS TEST #19	EXISTING ACCOUNTABILITY MEASURES	PROPOSED ACCOUNTABILITY MEASURES
<p>547 19. ICANN attempts to re-delegate a gTLD because the registry operator is determined to be in breach of its contract, but the registry operator challenges the action and obtains an injunction from a national court.</p> <p>548 In response, ICANN Board would decide whether to litigate, concede, settle, etc.</p> <p>549 Consequence: The entity charged with root zone maintenance could face the question of whether to follow ICANN re-delegation request or to follow the court order.</p>	<p>550 Under the present agreement with NTIA, the entity performing root zone maintenance is protected from lawsuits since it is publishing the root per contract with the US Government.</p> <p>551 However, the IANA stewardship transition might result in root zone maintainer not operating under USG contract, so would not be protected from lawsuits.</p> <p>552 A separate consideration:</p> <p>553 An ICANN Board decision (litigate or settle) could not be challenged by the community at-large, which lacks standing to use IRP.</p> <p>554 Reconsideration looks at process but not substance of a decision.</p> <p>555 ICANN must follow orders from courts of competent jurisdiction.</p>	<p>556 While it would not protect the root zone maintainer from lawsuits, one CCWG-Accountability proposed mechanism is community challenge of ICANN decision to re-delegate or its decision to acquiesce or litigate the court order. This challenge would take the form of a Reconsideration or IRP.</p> <p>557 After ICANN Board responded to the lawsuit (litigating, changing policies or enforcement, etc.) the decision could be challenged via Reconsideration or IRP, based on standard of review in amended Mission, Commitments and Core Values.</p>
<p>558 Conclusions:</p> <p>559 a) This threat is directly related to the transition of IANA stewardship.</p>	<p>560 b) Existing measures might not be adequate.</p>	<p>561 c) At this point, CWG-Stewardship's recommendations are still in development.</p>

STRESS TEST #20	EXISTING ACCOUNTABILITY MEASURES	PROPOSED ACCOUNTABILITY MEASURES
<p>562 20. A court order is issued to block ICANN's delegation of a new TLD, because of complaint by existing TLD operators or other aggrieved parties.</p> <p>563 For example, an existing gTLD operator might sue to block delegation of a plural version of the existing string.</p> <p>564 In response, ICANN Board would decide whether to litigate, concede, settle, etc.</p> <p>565 Consequence: ICANN's decision about how to respond to court order could bring liability to ICANN and its contract parties.</p>	<p>566 Before delegation, the community lacked standing to object to string similarity decisions. Reconsideration requests looks at process but not at <i>substance</i> of the decision.</p> <p>567 An ICANN Board decision (litigate or settle) could not be challenged by the community at-large, which lacks standing to use IRP.</p> <p>568 Reconsideration looks at process but not substance of a decision.</p> <p>569 ICANN must follow orders from courts of competent jurisdiction, and may consider factors such as cost of litigation and insurance.</p>	<p>570 Preventive: During policy development, the community would have standing to challenge ICANN Board decisions about policy and implementation.</p> <p>571 A future new gTLD Guidebook could give the community standing to file objections.</p> <p>572 Remedial: After the ICANN Board responded to the lawsuit (litigating, changing policies or enforcement, etc.) the community would have several response options:</p> <p>573 One measure would give the community standing to file for Reconsideration or IRP, according to standard of review in amended Mission, Commitments and Core Values.</p> <p>574 One proposed measure empowers the community to force ICANN's Board to consider a recommendation arising from an Affirmation of Commitments Review – namely, <i>Consumer Trust, Choice, and Competition</i>. An ICANN Board decision against those recommendations could be challenged with a Reconsideration and/or IRP.</p>
<p>575 Conclusions:</p> <p>576 a) This threat is not directly related to the transition of IANA stewardship.</p>	<p>577 b) Existing measures would be inadequate.</p>	<p>578 c) Proposed measures would be an improvement but might still be inadequate.</p>

8.6 Stress test category IV: Failure of Accountability

STRESS TEST #10, 24		EXISTING ACCOUNTABILITY MEASURES	PROPOSED ACCOUNTABILITY MEASURES
579	10. Chairman, CEO or officer acting in a manner inconsistent with the organization's Mission.	582 As long as NTIA controls the IANA functions contract, ICANN risks losing IANA functions if it were to expand scope too broadly.	585 One proposed measure empowers the community to veto ICANN's proposed strategic plan or annual budget. This measure could block a proposal by ICANN to increase its expenditure on extending its Mission beyond what the community supported.
580	24. An incoming Chief Executive institutes a "strategic review" that arrives at a new, extended mission for ICANN. Having just hired the new CEO, the Board approves the new Mission / strategy without community consensus.	583 The Community has some input in ICANN budgeting and Strategic Plan, and could register objections to plans and spending on extending ICANN's Mission.	586 Another proposed measure is empowering the community to challenge a Board decision, referring it to an Independent Review Panel (IRP) with the power to issue a binding decision. The IRP decision would be based on a standard of review in the amended Mission Statement, including "ICANN shall not undertake any other Mission not specifically authorized in these Bylaws".
581	Consequence: Community ceases to see ICANN as the community's mechanism for limited technical functions, and views ICANN as an independent, <i>sui generis</i> entity with its own agenda, not necessarily supported by the community. Ultimately, community questions why ICANN's original functions should remain controlled by a body that has acquired a much broader and less widely supported Mission.	584 California's Attorney General has jurisdiction over non-profit entities acting outside Bylaws or Articles of Incorporation.	
587	Conclusions:		
588	a) This threat is directly related to the IANA Stewardship Transition.	589 b) Existing measures are inadequate after NTIA terminates the IANA contract.	590 c) Proposed measures in combination are adequate.

STRESS TEST #12	EXISTING ACCOUNTABILITY MEASURES	PROPOSED ACCOUNTABILITY MEASURES
<p>591 12. Capture by one or several groups of stakeholders.</p> <p>592 Consequence: major impact on trust in multistakeholder model, prejudice to other stakeholders.</p>	<p>593 Regarding capture by governments, the GAC could change its Operating Principle 47 to use majority voting for formal GAC advice, but ICANN Bylaws would require due deference only to advice that had GAC consensus.</p>	<p>594 CCWG-Accountability proposals for community empowerment rely upon supermajority to veto ICANN budgets and strategic plans, to remove ICANN Board director(s). A supermajority requirement is an effective prevention of capture by one or a few groups, provided that quorum requirements are high enough.</p> <p>595 Each AC/SO/SG needs accountability and transparency rules to prevent capture from those outside that community.</p> <p>596 To prevent capture by governments, another proposed measure would amend ICANN Bylaws (Article XI, Section 2, item 1j) to obligate trying to find a mutually agreeable solution only where GAC advice was supported by GAC consensus.</p>
<p>597 Conclusions:</p> <p>598 a) This threat is not directly related to the transition of IANA stewardship.</p>	<p>599 b) Existing measures would be inadequate.</p>	<p>600 c) Proposed measures would be adequate.</p>

STRESS TEST #13	EXISTING ACCOUNTABILITY MEASURES	PROPOSED ACCOUNTABILITY MEASURES
<p>601 13. One or several stakeholders excessively rely on accountability mechanism to “paralyze” ICANN.</p> <p>602 Consequence: major impact on corporate reputation, inability to take decisions, instability of governance bodies, loss of key staff.</p>	<p>603 Current redress mechanisms might enable one stakeholder to block implementation of policies. But these mechanisms (IRP, Reconsideration, Ombudsman) are expensive and limited in scope of what can be reviewed.</p> <p>604 There are no present mechanisms for a ccTLD operator to challenge a revocation decision.</p>	<p>605 CCWG-Accountability proposals for community empowerment rely upon supermajority to veto ICANN budgets and strategic plans, to remove ICANN Board director(s). A supermajority requirement is an effective prevention of capture by one or a few groups, provided that quorum requirements are high enough.</p> <p>606 Each AC/SO/SG needs accountability and transparency rules to prevent capture from those outside that community.</p> <p>607 However, some CCWG-Accountability proposals may make redress mechanisms more accessible and affordable to individual stakeholders, increasing their ability to block implementation of policies and decisions.</p> <p>608 It should be noted that proposed measures for Reconsideration and IRP include the ability to dismiss frivolous or abusive claims and to limit the duration of proceedings.</p>
<p>609 Conclusions:</p> <p>610 a) This threat is not directly related to the transition of IANA stewardship.</p>	<p>611 b) Existing measures seem to be adequate.</p>	<p>612 c) Improved access to Reconsideration and IRP could allow individuals to impede ICANN processes, although this risk is mitigated by dismissal of frivolous or abusive claims.</p>

STRESS TEST #16	EXISTING ACCOUNTABILITY MEASURES	PROPOSED ACCOUNTABILITY MEASURES
<p>613 16. ICANN engages in programs not necessary to achieve its limited technical Mission. For example, uses fee revenue or reserve funds to expand its scope beyond its technical Mission, giving grants for external causes.</p> <p>614 Consequence: ICANN has the power to determine fees charged to TLD applicants, registries, registrars, and registrants, so it presents a large target for any Internet-related cause seeking funding sources.</p>	<p>615 As long as NTIA controls the IANA contract, ICANN would risk losing IANA functions if it were to expand scope without community support. But as a result of IANA stewardship transition, ICANN would no longer need to limit its scope in order to retain IANA contract with NTIA.</p> <p>616 Community was not aware of ICANN Board's secret resolution to initiate negotiations to create NetMundial. There was no apparent way for community to challenge/reverse this decision.</p> <p>617 The Community has input in ICANN budgeting and Strategic Plan.</p> <p>618 Registrars must approve ICANN's variable registrar fees, though Registrars do not view this as an accountability measure.</p> <p>619 California's Attorney General has jurisdiction over non-profit entities acting outside Bylaws or Articles of Incorporation.</p>	<p>620 One proposed measure is empowering the community to veto ICANN's proposed strategic plan and budget. This measure could block a proposal by ICANN to increase its expenditure on initiatives the community believed were beyond ICANN's limited Mission. However, this would be an extreme measure since the entire budget would have to be vetoed.</p> <p>621 Another proposed mechanism is a challenge to a Board decision, made by an aggrieved party or the Community as a whole. This would refer the matter to an Independent Review Panel (IRP) with the power to issue a binding decision. If ICANN made a commitment or expenditure outside the annual budget process, the IRP mechanism enables reversal of that decision.</p> <p>622 Another proposal is to amend ICANN Bylaws to prevent the organization from expanding scope beyond ICANN's amended Mission and Core Values.</p> <p>623 If ICANN's Board proposed to amend/remove these Bylaws provisions, another proposed measure would empower the community to veto that proposed Bylaws change.</p>
<p>624 Conclusions:</p> <p>625 a) Threat is directly related to the transition of IANA stewardship.</p>	<p>626 b) Existing measures are inadequate.</p>	<p>627 c) Proposed measures in combination may be adequate.</p>

STRESS TEST #18	EXISTING ACCOUNTABILITY MEASURES	PROPOSED ACCOUNTABILITY MEASURES
<p>628 18. Governments in ICANN's Government Advisory Committee (GAC) amend their operating procedures to change from consensus decisions to majority voting for advice to ICANN's Board.</p> <p>629 Consequence: Under current Bylaws, ICANN must consider and respond to GAC advice, even if that advice were not supported by consensus. A majority of governments could thereby approve GAC advice that restricted free online expression, for example.</p>	<p>630 Current ICANN Bylaws (Section XI) give due deference to GAC advice, including a requirement to try and find "a mutually acceptable solution."</p> <p>631 This is required for any GAC advice, not just for GAC consensus advice.</p> <p>632 Today, GAC adopts formal advice according to its Operating Principle 47: "<i>consensus is understood to mean the practice of adopting decisions by general agreement in the absence of any formal objection.</i>"¹² But the GAC may at any time change its procedures to use majority voting instead of consensus.</p>	<p>633 One proposed measure would amend ICANN Bylaws (Article XI, Section 2, item 1j) to require trying to find a mutually agreeable solution only where GAC advice was supported by GAC consensus.</p> <p>The GAC could change its Operating Principle 47 to use majority voting for formal GAC advice, but ICANN Bylaws would require trying to find a mutually agreeable solution only on advice that had GAC consensus.</p> <p>634 GAC can still give ICANN advice at any time, with or without consensus.</p>
<p>635 Conclusions:</p> <p>636 a) This threat is not directly related to the transition of IANA stewardship.</p>	<p>637 b) Existing measures are inadequate.</p>	<p>638 c) Proposed measures are adequate.</p>

¹² ICANN Government Advisory Committee (GAC) - Operating Principles, October, 2011, at <https://gacweb.icann.org/display/gacweb/GAC+Operating+Principles>

STRESS TEST #22	EXISTING ACCOUNTABILITY MEASURES	PROPOSED ACCOUNTABILITY MEASURES
<p>639 22. ICANN Board fails to comply with Bylaws and/or refuses to accept the decision of a redress mechanism constituted under the Bylaws.</p> <p>640 Consequence: Community loses confidence in multistakeholder structures to govern ICANN.</p>	<p>641 As long as NTIA controls the IANA contract, ICANN would risk losing IANA functions if it were to ignore Bylaws. But as a result of IANA stewardship transition, ICANN would no longer need to follow Bylaws in to retain IANA contract with NTIA.</p> <p>642 Aggrieved parties can ask for Reconsideration of Board decisions, but this is currently limited to questions of whether process was followed.</p> <p>643 Aggrieved parties can file for IRP, but decisions of the panel are not binding on ICANN.</p> <p>644 California's Attorney General has jurisdiction over non-profit entities acting outside Bylaws or Articles of Incorporation.</p>	<p>645 One proposed measure is to change the standard for Reconsideration Requests, so that substantive matters may also be challenged.</p> <p>646 Another proposed measure empowers the community to force ICANN's Board to consider a recommendation arising from an Affirmation of Commitments Review – namely, the <i>Accountability and Transparency Review Team</i>. An ICANN Board decision against those recommendations could be challenged with a Reconsideration and/or IRP.</p> <p>647 One proposed measure is empowering the community to challenge a Board decision, referring it to an Independent Review Panel (IRP) with the power to issue a binding decision. If ICANN failed to comply with its Bylaws, the IRP mechanism enables a reversal of that decision.</p> <p>648 If the ICANN Board were to ignore binding IRP decisions, another proposed measure would empower the community to force resignation ICANN Board member(s).</p>
<p>649 Conclusions:</p> <p>650 a) This threat is directly related to the transition of IANA stewardship.</p>	<p>651 b) Existing measures are inadequate.</p>	<p>652 c) Proposed measures in combination are adequate because the community has power to spill the Board.</p>

STRESS TEST #23	EXISTING ACCOUNTABILITY MEASURES	PROPOSED ACCOUNTABILITY MEASURES
<p>653 23. ICANN uses RAA or other agreements to impose requirements on third parties, outside scope of ICANN Mission. (e.g. registrant obligations.)</p> <p>654 Affected third parties, not being contracted to ICANN, have no effective recourse.</p> <p>655 Contracted parties, not affected by the requirements, may choose not to use their ability to challenge ICANN's decision.</p> <p>656 This issue occurs in policy development, implementation, and compliance enforcement.</p> <p>657 Consequence: ICANN seen as a monopoly leveraging power in one market (domain names) into adjacent markets.</p>	<p>658 During policy development, affected third parties may participate and file comments.</p> <p>659 Affected third parties may file comments on proposed changes to registry and registrar contracts.</p> <p>660 Affected third parties (e.g. registrants and users) have no standing to challenge ICANN on its approved policies.</p> <p>661 Affected third parties (e.g. registrants and users) have no standing to challenge ICANN management and Board on how it has <i>implemented</i> approved policies.</p> <p>662 If ICANN changes its legal jurisdiction, that might reduce the ability of third parties to sue ICANN.</p>	<p>663 A proposed measure to empower an aggrieved party (e.g. registrants and users) to challenge a Board decision, referring it to an Independent Review Panel (IRP) with the power to issue a binding decision, based on standard for review in the amended Mission, Commitments and Core Values.</p> <p>664 Another proposed measure is empowering the community to challenge a Board decision, referring it to an Independent Review Panel (IRP) with the power to issue a binding decision. That IRP decision would be based on a standard of review in the amended Mission statement, including "ICANN shall not undertake any other Mission not specifically authorized in these Bylaws."</p>
<p>665 Conclusions:</p> <p>666 a) This threat is not directly related to IANA transition.</p>	<p>667 b) Existing measures are inadequate.</p>	<p>668 Proposed measures would be adequate.</p>

STRESS TEST #26	EXISTING ACCOUNTABILITY MEASURES	PROPOSED ACCOUNTABILITY MEASURES
<p>669 26. During implementation of a properly approved policy, ICANN staff substitutes their preferences and creates processes that effectively change or negate the policy developed. Whether staff does so intentionally or unintentionally, the result is the same.</p> <p>670 Consequence: Staff capture of policy implementation undermines the legitimacy conferred upon ICANN by established community based policy development processes.</p>	<p>671 The reconsideration review mechanism allows for appeal to the Board of staff actions that contradict established ICANN policies. However, reconsideration looks at process but not substance of a decision.</p> <p>672 An ICANN Board decision could not be challenged by the community at-large, which lacks standing to use IRP.</p>	<p>673 If the staff action involved a Board decision, there are proposed improvements to challenge a Board decision by reconsideration or referral to an Independent Review Panel (IRP) with the power to issue a binding decision.</p>
<p>674 Conclusions:</p> <p>675 a) This threat is not directly related to IANA transition.</p>	<p>676 b) Existing measures are inadequate.</p>	<p>677 c) Proposed measures would, in combination, be adequate.</p>

8.7 Stress test category V: Failure of Accountability to External Stakeholders

STRESS TEST #14	EXISTING ACCOUNTABILITY MEASURES	PROPOSED ACCOUNTABILITY MEASURES
<p>678 14. ICANN or NTIA choose to terminate the Affirmation of Commitments.</p> <p>679 Consequence: ICANN would no longer be held to its Affirmation commitments, including the conduct of community reviews and required implementation of review team recommendations.</p>	<p>680 The Affirmation of Commitments can be terminated by either ICANN or NTIA with 120 days notice.</p> <p>681 As long as NTIA controls the IANA contract, ICANN feels pressure to maintain the Affirmation of Commitments.</p> <p>682 But as a result of IANA stewardship transition, ICANN would no longer have the IANA contract as external pressure from NTIA to maintain the Affirmation of Commitments.</p>	<p>683 One proposed mechanism is community standing to challenge a Board decision by referral to an Independent Review Panel (IRP) with the power to issue a binding decision. If ICANN canceled the Affirmation of Commitments, the IRP mechanism could enable reversal of that decision.</p> <p>684 Another proposed measure is to import Affirmation of Commitments provisions into the ICANN Bylaws, and dispense with the bilateral Affirmation of Commitments with NTIA. Bylaws would be amended to include Affirmation of Commitments 3, 4, 7, and 8, plus the 4 periodic reviews required in paragraph 9.</p> <p>685 If ICANN's Board proposed to amend the Affirmation of Commitments and reviews that were added to the Bylaws, another proposed measure would empower the community to veto that proposed Bylaws change.</p> <p>686 Note: none of the proposed measures could prevent NTIA from canceling the Affirmation of Commitments.</p>
<p>687 Conclusions:</p> <p>688 a) This threat is directly related to IANA transition.</p>	<p>689 b) Existing measures are inadequate after NTIA terminates the IANA contract.</p>	<p>690 c) Proposed measures in combination are adequate.</p>

STRESS TEST #15	EXISTING ACCOUNTABILITY MEASURES	PROPOSED ACCOUNTABILITY MEASURES
<p>691 15. ICANN terminates its legal presence in a nation where Internet users or domain registrants are seeking legal remedies for ICANN's failure to enforce contracts, or other actions.</p> <p>692 Consequence: affected parties might be prevented from seeking legal redress for commissions or omissions by ICANN.</p>	<p>693 As long as NTIA controls the IANA contract, ICANN could risk losing IANA functions if it were to move in order to avoid legal jurisdiction.</p> <p>694 Paragraph 8 of the Affirmation of Commitments requires ICANN to remain headquartered in the US, but the Affirmation of Commitments can be terminated by ICANN at any time.</p> <p>695 As long as NTIA controls the IANA contract, ICANN feels pressure to maintain the Affirmation of Commitments.</p>	<p>696 ICANN's present Bylaws include a commitment to maintain headquarters in California with offices around the world.</p> <p>697 If ICANN's Board proposed to amend this Bylaws provision, one proposed measure would empower the community to veto that proposed Bylaws change.</p>
<p>698 Conclusions:</p> <p>699 a) This threat is directly related to the transition of IANA stewardship.</p>	<p>700 b) Existing measures are inadequate once NTIA terminates IANA contract.</p>	<p>701 c) Proposed measures improve upon existing measures, and may be adequate.</p>

STRESS TEST #25	EXISTING ACCOUNTABILITY MEASURES	PROPOSED ACCOUNTABILITY MEASURES
<p>702 25. ICANN delegates or subcontracts its obligations under a future IANA agreement to a third party. Would also include ICANN merging with or allowing itself to be acquired by another organization.</p> <p>703 Consequence: Responsibility for fulfilling the IANA functions could go to a third party that was subject to national laws that interfered with its ability to execute IANA functions.</p>	<p>704 The present IANA contract (link) at C.2.1 does not allow ICANN to sub-contract or outsource its responsibilities to a 3rd party without NTIA's consent.</p> <p>705 NTIA could exert its control over ICANN's decision as long as it held the IANA contract. But not after NTIA relinquishes the IANA contract.</p> <p>706 Nor would NTIA's required principles for transition be relevant after transition occurred.</p>	<p>707 The CWG-Stewardship planning the IANA stewardship transition could require community consent before ICANN could sub-contract or outsource its IANA responsibilities to a 3rd party.</p> <p>708 The CCWG-Accountability is proposing to empower the community to challenge a Board decision, referring it to an Independent Review Panel (IRP) with the power to issue a binding decision. If ICANN failed to comply with its Bylaws, the IRP mechanism enables a reversal of that decision.</p>

		709 Note: This would not cover re-assignment of the Root Zone Maintainer role, which NTIA is addressing in a parallel process.
710 Conclusions: 711 a) This threat is directly related to the transition of IANA stewardship.	712 b) Existing measures would not be adequate after NTIA relinquishes the IANA contract.	713 c) Proposed measure are adequate to allow community to challenge ICANN decisions in this scenario.

9) Items for Consideration in Work Stream 2

- 714 The CCWG-Accountability Charter states that:
- 715 In the discussions around the accountability process, the CCWG-Accountability will proceed with two Work Streams:
- Work Stream 1: focused on mechanisms enhancing ICANN accountability that must be in place or committed to within the time frame of the IANA Stewardship Transition;
 - Work Stream 2: focused on addressing accountability topics for which a timeline for developing solutions and full implementation may extend beyond the IANA Stewardship Transition.
- 716 While Work Stream 2 is not necessary to be implemented or committed to before the transition takes place, the Charter insists that they should remain firmly within the scope of the CCWG-Accountability. The items listed below should therefore be considered as no less important than the Work Stream 1 items.

9.1 Commitment to Work Stream 2 proposal consideration

- 717 However, concerns were raised within the CCWG-Accountability about the incentives for ICANN to implement Work Stream 2 proposals when they are finalized after the transition has taken place. The CCWG-Accountability's recommendation to achieve sufficient commitment from ICANN is to rely on an interim Bylaw provision, noting that such provisions have been successfully used in the past.
- 718 ICANN has, where appropriate, used transitional articles within its Bylaws to identify issues that are necessary to address on a transitional basis, but will expire upon the occurrence of another event. The broadest use of a transitional article was in 2002, after the large ICANN Evolution and Reform effort, which made commitments to future occurrences such as a new MoU between

ICANN and a group of Regional Internet Registries at the time when new obligations would come into force for the ASO, or obligations that would be taken on by the ccNSO once formed. See <https://www.icann.org/resources/unthemed-pages/Bylaws-2002-12-15-en#XX>.

- 719 There is also precedent for the use of transitional terms after the GNSO was restructured, and the Board seat selected by the At-Large Community was implemented.
- 720 To ensure the Board's due consideration and implementation of the outcomes of Work Stream 2 accountability mechanisms, the proposal would not require the level of the complexity of the 2002 reform effort.
- 721 The CCWG-Accountability recommends that the Board adopt a transitional article in its Bylaws which would commit ICANN to implement the CCWG-Accountability recommendations, and task the group with creating further enhancements to ICANN's accountability including, but not limited to the following list of issues (see below). This transitional article must be incorporated in the Bylaws as part of Work Stream 1 - prior to the IANA stewardship transition.

9.2 Items for consideration within Work Stream 2

- 722 During the course of its deliberations, the CCWG-Accountability encountered several items that it considered should be resolved as part of Work Stream 2. The list of items considered for Work Stream 2 at the date of this report is the following:
1. Enhancements to ICANN's accountability based on the law(s) applicable to its actions;
 2. Alternative options for ICANN's jurisdiction (understood as 'place of legal establishment') based on possible accountability limitations related to the current jurisdiction of ICANN;
 3. Enhancements to the Ombudsman's role and function;
 4. Limiting ICANN's ability to deny transparency / disclosure requests;
 5. Improvements to ICANN's budgeting and planning process that guarantee the ability for the community to have input, and for that input to be given due consideration;
 6. Define security audits and certification requirements for ICANN's IT systems;
 7. Institute a culture of default transparency at ICANN, including guidelines for when it is acceptable to classify information, requirements for logging decisions to classify information and procedure for de-classifying information;
 8. Improve diversity in all its aspects at all levels of the organization; and
 9. Enhancements to ICANN's whistleblower policy.
- 723 The CCWG-Accountability will take into account the community's feedback arising from this report and the ongoing analysis of ICANN's accountability as it continues to develop Work

Stream 2. It is important to note that as a result, the above list of topics for Work Stream 2 is not fixed and additional issues may be dealt with in Work Stream 2.

724 **QUESTIONS AND OPEN ISSUES:**

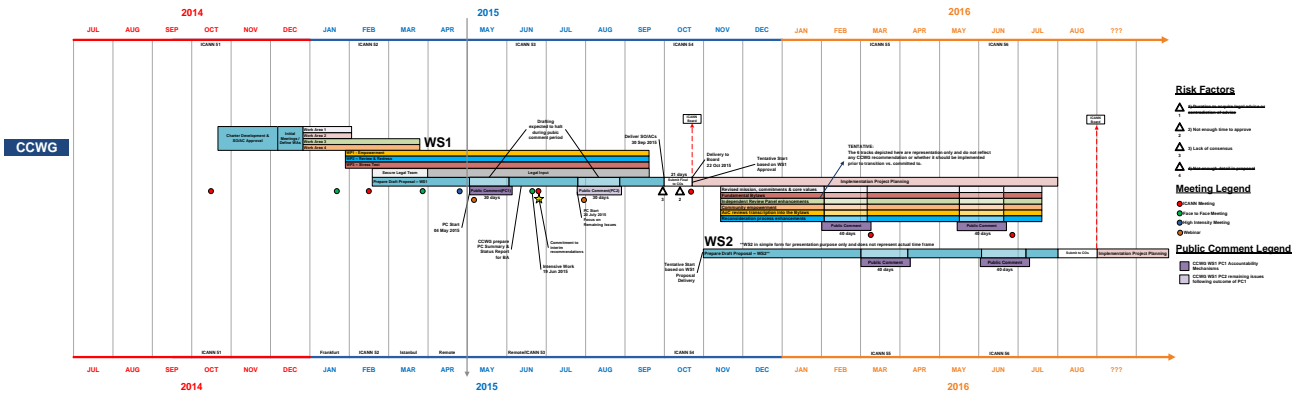
725 19) The CCWG-Accountability seeks input from the community regarding its proposed work plan for the CCWG-Accountability Accountability Work Stream 2. Please clarify any amendments you consider needed.

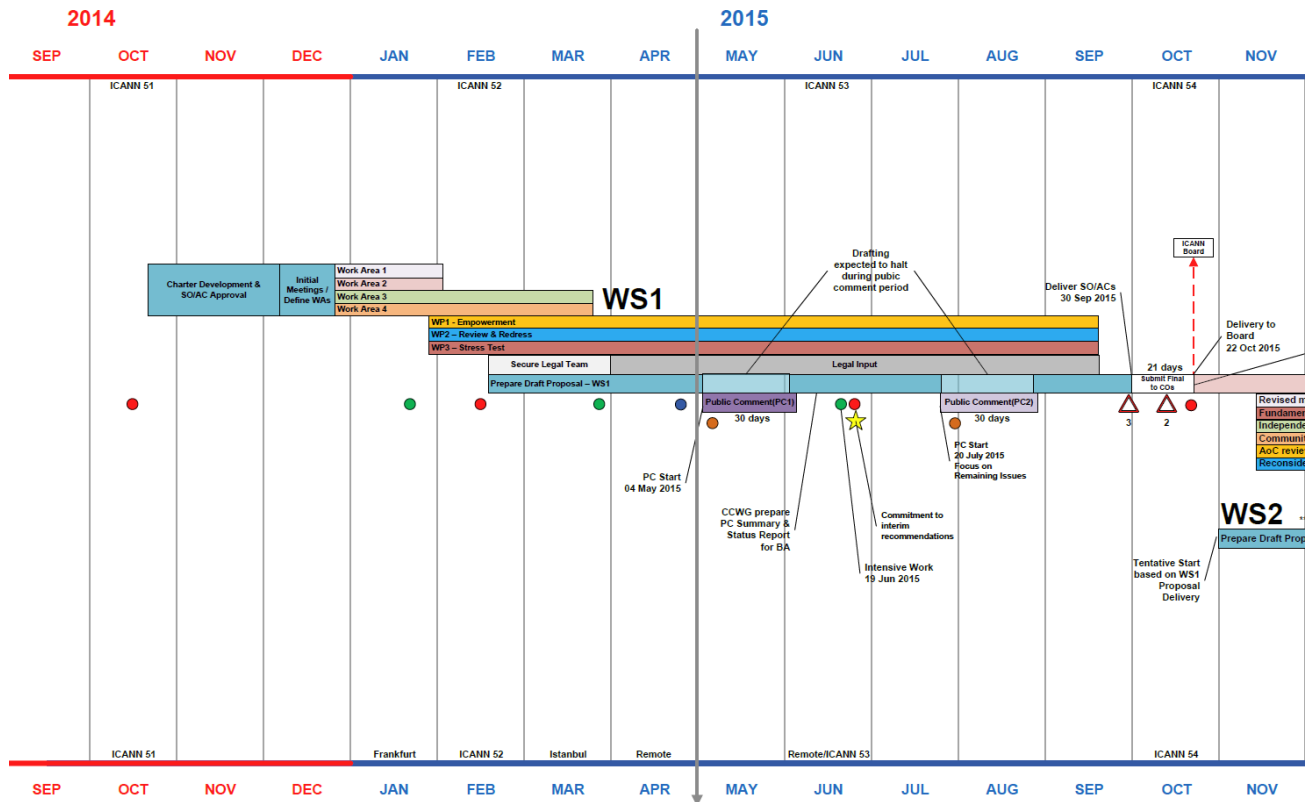
10) Implementation Plan Including Timing

10.1 Timeline

726 The timeline below is a review of the CCWG-Accountability effort. This timeline predominantly focuses on Work Stream 1 and its corresponding implementation. Work Stream 2 remains in basic form until there is more clarity on what accountability mechanisms will make up its scope.

CCWG Timeline – 30 Apr 2015





727 A full view version of this timeline exists on the [CCWG-Accountability wiki](#).

10.2 Next Steps

- 728 The first Public Comment Report sets out the CCWG-Accountability’s initial thinking. After the Public Comment period closes, the CCWG-Accountability will reconvene and continue its work, aiming to finalize Work Stream 1 proposal(s) for submission to Chartering Organizations and eventually to the ICANN Board. Key milestones include:
- ❑ CCWG-Accountability reviews Public Comment #1 and adjusts proposal as agreed.
 - ❑ CCWG-Accountability prepares materials in preparation for ICANN 53 and hosts several sessions to further inform the community of its progress and understand the community’s views on its proposal(s). The CCWG-Accountability will hold a full day of face-to-face meeting on 19 June.
 - ❑ CCWG-Accountability prepared its second draft proposal and readies it for a second public consultation. This second consultation will focus on outstanding issues, provide further details regarding the Work Stream 1 proposal(s), and will highlight any changes to proposal(s) arising from the feedback received in the first Public Comment consultation.

- ❑ CCWG-Accountability reviews Public Comment #2 and refines its proposal to prepare the final version.
- ❑ CCWG-Accountability delivers the final proposal to SOs/ACs for approval.
- ❑ CCWG-Accountability delivers the final proposal to the ICANN Board.
- ❑ Upon proper notification, the CCWG-Accountability begins Implementation Oversight of Work Stream 1 and on or around this time begins its work on Work Stream 2.

10.3 Implementation

729 The CCWG-Accountability views the oversight of Work Stream 1 implementation as crucial to its mandate. Work Stream 1 accountability changes have to be implemented or committed to before any transition of IANA Stewardship from NTIA can occur. At the time of this publication, it is difficult to provide details of the effort required for Work Stream 1 implementation, and it is not possible to provide an exact timeline or duration beyond the information below and in the timeline in Section 5.1 of this report. However, the CCWG-Accountability roughly estimates nine months for implementation understanding that several tracks of effort and change will be required, some of which will require multiple public comment periods. The CCWG-Accountability has tentatively outlined the following six tracks for implementation of Work Stream 1:

- ❑ Revised Mission, Commitments and Core Values.
- ❑ Fundamental Bylaws establishment.
- ❑ Independent Review Panel enhancements.
- ❑ Community empowerment mechanism establishment and incorporation of powers into Bylaws.
- ❑ Affirmation of Commitments reviews transcription into the Bylaws.
- ❑ Reconsideration process enhancements.

730 As the CCWG-Accountability progresses closer to its final Work Stream 1 Proposal, implementation planning will become clearer. Once approval has been obtained, implementation can begin.

731 A significant number of CCWG-Accountability Work Stream 1 recommendations involve updating the ICANN Bylaws. A best case timeline for implementation can be found below. About 105 days appear necessary until approval of the Bylaw changes, which appear as a key milestone.

732 **STEP 1 – ESTABLISHMENT OF BYLAW PROPOSALS – AROUND 60 DAYS**

733 Assuming that lawyers have very clear direction and guidance, the legal work of preparing proposed amendments to ICANN’s Articles and Bylaws could be accomplished in as little as two

weeks. However, in the drafting process issues may become apparent that have not been anticipated and need additional guidance, which would slow the drafting process down.

734 Similarly, assuming clear direction and guidance on the ACs/SOs and assuming that these entities do not have assets or revenues, the documents for the unincorporated associations (assuming 6) could be drafted in another two weeks.

735 Thus, the drafting of amendments to the core ICANN governance documents and creation of basic streamlined unincorporated association documents should take about four to six weeks total, to have solid first drafts for review.

736 **STEP 2 – POSTING AND APPROVAL OF BYLAWS – AROUND 60 DAYS INCLUDING 40 DAYS PUBLIC COMMENT**

737 The general process for the posting and approval of Bylaws amendments is as follows:

- ❑ The Board considers the proposed revisions for posting for public comment. The Board typically receives items for consideration approximately 7 calendar days before action. Given the import of the CCWG-Accountability work, a special Board meeting could be called (upon proper notice - 48 hour minimum) in order to address the implementation work.
- ❑ So long as the Board approves the posting, staff can prepare the posting as soon as possible. The public comment opening could, if prepared well in advance, be completed no later than the day the Board is scheduled to consider the posting, so that there is no undue delay.
- ❑ Public comment is typically for 40 days. There is the opportunity for a shorter period of time, though practice has been to never go below 30 days for Bylaws changes. ICANN would only shorten that period if there were community consensus that a less than 30-day window was more appropriate.
- ❑ The public comment would have to be considered and provided to the Board for consideration and approval. We could work to identify what types of timeframes would be appropriate for this, though typically there is a need for at least two weeks to prepare the matter for the Board's further consideration/approval, depending on the complexity of the comments.
- ❑ Assuming there is nothing within the public comment that requires substantial modification (which could require further public comment), once the Board considers and approves the revisions, they are made effective immediately.
- ❑ What this means is that from the time the Bylaws are provided to the Board for consideration for posting for public comment, we're looking at approximately 60 days (assuming a 40 day public comment and that Board meetings are convened as needed for this purpose) to implementation.

738 **STEP 3 – SETTING UP THE MECHANISMS - DURATION DEPENDS ON SO/AC PROCESSES**

739 In terms of regulatory filings, with both the designator and Membership models all that is required is that the new Articles of Incorporation be filed with the State of California. There is no approval process to factor in at the state or federal level.

740 Each SO/AC would need to make appropriate arrangements to fully participate within the community mechanism.

741 In terms of setting up the IRP, a process to nominate, select and confirm the initial panelists would have to be convened. The engagement of International Arbitration Bodies and the nomination phase of this process could actually start before approval of the relevant Bylaws. However, the launch of an IRP is likely to take 3 to 6 months.

11) Public Comment Input

742 Do you believe the set of Work Stream 1 proposals in this interim report, if implemented or committed to, would provide sufficient enhancements to ICANN's accountability to proceed with the IANA Stewardship transition? If not, please clarify what amendments would be needed to the set of recommendation.

743 Do you have any general feedback or suggestion on the interim Work Stream 1 proposals?

744 **Revised Mission, Commitments & Core Values**

1. Do you agree that these recommended changes to ICANN's Mission, Commitments and Core Values would enhance ICANN's accountability?
2. Do you agree with the list of requirements for this recommendation? If not, please detail how you would amend these requirements.

745 **Fundamental Bylaws**

3. Do you agree that the introduction of Fundamental Bylaws would enhance ICANN's accountability?

4. Do you agree with the list of requirements for this recommendation, including the list of which Bylaws should become Fundamental Bylaws? If not, please detail how you would recommend amending these requirements.

746 **Independent Review Panel Enhancement**

5. Do you agree that the proposed improvements to the IRP would enhance ICANN's accountability? Do you agree with the list of requirements for this recommendation? If not, please detail how you would recommend to amend these requirements.

747 Please refer to Appendix G.

748 **Reconsideration Process Enhancement**

6. Do you agree that the proposed improvements to the reconsideration process would enhance ICANN's accountability? Do you agree with the list of requirements for this recommendation? If not, please detail how you would recommend to amend these requirements. Are the timeframes and deadlines proposed herein sufficient to meet the community's needs? Is the scope of permissible requests broad / narrow enough to meet the community's needs?

749 **Mechanism to empower the Community**

7. What guidance, if any, would you provide to the CCWG-Accountability regarding the proposed options related to the relative influence of the various groups in the community mechanism? Please provide the underlying rationale in terms of required accountability features or protection against certain contingencies.

750 **Power: reconsider/reject budget or strategy/operating plans**

8. Do you agree that the power for the community to reject a budget or strategic plan would enhance ICANN's accountability? Do you agree with the list of requirements for this recommendation? If not, please detail how you would recommend amending these requirements.

751 **Power: reconsider/reject changes to ICANN "standard" Bylaws**

9. Do you agree that the power for the community to reject a proposed Bylaw change would enhance ICANN's accountability? Do you agree with the list of requirements for this recommendation? If not, please detail how you would recommend to amend these requirements.

752 **Power: approve changes to “Fundamental” Bylaws**

10. Do you agree that the power for the community to approve any fundamental Bylaw change would enhance ICANN's accountability? Do you agree with the list of requirements for this recommendation? If not, please detail how you would recommend to amend these requirements.

753 **Power: Recalling individual ICANN Directors**

11. Do you agree that the power for the community to remove individual Board Directors would enhance ICANN's accountability? Do you agree with the list of requirements for this recommendation? If not, please detail how you would recommend to amend these requirements.

754 **Power: Recalling the entire ICANN Board**

12. Do you agree that the power for the community to recall the entire Board would enhance ICANN's accountability? Do you agree with the list of requirements for this recommendation? If not, please detail how you would recommend to amend these requirements.

755 **Incorporating the Affirmation of Commitments into the ICANN Bylaws**

13. Do you agree that the incorporation into ICANN's Bylaws of the Affirmation of Commitments principles would enhance ICANN's accountability? Do you agree with the list of requirements for this recommendation? If not, please detail how you would recommend to amend these requirements.

14. Do you agree that the incorporation into ICANN's Bylaws of the Affirmation of Commitments reviews would enhance ICANN's accountability? Do you agree with the list of requirements for this recommendation? If not, please detail how you would recommend to amend these requirements.

756 **Bylaws changes suggested by Stress Tests**

15. Do you agree that the incorporation into ICANN's Bylaws of the above changes, as suggested by stress tests, would enhance ICANN's accountability? Do you agree with the list of requirements for this recommendation? If not, please detail how you would recommend to amend these requirements.

757 **Items for Consideration in Work Stream 2**

16. The CCWG-Accountability seeks input from the community regarding its proposed work plan for the CCWG-Accountability Accountability Work Stream 2? If need be, please clarify what amendments would be needed.

Glossary

758 See also <https://www.icann.org/resources/pages/glossary-2014-02-03-en>

759	Advisory Committee	760	An Advisory Committee is a formal advisory body made up of representatives from the Internet community to advise ICANN on a particular issue or policy area. Several are mandated by the ICANN Bylaws and others may be created as needed. Advisory committees have no legal authority to act for ICANN, but report their findings and make recommendations to the ICANN Board. See also: https://www.icann.org/resources/pages/governance/bylaws-en/#XI .
761	Affirmation of Commitments Reviews	762	The Affirmation of Commitments contains specific provisions for periodic review of four key ICANN objectives. These reviews provide a mechanism to assess and report on ICANN's progress toward fundamental organizational objectives.
763	ALAC — At-Large Advisory Committee	764	ICANN's At-Large Advisory Committee (ALAC) is responsible for considering and providing advice on the activities of the ICANN, as they relate to the interests of individual Internet users (the "At-Large" community.) ICANN, as a private, not-for-profit corporation with technical management responsibilities for the Internet's domain name and address system, will rely on the ALAC and its supporting infrastructure to involve and represent in ICANN a broad set of individual user interests. See also: http://www.atlarge.icann.org/ .
765	ASO — Address Supporting Organization	766	The ASO advises the ICANN Board of Directors on policy issues relating to the allocation and management of Internet Protocol (IP) addresses. The ASO selects two Directors for the ICANN Board. See also: https://aso.icann.org/ .
767	Bottom-up Processes	768	A fundamental principle of ICANN's decision-making processes is that policy analysis and decisions progress from a stakeholder level (made up of directly affected parties, Internet users, companies and anyone else who wishes to participate in the process) to the ICANN Board level. The process provides the opportunity for open and equal participation at all levels, as practical and possible.
769	Board Directors	770	Natural persons who direct the activities and affairs of a non-profit corporation and exercise all of its corporate power. Board Directors are distinguished from observers, who can attend Board meetings but cannot vote. See also: https://www.icann.org/resources/pages/governance/bylaws-en/#VI .
771	ccNSO — The Country-Code Names Supporting	772	The Country Code Names Supporting Organization (ccNSO) is a body within the ICANN structure created for and by ccTLD managers. Since its creation in 2003, the ccNSO has provided a forum for country code Top Level Domain (ccTLD) managers to meet and discuss topical issues of concern to ccTLDs from a global perspective. The ccNSO provides a platform to nurture

Organization

consensus, technical cooperation and skill building among ccTLDs and facilitates the development of voluntary best practices for ccTLD managers. It is also responsible for developing and recommending global policies to the ICANN Board for a limited set of issues relating to ccTLDs, such as the introduction of Internationalised Domain Name ccTLDs (IDN ccTLDs). Membership in the ccNSO is open to all ccTLD managers responsible for managing an ISO 3166 country- code top-level domain. See also: <http://ccnso.icann.org/>.

773	ccTLD — Country Code Top Level Domain	774	Two letter domains, such as .uk (United Kingdom), .de (Germany) and .jp (Japan) (for example), are called country code top level domains (ccTLDs) and correspond to a country, territory, or other geographic location. The rules and policies for registering domain names in the ccTLDs vary significantly and ccTLD registries limit use of the ccTLD to citizens of the corresponding country.
		775	Some ICANN-accredited registrars provide registration services in the ccTLDs in addition to registering names in .biz, .com, .info, .name, .net and .org, however, ICANN does not specifically accredit registrars to provide ccTLD registration services.
		776	For more information regarding registering names in ccTLDs, including a complete database of designated ccTLDs and managers, please refer to http://www.iana.org/cctld/cctld.htm .

777	CCWG- Accountability	778	The Cross Community Working Group on Enhancing ICANN Accountability (CCWG-Accountability) that was convened to design a proposal that ensures that ICANN's accountability and transparency commitments to the global Internet community are maintained and enhanced in the absence of the historical relationship with the U.S. Government. See also: https://community.icann.org/display/acctcrosscomm/CCWG+on+Enhancing+ICANN+Accountability .
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779	Cooperative Engagement Process (CEP)	780	As specified in Article IV, Section 3 of the ICANN Bylaws, prior to initiating an independent review process, the complainant is urged to enter into a period of cooperative engagement with ICANN for the purpose of resolving or narrowing the issues that are contemplated to be brought to the IRP. It is contemplated that this cooperative engagement process will be initiated prior to the requesting party incurring any costs in the preparation of a request for independent review. Cooperative engagement is expected to be among ICANN and the requesting party, without reference to outside counsel. For more information see: https://www.icann.org/en/system/files/files/cep-11apr13-en.pdf .
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781	Consensus	782	Consensus is a form of decision-making employed by various supporting organizations within ICANN. The method to establish whether one has reached consensus differs per supporting organization, for example, the following method is used in the GNSO:
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783 Full consensus - when no one in the group speaks against the recommendation in its last readings. This is also sometimes referred to as Unanimous Consensus.

784 Consensus - a position where only a small minority disagrees, but most agree.¹³

785 **Consolidated RIR IANA Stewardship Proposal Team** 786 The Consolidated RIR IANA Stewardship Proposal Team (CRISP Team) was established by the Internet Number Community through the Regional Internet Registries to produce a proposal for IANA activities related to the allocation of blocks of Internet Number Resources, the IANA Number Registries, administration of the special-purpose "IN-ADDR.ARPA" and "IP6.ARPA" DNS zones, and other related registry management tasks. See also: <https://www.nro.net/nro-and-internet-governance/iana-oversight/consolidated-rir-iana-stewardship-proposal-team-crisp-team>.

787 **CWG-Stewardship** 788 The Cross Community Working Group to Develop an IANA Stewardship Transition Proposal on Naming Related Functions (CWG-Stewardship) main goal is to produce a consolidated transition proposal for the elements of the IANA Functions related to the Domain Name System. See also: <https://community.icann.org/x/37fhAg>

789 **Designator** 790 A "legal person" who is given the power in the Articles of Incorporation and/or Bylaws to fill one or more seats on the Board of Directors. Generally, a designator also has the right to remove the directors it designated with or without cause. Designated directors cannot be removed by the Board or Members without the designator's consent. Designators may also be given the right through the Articles or Bylaws to consent to any changes in those governing documents. California corporate law is unclear whether a designator must be a legal person (an individual or entity that is recognized under law such as a corporation or an unincorporated association); however, unless a designator is a legal person, it will not be able to enforce any rights in court.

Documentary Information Disclosure Policy (DIDP) 792 ICANN's Documentary Information Disclosure Policy (DIDP) is intended to ensure that information contained in documents concerning ICANN's operational activities, and within ICANN's possession, custody, or control, is made available to the public unless there is a compelling reason for

¹³ For those that are unfamiliar with ICANN usage, you may associate the definition of "Consensus" with other definitions and terms of art such as rough consensus or near consensus. It should be noted, however, that in the case of a GNSO PDP originated Working Group, all reports, especially Final Reports, must restrict themselves to the term "Consensus" as this may have legal implications.

confidentiality. A principal element of ICANN's approach to transparency and information disclosure is the identification of a comprehensive set of materials that ICANN makes available on its website as a matter of course.

793	DNS — Domain Name System	794	The Domain Name System (DNS) helps users to find their way around the Internet. Every computer on the Internet has a unique address – just like a telephone number – which is a rather complicated string of numbers. It is called its "IP address" (IP stands for "Internet Protocol"). IP Addresses are hard to remember. The DNS makes using the Internet easier by allowing a familiar string of letters (the "domain name") to be used instead of the arcane IP address. So instead of typing 207.151.159.3, you can type www.internic.net. It is a "mnemonic" device that makes addresses easier to remember.
795	Five-Year Operating Plan	796	Five Year Operating Plan is a means of planning and executing portfolios of ICANN work in alignment to the strategic objectives and goals articulated in the Strategic Plan . This plan serves as a link between strategy and the one year operating plan and budget, setting out planned outcomes (key success factors), means of measuring progress (key performance indicators), operational risks, dependencies and resources needed to accomplish goals.
797	Fundamental Bylaw	798	The concept of fundamental Bylaw is used to represent a Bylaw provision which the community wishes to protect from change by requiring a higher standard of community approval and ICANN Board voting threshold before it can be changed or removed.
799	GAC — Governmental Advisory Committee	800	The GAC is an advisory committee comprising appointed representatives of national governments, multi-national governmental organizations and treaty organizations, and distinct economies. Its function is to advise the ICANN Board on matters of concern to governments. The GAC operates as a forum for the discussion of government interests and concerns, including consumer interests. As an Advisory Committee, the GAC has no legal authority to act for ICANN, but will report its findings and recommendations to the ICANN Board. The Chairman of the GAC is Thomas Schneider of Switzerland. See also: https://gacweb.icann.org/display/gacweb/Governmental+Advisory+Committee
801	GNSO — Generic Names Supporting Organization	802	The GNSO is the successor to the responsibilities of the Domain Name Supporting Organization (DNSO; see below) that relate to the generic top-level domains.
		803	The GNSO is the body of six constituencies, as follows: the Commercial and Business constituency, the gTLD Registry constituency, the ISP constituency, the non-commercial constituency, the registrar's constituency, and the IP constituency. See also: http://gns0.icann.org/en/ .
804	gTLD — Generic Top Level Domain	805	Most TLDs with three or more characters are referred to as "generic" TLDs, or "gTLDs". They can be subdivided into two types, "sponsored" TLDs (sTLDs) and "unsponsored TLDs (uTLDs), as described in more detail below.

- 806 In the 1980s, seven gTLDs (.com, .edu, .gov, .int, .mil, .net, and .org) were created. Domain names may be registered in three of these (.com, .net, and .org) without restriction; the other four have limited purposes.
- 807 Over the next twelve years, various discussions occurred concerning additional gTLDs, leading to the selection in November 2000 of seven new TLDs for introduction. These were introduced in 2001 and 2002. Four of the new TLDs (.biz, .info, .name, and .pro) are unsponsored. The other three new TLDs (.aero, .coop, and .museum) are sponsored.
- 808 Generally speaking, an unsponsored TLD operates under policies established by the global Internet community directly through the ICANN process, while a sponsored TLD is a specialized TLD that has a sponsor representing the narrower community that is most affected by the TLD. The sponsor thus carries out delegated policy- formulation responsibilities over many matters concerning the TLD.
- 809 A Sponsor is an organization to which is delegated some defined ongoing policy-formulation authority regarding the manner in which a particular sponsored TLD is operated. The sponsored TLD has a Charter, which defines the purpose for which the sponsored TLD has been created and will be operated. The Sponsor is responsible for developing policies on the delegated topics so that the TLD is operated for the benefit of a defined group of stakeholders, known as the Sponsored TLD Community, that are most directly interested in the operation of the TLD. The Sponsor also is responsible for selecting the registry operator and to varying degrees for establishing the roles played by registrars and their relationship with the registry operator. The Sponsor must exercise its delegated authority according to fairness standards and in a manner that is representative of the Sponsored TLD Community.

810 **IANA —
Internet
Assigned
Numbers
Authority**

811 ICANN has performed the IANA (Internet Assigned Numbers Authority) Functions on behalf of the global Internet community since 1998. The IANA functions have historically included: the maintenance of the registry of technical Internet protocol parameters; the administration of certain responsibilities associated with Internet DNS root zone and the allocation of Internet numbering resources. See also: <http://www.iana.org/>.

812 **IANA
Stewardship
Transition
Coordination
Group (ICG)**

813 The IANA Stewardship Transition Coordination Group (ICG) was formed to coordinate the development of a proposal among the communities affected by the IANA functions. The creation of the ICG was initiated and facilitated by ICANN, and the membership of the ICG has been defined by the Internet communities participating in it. The groups' sole deliverable is a proposal to the NTIA recommending a transition plan of NTIA's stewardship of IANA functions to the Internet community, consistent with the key principles outlined in the NTIA March 14 announcement.

814 ICG's proposal will combine recommendations developed by the three

operational communities affected by the IANA functions: the IANAPLAN WG representing the protocol parameters community, the Consolidated RIR IANA Stewardship Proposal Team (CRISP Team) representing the IP address communities, and CWG-Stewardship for the Naming community.

815 The ICG is focused on delivering a proposal to transition the stewardship of the IANA functions to the multistakeholder community. See also: <https://www.icann.org/en/stewardship/>.

816	IANAPLAN Working Group	817	The IETF established the IANAPLAN Working Group (IANAPLAN WG) to produce a proposal for the transition of IANA functions related to the maintaining of the codes and numbers contained in a variety of Internet protocols developed by the IETF. See also: http://www.ietf.org/iana-transition.html .
818	ICANN — The Internet Corporation for Assigned Names and Numbers	819	The Internet Corporation for Assigned Names and Numbers (ICANN) is an internationally organized, non-profit corporation that has responsibility for Internet Protocol (IP) address space allocation, protocol identifier assignment, generic (gTLD) and country code (ccTLD) Top-Level Domain name system management, and root server system management functions. Originally, the Internet Assigned Numbers Authority (IANA) and other entities performed these services under U.S. Government contract. ICANN now performs the IANA function. As a private-public partnership, ICANN is dedicated to preserving the operational stability of the Internet; to promoting competition; to achieving broad representation of global Internet communities; and to developing policy appropriate to its Mission through bottom-up, consensus-based processes. The DNS translates the domain name you type into the corresponding IP address, and connects you to your desired website. The DNS also enables email to function properly, so the email you send will reach the intended recipient. See also: https://www.icann.org/ .
820	IETF — Internet Engineering Task Force	821	The Internet Engineering Task Force (IETF) is a large open international community of network designers, operators, vendors, and researchers concerned with the evolution of the Internet architecture and the smooth operation of the Internet 2 . It is open to any interested individual. The IETF develops Internet Standards and in particular the standards related to the Internet Protocol Suite (TCP/IP).
822	Independent Review Process Panel (IRP Panel)	823	Independent Review Process Panel (IRP Panel) is an independent panel of neutrals who shall be charged with comparing contested actions of the ICANN Board to the Articles of Incorporation and Bylaws, and with declaring whether the Board has acted consistently with the provisions of those Articles of Incorporation and Bylaws. See also: https://www.ietf.org/ .
824	Internet Protocol (IP)	825	The communications protocol underlying the Internet, IP allows networks of devices to communicate over a variety of physical links. Each device or service on the Internet has at least one IP address that uniquely identifies it from other devices or services on the Internet. An IP address is the numerical

address and DNS naming uses user-friendly names to locate the devices and services.

826	Member	827	A "legal person" who under the Articles of Incorporation and/or Bylaws of a nonprofit corporation has the right to vote to elect one or more directors. Members have extensive rights and protections under California corporate law, including the collective rights to amend the Bylaws, approve any amendment to the Articles of Incorporation, and approve the disposition of substantially all the corporation's assets or any merger or dissolution; the class right to remove directors they elected; and the individual right to inspect certain corporate records. In addition to the rights members have under law, the law permits the Articles and Bylaws to specify additional corporate governance rights that may or must be exercised by the members. Members may be divided into classes with different voting and other rights. Members must be legal persons, and they have standing to enforce their rights.
828	Multistakeholder Approach	829	The Multistakeholder Approach is an organizational framework or structure for governance and policymaking which aims to bring together all stakeholders to collaborate and participate in the dialogue, decision-making and implementation of solutions to identified problems or goals.
		830	The Multistakeholder Model at ICANN, is comprised of a diverse set of stakeholders with an interest in Internet numbering, naming and protocols from around the world who have organized into various Supporting Organizations, Constituencies and Advisory Committees, and agree to operate in an open, bottom-up, consensus-driven, and transparent manner.
831	NETmundial Principles	832	The NETmundial meeting, which took place in Sao Paulo, Brazil on 23-24 April 2014, was the first multistakeholder-designed event to focus on the future of Internet governance. NETmundial identified a set of common principles and important values that contribute to an inclusive, multistakeholder, effective, legitimate, and evolving Internet governance framework, and recognized that the Internet is a global resource which should be managed in the public interest. http://netmundial.br/wp-content/uploads/2014/04/NETmundial-Multistakeholder-Document.pdf .
833	Nominating Committee	834	The Nominating Committee (NomCom) is an independent committee tasked with selecting eight members of the Board of Directors, five members of the At-Large Advisory Committee, three members of the Generic Names Supporting Organization (GNSO), and three members of Country-Code Names Supporting Organization (ccNSO). (See Bylaws Article VII, Section 1.) See also: https://www.icann.org/resources/pages/nomcom-2013-12-13-en .
835	NTIA	836	The U.S. Department of Commerce National Telecommunications and Information Administration (NTIA) is the Executive Branch agency that is principally responsible for advising the President on telecommunications and information policy issues. NTIA maintains a contract with ICANN for the technical coordination of the Internet's domain name and addressing system.

See also: <http://www.ntia.doc.gov/>.

837	Ombudsman	838	The ICANN Ombudsman investigates and addresses complaints brought by the ICANN community. The Ombudsman is independent, impartial, and neutral, a reviewer of facts and an investigator of complaints about unfairness. See also: https://www.icann.org/resources/pages/accountability/ombudsman-en .
839	PDP — Policy Development Process	840	A set of formal steps, as defined in the ICANN Bylaws, to guide the initiation, internal and external review, timing and approval of policies needed to coordinate the global Internet's system of unique identifiers.
841	Private Sector	842	In the context of this report, private sector should be read as including businesses, non-profit bodies, individual persons and academic institutions.
843	Reconsideration Process	844	Reconsideration Process is a mechanism to challenge staff action taken against ICANN policies, or Board actions taken without consideration of material information or based upon false or inaccurate information.
845	Registrar	846	Domain names ending with .aero, .biz, .com, .coop, .info, .museum, .name, .net, .org, and .pro can be registered through many different companies (known as "registrars") that compete with one another. A listing of these companies appears in the Accredited Registrar Directory.
		847	The registrar you choose will ask you to provide various contact and technical information that makes up the registration. The registrar will then keep records of the contact information and submit the technical information to a central directory known as the "registry." This registry provides other computers on the Internet the information necessary to send you e-mail or to find your web site. You will also be required to enter a registration contract with the registrar, which sets forth the terms under which your registration is accepted and will be maintained.
848	Registry	849	The "Registry" is the authoritative, master database of all domain names registered in each Top Level Domain. The registry operator keeps the master database and also generates the "zone file" which allows computers to route Internet traffic to and from top-level domains anywhere in the world. Internet users don't interact directly with the registry operator; users can register names in TLDs including .biz, .com, .info, .net, .name, .org by using an ICANN- Accredited Registrar.
850	Review Mechanisms	851	A review mechanism is a process to assess how a decision or policy is being put in place. ICANN has a series of review mechanisms mandated in its Bylaws to ensure its accountability and transparency.
852	RIR — Regional Internet	853	There are currently five RIRs: AfriNIC, APNIC, ARIN, LACNIC and RIPE NCC. These non-profit organizations are responsible for distributing and managing IP addresses on a regional level to Internet service providers and

	Registry		local registries.
854	Root Servers	855	The root servers contain the IP addresses of all the TLD registries – both the global registries such as .com, .org, etc. and the 244 country-specific registries such as .fr (France), .cn (China), etc. This is critical information. If the information is not 100% correct or if it is ambiguous, it might not be possible to locate a key registry on the Internet. In DNS parlance, the information must be unique and authentic.
856	Root Server System Advisory Committee	857	The role of the Root Server System Advisory Committee ("RSSAC") is to advise the ICANN community and Board on matters relating to the operation, administration, security, and integrity of the Internet's Root Server System. See also: https://www.icann.org/resources/pages/rssac-4c-2012-02-25-en .
858	Root Zone	859	The root zone is the central directory for the DNS, which is a key component in translating readable host names into numeric IP addresses. For more information see: www.iana.org/domains/root/files .
860	SO — Supporting Organizations	861	The SOs are the three specialized policy development bodies that will provide the ICANN Board of Directors with policies on issues relating to domain names (GNSO and CCNSO) and, IP addresses (ASO).
862	SSAC — Security and Stability Advisory Committee	863	The President's standing committee on the security and stability of the Internet's naming and address allocation systems. Their charter includes a focus on risk analysis and auditing. SSAC consists of approximately 20 technical experts from industry and academia as well as operators of Internet root servers, registrars, and TLD registries. See also: https://www.icann.org/groups/ssac .
864	Stakeholders	865	A stakeholder has been defined as any individual or group affected by the actions of the organization. Stakeholders at ICANN include Country Code top level domain name registries; generic top-level domain registries and registrars; regional internet registries who manage the regional distribution of Internet number resources including IP address and Autonomous System Numbers; the thirteen root name server operators; commercial interests - including those representing large and small businesses, intellectual property interests and providers of internet and other communications services; non-commercial interests – including non-commercial users and not-for-profit organizations; governmental interests – including national governments, multi-national governmental organizations and treaty organizations, and distinct economies; technical experts from industry and academia; and representatives of Internet users worldwide.
866	Stress Test	867	Stress Testing is a simulation exercise where a set of plausible, but not necessarily probable, hypothetical scenarios are used to gauge how certain events will affect a system, product, company or industry. The CWG-Stewardship is using stress tests to analyze certain ICANN and DNS ecosystem risks or contingencies can be mitigated by applying the

accountability mechanisms available to the CCWG-Accountability.

868	TLD — Top-level Domain	869	TLDs are the names at the top of the DNS naming hierarchy. They appear in domain names as the string of letters following the last (rightmost) ".", such as "net" in "www.example.net". The administrator for a TLD controls what second-level names are recognized in that TLD. The administrators of the "root domain" or "root zone" control what TLDs are recognized by the DNS. Commonly used TLDs include .com, .net, .edu, .jp, .de, etc.
870	Work Streams	871	Work Stream 1: focused on mechanisms enhancing ICANN accountability that must be in place or committed to within the time frame of the IANA Stewardship Transition.
		872	Work Stream 2: focused on addressing accountability topics for which a timeline for developing solutions and full implementation may extend beyond the IANA Stewardship Transition.

Appendix A: Background

Introduction and Background

873 This section includes an overview of the Enhancing ICANN Accountability & Governance process, and its foundation in the NTIA IANA Functions' Stewardship Transition.

874 **BACKGROUND ON THE NTIA IANA FUNCTIONS' STEWARDSHIP TRANSITION**

875 On 14 March 2014 the National Telecommunications and Information Administration (NTIA) announced its intent to transition its stewardship of the Internet Assigned Numbers Authority (IANA) functions and related root zone management to the global multistakeholder community. NTIA asked ICANN to convene a multistakeholder process to develop a proposal for the transition.

876 In making its announcement, NTIA specified that the transition proposal must have broad community support and meet the following principles:

- ❑ Support and enhance the multistakeholder model;
- ❑ Maintain the security, stability, and resiliency of the Internet DNS;
- ❑ Meet the needs and expectation of the global customers and partners of the IANA services;
- ❑ Maintain the openness of the Internet.

877 NTIA also specified that it would not accept a proposal that replaces the NTIA role with a government-led or an intergovernmental organization solution.

878 The IANA Stewardship Transition Coordination Group (ICG) was formed in July 2014 to assemble and deliver through the ICANN Board to NTIA a transition proposal consistent with the key principles outlined in the NTIA announcement. The ICG is made up of 30 individuals representing 13 communities of both direct and indirect stakeholders of the IANA functions. Direct stakeholders are "direct customers" of the IANA functions, e.g. top-level domain registry operators, while indirect stakeholders are all those who benefit from performance of the IANA functions, e.g., businesses and end users.

879 In September 2014, the ICG published a Request for Proposals (RFP) to the three communities. The three operational communities with direct operational or service relationships with the IANA functions i.e. Domain Names, Number Resources and Protocol Parameters were asked to provide a formal response to the ICG regarding its community's use of the IANA functions, its existing, pre-transition arrangements, proposed post-transition oversight and accountability arrangements, and any anticipated transition implications.

880 Each of the three operational communities formed working groups to develop a proposal:

- ❑ Domain Names: Cross Community Working Group to Develop an IANA Stewardship Transition Proposal on Naming Related Functions (CWG-Stewardship)
- ❑ Number Resources: Consolidated Regional Internet Registries (RIRs) IANA Stewardship Proposal Team (CRISP Team); and
- ❑ Protocol Parameters: IANAPLAN Working Group (IANAPLAN WG)

881 In January 2015, the ICG received a proposal from the Protocol Parameters community and a proposal from the Numbering Resources community; the Domain Names community – CWG-Stewardship continues to work on its proposal.

882 Following submissions from the three communities, the ICG will assess the respective outputs, assemble a complete proposal for the transition and provide numerous opportunities for additional input and comment.

883 **INTRODUCTION TO THE ENHANCING ICANN ACCOUNTABILITY & GOVERNANCE PROCESS**

884 As initial discussions of the IANA Stewardship Transition were taking place, the ICANN community raised the broader topic of the impact of the transition on ICANN's current accountability mechanisms. From this dialogue, the Enhancing ICANN Accountability process was developed to propose reforms that would see ICANN realize a level of accountability to the global multistakeholder community that is satisfactory in the absence of its historical contractual relationship with the U.S. Government. This contractual relationship has been perceived as a backstop with regard to ICANN's organization-wide accountability since 1998.

885 Informed by community discussions held in March 2014 at ICANN's public meeting in Singapore, ICANN published a proposed process on Enhancing ICANN Accountability, with an opportunity for public dialogue and community feedback from 6 May – 27 June 2014, in addition to the comments received during the dedicated Enhancing ICANN Accountability session held on 26 June 2014 at the ICANN 50 meeting in London. The comments related to the development of the process were considered in the refinement of the second iteration of the process published on 14 August 2014. In response to community requests for additional time to review proposals and post questions and comments, ICANN provided an additional 21-day comment period from 6-27 September 2014.

886 The final Revised Enhancing ICANN Accountability: Process and Next Steps includes considering how ICANN's broader accountability mechanisms should be strengthened in light of the transition, including a review of existing accountability mechanisms such as those within the ICANN Bylaws and the Affirmation of Commitments.

887 **FORMATION OF THE CCWG-ACCOUNTABILITY**

888 Following public comment periods and discussions on accountability, the Cross Community Working Group on Enhancing ICANN Accountability (CCWG-Accountability) was convened, designed and approved by a Drafting Team (DT) composed of five ICANN community groups. Further information, including document drafts and meeting transcripts of the Drafting Team that developed the CCWG-Accountability Charter (see Appendix B), is available on the CCWG-Accountability Wiki site.

889 The CCWG Charter was circulated for adoption on 3 November. Since then, the following organizations have adopted the Charter:

- ❑ Generic Names Supporting Organization (GNSO) on 13 November
- ❑ At-Large Advisory Committee (ALAC) on 18 November
- ❑ Country Code Names Supporting Organization (ccNSO) on 20 November
- ❑ Governmental Advisory Committee (GAC) on 8 December
- ❑ Address Supporting Organization (ASO) on 9 December

890 **COMPOSITION OF THE CCWG-ACCOUNTABILITY**

891 The CCWG-Accountability consists of 180 people, organized as 26 members, appointed by and accountable to the CCWG chartering organizations, 154 participants, who participate as individuals, and 49 mailing list observers. Each of the Chartering Organizations may appoint a minimum of 2 and a maximum of 5 members to the working group in accordance with their own rules and procedures.

892 **THE CCWG ALSO INCLUDES:**

- ❑ 1 ICANN Board liaison who brings the voice of the Board and Board experience to activities and deliberations;
- ❑ 1 ICANN staff representative who provides input into the deliberations;
- ❑ 1 former ATRT member who serves as a liaison and brings perspective and ensures that there is no duplication of work;
- ❑ 4 ICG members who participate in the CCWG-Accountability, including two who serve as liaisons between the two groups.

893 Seven Advisors have also been appointed by a Public Experts Group (PEG) to contribute research and advice, and to bring perspectives on global best practices to enrich the CCWG-Accountability discussion, all while engaging with a broader network of accountability experts from around the world.

894 The CCWG-Accountability is open to all: anyone interested in the work of the CCWG-Accountability can join as a participant or observer. Participants may be from a chartering organization, from a stakeholder group or organization not represented in the CCWG-Accountability or currently active within ICANN, or self-appointed. For those who are merely interested to monitor the CCWG conversations, there is the possibility to sign up as a mailing list "observer" which offers read-only access to the mailing list.

895 The group first met in December 2014 and has held weekly meetings since. It operates in a transparent environment: its mailing-lists discussions, meeting archives, drafts and correspondence are documented on a public wiki space.

896 **WORK STREAMS**

897 Per the CCWG-Accountability Charter, the work of the CCWG-Accountability would proceed in two Work Streams defined as follows:

- ❑ **Work Stream 1:** focused on mechanisms enhancing ICANN accountability that must be in place or committed to within the time frame of the IANA Stewardship Transition
- ❑ **Work Stream 2:** focused on addressing accountability topics for which a timeline for developing solutions and full implementation may extend beyond the IANA Stewardship Transition

Methodology

898 This section describes the methodology through which the CCWG-Accountability developed and completed the Work Stream 1 proposal.

899 **DEFINING REQUIREMENTS FOR WORK STREAM 1**

900 The primary goal of the CCWG-Accountability is to deliver proposals that would enhance ICANN's accountability towards all stakeholders. The first step in achieving this goal was to understand and describe the status quo. To do this efficiently, the CCWG-Accountability established four initial Work Areas:

- ❑ Work Area 1: Existing Accountability Mechanisms (including the Affirmation of Commitments reviews on accountability)
- ❑ Work Area 2: Review Input from Public Comment and Categorize Items into Work Streams 1 & 2 (Work Stream 1 & Work Stream 2)
- ❑ Work Area 3: Review Issues Identified by CWG-Stewardship
- ❑ Work Area 4: Identify Contingencies (especially in relation to Work Stream 1)

901 The four areas were populated with volunteer CCWG members and participants who had dedicated mailing lists and wiki spaces to advance their work.

902 **WORK AREA 1: INVENTORY OF EXISTING ACCOUNTABILITY MECHANISMS**

903 One of the first deliverables within the CCWG-Accountability was an inventory of existing accountability mechanisms on 15 December 2014, delivered just one week after the CCWG-Accountability first met. The inventory was the starting point of CCWG-Accountability's discussions about which ICANN accountability mechanisms should be enhanced to address the risks the group had identified, and where gaps would remain and the group would need to develop new mechanisms to mitigate against those risks.

904 **WORK AREA 2: ASSESSMENT OF COMMENTS TO DATE**

905 Another area of initial CCWG work focused on a review of the collection of comments received during the development of the Enhancing ICANN Accountability process and assessed whether they were issues to address as part of Work Stream 1 or Work Stream 2. The group categorized the comments based on the following rationale:

- ❑ Work Stream 1 is designated for accountability enhancement mechanisms that must be in place or committed to, before IANA transition occurs.
- ❑ Work Stream 1 mechanisms are those that, when in place or committed to, would provide the community with confidence that any accountability mechanism that would further enhance ICANN's accountability would be implemented if it had consensus support from the community, even if it were to encounter ICANN management resistance or if it were against the interest of ICANN as a corporate entity.
- ❑ All other consensus items could be in Work Stream 2, provided the mechanisms in Work Stream 1 are adequate to force implementation of Work Stream 2 items despite resistance from ICANN management and board.

906 In addition to categorizing the comments, the ATRT Expert reviewed the comments and noted, where relevant, a reference to ATRT recommendations. Work Area 2 was complete as of 15 January 2015.

907 **WORK AREA 3: INTERRELATION WITH THE CWG-STEWARDSHIP WORK**

908 The CCWG also reviewed the accountability elements identified by the CWG-Stewardship. In light of the clear linkage between the works of the two groups, the CWG-Stewardship and CCWG-Accountability Co-Chairs agreed that it would be valuable for the CWG-Stewardship to provide the CCWG-Accountability with a list of issues it identified during its deliberations where the work of both groups may overlap. A robust collaboration was built between the two groups including leadership coordination call and exchange of letters.

909 In January 2015, the CCWG extensively discussed the CWG-Stewardship list of issues, offered input and indicated that these avenues of work would be one of the focuses of CCWG attention.

910 While the work was completed in March 2015, the collaboration was maintained throughout the end of their respective mandates.

911 **WORK AREA 4: STRESS TEST AND CONTINGENCIES WORK PARTY**

912 A final area of focus was on the identification the main stress tests and contingencies that the CCWG-Accountability would use to test the proposed mechanisms and solutions, once elaborated.

913 The goal of this group was to identify the main contingencies that CCWG Accountability should use to test proposed mechanisms and solutions once they are elaborated. The group defined contingencies as consisting of:

- ❑ An event (threat) to the IANA Functions Contract;
- ❑ Its consequence, such as creating significant interference with existing policy or the policy development processes, and;
- ❑ What contingency plan, if any, is known to exist.

914 21 broad scenarios were initially identified, including for example, the impact of financial crisis in the domain name industry, capture by one or more stakeholders, and termination of the Affirmation of Commitments. A full list is available from the Work Area 4 [webpage](#).

915 The group also received inputs from the ICANN Board Risk Committee on enterprise-wide risks identified within ICANN, as an input to its work. Furthermore, details of strategic risks that ICANN may face are identified in "ICANN Strategic Plan for fiscal years 2016-2020".

916 This work continues through the Stress Tests Work Party (ST-WP), so as to continue its
identification of stress tests and their application. Section 8 of this proposal describes the work of
the Stress Test Work Party.

917 **DEFINING WORK STREAM 1 HIGH LEVEL REQUIREMENTS**

918 The Frankfurt face-to-face meeting on 19-20 January 2014 was a key turning point for the
CCWG-Accountability: the group moved from an assessment phase into a development phase.
As part of this development phase, the CCWG-Accountability mapped out Work Stream 1
requirements leading to a restructure of the group into two Work Parties:

- Work Party 1: Community Empowerment is considering powers for the community to hold ICANN to account, and to develop a consensus on the most appropriate mechanisms to allow the community to exercise these powers. WP1 will set out the necessary changes that would be required (e.g. Bylaws changes) to deliver these.
- Work Party 2: Review and Redress is considering enhancements to existing accountability and new mechanisms and the creation of a standard for review and redress, the goal is to develop a clearly articulated standard against which ICANN's actions are evaluated.

919 Work Party 1 and Work Party 2 were formed following the Frankfurt meeting in January 2015.

920 **WORK PARTY 1: COMMUNITY EMPOWERMENT**

921 A new working group was formed to consider proposed powers for the community to hold ICANN
to account, and to develop a consensus on the most appropriate mechanisms (or structures) that
would allow the community to exercise these powers.

922 **Powers and mechanisms were defined as follows:**

- Powers actions the community should be able to take to maintain and improve ICANN's accountability;
- Mechanisms are the structures or processes by which the community exercises its powers.

923 **WORK PARTY 2: REVIEW & REDRESS**

924 A second new working group was tasked with considering enhancements to existing
accountability mechanisms and the creation of new accountability mechanisms to allow for review
and redress for those affected by ICANN's failure to carry out its mission statement, and to hold
ICANN accountable for carrying out its mission in compliance with agreed-upon standards.

925 **Work Party 2 articulated the following principles to guide its work:**

- ❑ Ensure that ICANN actions relate to issues that are within its stated mission and require ICANN to act consistent with clearly articulated principles;
- ❑ Ensure that the ICANN Board can be held to its Bylaws;
- ❑ Ensure that ICANN carries out its mission consistent with a binding statement of values/principles;
- ❑ Prevent scope/mission creep through bylaws changes, policy, policy implementation, contracts and/or other mechanisms.

926 **BUILDING BLOCKS**

927 In February 2015, the CCWG-Accountability identified four building blocks that would form the accountability mechanisms required to improve accountability.

928 **Drawing a state analogy:**

- ❑ Empowered community refers to the powers that allow the community i.e. the people to take action should ICANN breach the principles.
- ❑ Principles form the mission, guarantees and core values of the organization i.e the Constitution.
- ❑ ICANN Board represents the executive entity the community may act against, as appropriate.
- ❑ Independent Review Mechanisms, i.e. the judiciary, confers the power to review and provide redress, as needed.

929 The accountability framework was compared to a cookbook populated with recipes for which the CCWG-Accountability would need to identify ingredients. A distinction was made between triggered actions i.e. triggered by the community and non-triggered i.e. part of a normal ICANN processes. A template was designed to structure and help identify ingredients. A set of criteria was also suggested to frame discussions.

930 **LEGAL ADVICE**

931 The CCWG-Accountability engaged two law firms to receive expertise on feasibility of its proposed frameworks and mechanisms, Adler & Colvin and Sidley Austin LLP. The firms, through the coordination of the Legal Subteam of the CCWG. See Appendix C for more information on the Legal Subteam methodology. The legal advice was key to the CCWG-Accountability in formulating its recommendations.

932 The CCWG Legal Subteam's rules of engagement and working methodologies are described in Appendix C.

Definitions & Scoping

- 933 The CCWG-Accountability scoped out and elaborated a problem statement along with definitions to help refine its understanding of the task it was entrusted with. The group endeavored to produce a definition of what accountability is, listed transparency, consultation, review mechanisms and redress mechanisms as criteria of accountability mechanisms.
- 934 As a general concept, the group proposed that accountability encompassed processes whereby an actor answers to others for the effects on them of its actions and omissions. For the CCWG, then, accountability involves the processes whereby ICANN answers to its stakeholders for the impacts on those stakeholders of ICANN's decisions, policies and programs.
- 935 The group proposed that accountability is comprised four dimensions: One, transparency, means that an actor (ICANN) is answerable to its stakeholders by being open and visible to them. A second, consultation, means that the actor (ICANN) continually takes input from and explains its positions to the stakeholders. Third, review means that the actor's actions, policies and programs are subject to outside monitoring and evaluation. The fourth dimension, redress, means that the accountable actor makes compensations for any harms of its actions and omissions, for example, by means of policy changes, institutional reforms, resignations, financial reparations, etc.
- 936 Independence and checks and balances were identified as two key qualities of any accountability mechanism. The group defined "checks and balances mechanisms" as a series of mechanisms put in place to adequately address the concerns from the various interested parties in the discussion and decision process, as well as to ensure that the decision is made in the interest of all stakeholders. The group investigated two different non-exclusive views in order to assess independence: independence of persons participating in the decision process, and independence of a specific accountability mechanism with regards to other mechanisms.
- 937 The group flagged to whom should ICANN be accountable as an important component, and assembled a list of stakeholders which distinguished between affected parties and parties affecting ICANN. The following principles were agreed to guide CCWG-Accountability's activities:
- ❑ ICANN accountability requires that it comply with its own rules and processes (part of "due process", as a quality of fairness and justice);
 - ❑ ICANN accountability requires compliance with applicable legislation, in jurisdictions where it operates;
 - ❑ ICANN should be accountable to achieving certain levels of performance as well as security;
 - ❑ ICANN should be accountable to ensure that its decisions are for the benefit of the public, not just in the interests of a particular set of stakeholders or ICANN the organization.

Appendix B: Charter, Problem Statement, and Definition

938 To download a PDF version of the Charter document, see [here](#).

939 Cross Community Working Group (CCWG) Charter

940 WG NAME:	941 CROSS COMMUNITY WORKING GROUP ON ENHANCING ICANN ACCOUNTABILITY	
Section I: Cross Community Working Group Identification		
942 Chartering Organizations:	943 ASO, GAC, ccNSO, ALAC, GNSO	
944 Charter Approval Date:	945 The CCWG charter was circulated for adoption on 3 November. Since then, the following organizations have adopted the charter: <ul style="list-style-type: none"> • GNSO on 13 November • ALAC on 18 November • ccNSO on 20 November • GAC on 8 December • ASO on 9 December 	
946 Name of WG Chair(s):	947 Mathieu Weill, Thomas Rickert, León Sanchez	
948 CCWG Workspace URL:	949 https://community.icann.org/display/acctcrosscomm/CCWG+on+Enhancing+ICANN+Accountability	
950 CCWG Mailing List:	951 accountability-cross-community@icann.org	
952 Resolutions adopting the charter:	953 Title:	954
	955 Ref # & Link:	956
957 Important Document Links:		

Section II: Problem Statement, Goals & Objectives and Scope

958 **PROBLEM STATEMENT:**

959 The National Telecommunications and Information Administration (NTIA) has requested that ICANN “convene a multistakeholder process to develop a plan to transition the U.S. government stewardship role” with regard to the IANA Functions and related root zone management. In making its announcement, the NTIA specified that the transition proposal must have broad community support and meet the following principles:

- Support and enhance the multistakeholder model
- Maintain the security, stability, and resiliency of the Internet DNS
- Meet the needs and expectation of the global customers and partners of the IANA services
- Maintain the openness of the Internet.

960 NTIA also specified that it would not accept a proposal that replaces the NTIA role with a government-led or an intergovernmental organization solution.

961 During discussions around the transition process, the community raised the broader topic of the impact of the change on ICANN's accountability given its historical contractual relationship with the United States and NTIA. Accountability in this context is defined, according to the [NETmundial multistakeholder statement](#), as the existence of mechanisms for independent checks and balances as well as for review and redress.

962 The concerns raised during these discussions around the transition process indicate that the existing ICANN accountability mechanisms do not yet meet stakeholder expectations. Recent statements made by various stakeholders suggest that current accountability mechanisms need to be reviewed and, if need be, improved, amended, replaced, or supplemented with new mechanisms (see for instance ATRT recommendations) in light of the changing historic contractual relationship with the U.S. Government. Considering that the NTIA has stressed that it is expecting community consensus regarding the transition, a failure to meet stakeholder expectations with regards to accountability may create a situation where NTIA does not accept the IANA transition proposal as meeting its conditions. Thus reviewing ICANN's accountability mechanisms was considered to be crucial for the transition process.

963 **GOALS & OBJECTIVES:**

964 The CCWG-Accountability is expected to deliver proposals that would enhance ICANN's accountability towards all stakeholders.

965 The term stakeholder should be considered for the CCWG-Accountability in its wider acceptance,

for instance by relying on the definition provided by the [European Framework for Quality Management \(EFQM\)](#): a person, group or organization that has a direct or indirect stake or interest in the organization because it can either affect the organization or be affected by it. This includes but is not limited to all ICANN SOs and ACs.

966 The goal is for the transition proposal regarding the IANA functions to be communicated to NTIA in a timeframe which is consistent with the expiration date of the current IANA Functions Contract, which is set at 30th September 2015. The CCWG-Accountability will therefore work as expeditiously as possible to identify those mechanisms that must be in place or committed to before the IANA Stewardship Transition in light of the changing historical contractual relationship with the U.S. Government (Work Stream 1) and those mechanisms for which a timeline for implementation may extend beyond the IANA Stewardship Transition (Work Stream 2).

967 In order to facilitate evaluation and adoption of its proposals, the CCWG-Accountability is expected to provide a detailed description on how its proposals would provide an adequate level of resistance to contingencies (“stress tests”), within the scope of each Work Stream.

968 Further, Work Stream 1 may identify issues that are important and relevant to the IANA stewardship transition but cannot be addressed within this time frame, in which case, there must be mechanisms or other guarantees that can ensure that the work would be completed in a timely manner as soon as possible after the transition.

969 **SCOPE:**

970 The CCWG-Accountability will investigate accountability mechanisms regarding all of the functions provided by ICANN.

971 In the discussions around the accountability process, the CCWG-Accountability will proceed with two Work Streams:

- **Work Stream 1:** focused on mechanisms enhancing ICANN accountability that must be in place or committed to within the time frame of the IANA Stewardship Transition;
- **Work Stream 2:** focused on addressing accountability topics for which a timeline for developing solutions and full implementation may extend beyond the IANA Stewardship Transition.

972 The CCWG-Accountability will allocate issues to Work Stream 1 and Work Stream 2. Some issues may span both Work Streams.

973 Suggested questions to be considered as part of Work Stream 1 include, but are not limited to:

- What would be the impact of NTIA’s transition of the IANA Functions Contract in ensuring ICANN’s accountability and what potential accountability concerns could this cause?

- What enhancements or reforms are required to be implemented or committed to before the NTIA Stewardship Transition?
 - If the implementation of enhancements or reforms are to be deferred, how can the community be assured they will be implemented?
 - How will these enhancements or reforms be stress-tested?
- What enhancements or reforms must be committed to before the NTIA Stewardship Transition, but could be implemented after.
 - How will these enhancements or reforms be stress-tested?

974 Suggested questions to be considered as part of Work Stream 2 include, but are not limited to:

- What enhancements or reforms can be addressed after the NTIA Stewardship Transition?
 - If there are enhancements or reforms that can be addressed after NTIA disengages, what new or existing processes ensure they will be addressed and implemented?
 - How will these enhancement or reforms be stress-tested?

975 Suggested questions to be considered as part of both Work Stream 1 and 2 include, but are not limited to:

- What mechanisms are needed to ensure ICANN's accountability to the multi-stakeholder community once NTIA has disengaged from its stewardship role?
- What enhancements or reforms are needed to ICANN's existing accountability mechanisms?
- What new accountability reforms or mechanisms are needed?
- If accountability enhancements and reforms are made through changes to ICANN's Articles of Incorporation or By-Laws, how can the community be assured that those changes will be permanent, or not subject to unilateral amendment by the ICANN Board at a later date?

976 Other topics within scope of the work of the CCWG-Accountability include, but are not limited to [ATRT2 Recommendation 9, and more specifically 9.2.](#)

977 **[Link with scope of Cross Community Working Group \(CWG\) to Develop an IANA Stewardship Transition Proposal on Naming Related Functions, and other groups developing the IANA Stewardship Transition proposal:](#)**

978 This process on Enhancing ICANN Accountability is taking place alongside a parallel and related process on the transition of the stewardship of the IANA functions through the CWG to Develop an IANA Stewardship Transition Proposal on Naming Related Functions (hereinafter CWG-Stewardship). The CWG-Stewardship's scope is focused on the arrangements required for the

continuance of IANA functions in an accountable and widely accepted manner after the expiry of the IANA Functions Contract. Accountability for the administration of the IANA functions (i.e., implementation and operational accountability) is not within the scope of the CCWG-Accountability as it is being dealt with by the CWG-Stewardship. Nevertheless, the two processes are interrelated and interdependent and should appropriately coordinate their work.

979 Other groups' (i.e. the numbers and protocol parameters communities, as outlined in the ICG [Request for Proposals](#)) proposals are intended to cover accountability issues related to the IANA Stewardship Transition, as well as issues already being considered by RIRs and IETF communities related in their respective areas in their engagement with ICANN. These issues are outside of scope of the CCWG-Accountability. The CCWG-Accountability will communicate with these groups to ensure that the CCWG-Accountability does not cover issues going beyond its scope.

Section III: Deliverables, Timeframes, and Reporting

980 **DELIVERABLES:**

981 In working towards its deliverables, the CCWG-Accountability will, as a first step, establish and adopt a high-level work plan and tentative associated schedule, which should be publicly available. Both work plan and associated schedule, should take into account and be on activities under Work Stream 1 and Work Stream 2, and align the timelines for Work Stream 1 with the CWG-Stewardship and ICG timelines. In addition, the work plan and schedule should include time frames and methods for public consultation and expected date for submission of Draft Proposal(s) and Final Proposal(s) and revisions thereof for Work Stream 1 and 2, and should establish an expected date for submission of a Board Reports. In those cases where there are incompatibilities, these should be informed to the CWG-Stewardship and/or ICG and discuss ways to address the incompatibilities.

982 In the course of its work the CCWG-Accountability should update and refine its work plan and schedule regularly, and make the amended work plan and associated schedule publicly available.

983 The following non-exhaustive list of areas of work shall guide the working group in establishing a work plan. The CCWG-Accountability may add additional tasks at its sole discretion:

- Review of the guidelines given in this charter
- A definition/description of what differentiates a Work Stream 1 issue from a Work Stream 2 issue
- Identify which issues to go into Work Stream 1 and which issue to go into Work Stream 2

- Provide timeline of key dates and target date of proposal(s) for each Work Stream
- Review of existing accountability mechanisms, including a review of their efficiency based on prior work such as ATRT reviews and proposals for changes, enhancements, and additional mechanisms
- Identification of contingencies to be considered in the stress tests
- Analysis of core issues based on the current situation analysis, in relation to the CCWG-Accountability's goal and the IANA Stewardship Transition
- Identification of priorities to focus work on such issues with highest potential to enhance ICANN's accountability
- Review and analyze statements, responses and questions provided by the U.S. Department of Commerce
- Review of possible solutions for each Work Stream including stress tests against identified contingencies. The CCWG-Accountability should consider the following methodology for stress tests
 - analysis of potential weaknesses and risks
 - analysis existing remedies and their robustness
 - definition of additional remedies or modification of existing remedies
 - description how the proposed solutions would mitigate the risk of contingencies or protect the organization against such contingencies
 - CCWG-Accountability must structure its work to ensure that stress tests can be (i) designed (ii) carried out and (iii) its results being analyzed timely before the transition.

984 Examples of individual items to be looked at may include:

- Affirmation of Commitments (see <https://www.icann.org/resources/pages/affirmation-of-commitments-2009-09-30-en>)
- Expert Panel (ASEP) as one basis for its discussions
- 2013 Report of the Accountability & Transparency Review Team (see <https://www.icann.org/en/about/aoc-review/atrt/final-recommendations-31dec13-en.pdf>)
- Operation and Viability of current Reconsiderations process
- Operation and Viability of the CEP (cooperative engagement process) within the Independent

Review

- Independent Review Process (IRP) criteria
- Possible solutions including
 - Input received in relation to solutions as part of earlier public comment periods (see <https://www.icann.org/en/system/files/files/proposed-solutions-25aug14-en.pdf>)
 - Input received in CCWG-Accountability comment periods

985 **REPORTING:**

986 The co-chairs of the CCWG-Accountability will brief the chartering organizations on a regular basis as well as their representatives on the ICG (particularly in relation to Work Stream 1).

Section IV: Membership, Staffing and Organization

987 **MEMBERSHIP CRITERIA:**

988 Membership in the CCWG-Accountability, and in sub-working groups should these be created, is open to members appointed by the chartering organizations. To facilitate scheduling meetings and to minimize workloads for individual members, it is highly recommended that individual members participate in only one sub-working group, should sub-working groups be created. Each of the chartering organizations shall appoint a minimum of 2 and a maximum of 5 members to the working group in accordance with their own rules and procedures. Best efforts should be made to ensure that individual members:

- Have sufficient expertise to participate in the applicable subject matter (see for example <https://www.icann.org/resources/pages/enhancing-accountability-faqs-2014-08-22-en#12> for areas identified for expertise);
- Commit to actively participate in the activities of the CCWG-Accountability on an ongoing and long-term basis; and
- Where appropriate, solicit and communicate the views and concerns of individuals in the organization that appoints them.

989 In appointing their members, the chartering organizations should note that the CCWG-Accountability's decision-making methodologies require that CCWG-Accountability members act by consensus, and that polling will only be used in rare instances and with the recognition that

such polls do not constitute votes.

990 Chartering organizations are encouraged to use open and inclusive processes when selecting their members for this CCWG-Accountability. Best efforts should also be made to ensure that the CCWG-Accountability and any sub-working groups, if created, have representation from each of ICANN's five regions.

991 In addition, the CCWG-Accountability will be open to any interested person as a participant. Participants may be from a chartering organization, from a stakeholder group not represented in the CCWG-Accountability, or may be self-appointed. Participants will be able to actively participate in and attend all CCWG-Accountability meetings, work groups and sub-work groups. However, should there be a need for a consensus call or decision, such consensus call or decision will be limited to CCWG-Accountability members appointed by the chartering organizations.

992 All members and participants will be listed on the CCWG-Accountability's [Wiki](#). The mailing list of CCWG-Accountability will be [publicly archived](#). All members and participants in this process are required to submit a Statement of Interest (SOI) following the procedures of their chartering organization or, where that is not applicable the GNSO procedures may be followed or alternatively a statement should be provided which at a minimum should include name, whether the participant is representing a certain organization or company as part of his/her participation in this effort, areas of specific interest in relation to this effort, material relationship with other parties affected by ICANN and primary country of residence.

993 Volunteer co-chairs appointed by the chartering organizations, should a chartering organization decide to appoint a co-chair to the CCWG-Accountability, will preside over CCWG-Accountability deliberations and ensure that the process is bottom-up, consensus-based and has balanced multistakeholder participation. ICANN is expected to provide day-to-day project administration and secretariat support and, upon request of the CCWG-Accountability co-chairs, professional project facilitators or expert assistance.

994 In addition to the working relationship between groups developing the IANA Stewardship Transition proposal which is detailed in a subsequent section, the CCWG-Accountability will include a liaison from the ICANN Board, who would be an active member of the CCWG-Accountability, bringing the voice of the Board and Board experience to activities and deliberations. The CCWG-Accountability will also include an ICANN Staff representative to provide input into the deliberations and who is able to participate in this effort in the same way as other members of the CCWG-Accountability. Should there be a need for any consensus call(s), neither the Board liaison nor the Staff representative would participate in such a consensus call.

995 **GROUP FORMATION, DEPENDENCIES, & DISSOLUTION:**

996 Each of the chartering organizations shall appoint members to the CCWG-Accountability in accordance with their own rules and procedures.

997 **WORKING RELATIONSHIP WITH THE ICG, THE CWG, AND OTHER GROUPS DEVELOPING THE IANA STEWARDSHIP TRANSITION PROPOSAL**

998 The co-chairs of the CCWG-Accountability will discuss and determine, along with representatives of the ICG, the CWG-Stewardship, and other groups developing the IANA Stewardship proposal, the most appropriate method of sharing information and communicating progress and outcomes, particularly in relation to Work Stream 1. This could, for example, be done through regular Chairs calls. In particular, the co-chairs will agree the method by which the final Work Stream 1 deliverable of the CCWG-Accountability, the **“Enhanced ICANN Accountability Related to the IANA Stewardship Transition Proposal”** will be provided from the CCWG-Accountability to the ICG and CWG-Stewardship. The delivery of this Work Stream 1 Proposal is expected to occur following approval of the ICANN Board as outlined in Section V of this charter (see also <https://www.icann.org/resources/board-material/resolutions-2014-10-16-en#2.d>).

999 **EXPERT ADVISORS**

1000 In addition to input from the community, the CCWG-Accountability is expected to solicit and consider the input from the up to seven Advisors selected by the Public Experts Group ([PEG](#)) to provide independent advice, research and identify best practices, at an early stage of its deliberations. In addition to input that is specifically solicited by the CCWG-Accountability, the CCWG-Accountability is also expected to give due consideration to any additional advice or input that the Advisors provide as part of the CCWG-Accountability deliberations. The Advisors are expected to contribute to the dialogue similar to other CCWG-Accountability participants. However, should there be a need for any consensus call(s), the Advisors would not participate in such a call.

1001 In addition to the advisors selected by the PEG, the CCWG-Accountability may also identify additional advisors or experts to contribute to its deliberations in a similar manner as the Advisors selected by the PEG. Should additional costs be involved in obtaining input from additional advisors or experts, prior approval must be obtained from ICANN. Such a request for approval should at a minimum include the rationale for selecting additional advisors or experts as well as expected costs.

1002 The CCWG-Accountability should integrate one Accountability and Transparency Review Team (ATRT) past participant to bring perspective and avoid duplication of work. Should there be a need for any consensus call(s), the ATRT Expert would not participate in such a consensus call (unless the ATRT Expert is also selected as a member by one of the chartering organizations).

1003 **STAFFING & RESOURCES**

1004 The ICANN Staff assigned to the CCWG-Accountability will fully support the work of the CCWG-

Accountability as requested by the co-chairs, including meeting support, document drafting, editing and distribution and other substantive contributions when deemed appropriate by the CCWG-Accountability. ICANN will provide access to relevant experts and professional facilitators as requested by the CCWG-Accountability Chairs. ICANN staff, in a coordinated effort with the CCWG-Accountability, will also ensure that there is adequate outreach to ensure that the global multistakeholder community is aware of and encouraged to participate in the work of the CCWG-Accountability.

1005 Staff assignments to the Working Group: ICANN will provide sufficient staff support to support the activities of the CCWG-Accountability.

1006 The CCWG-Accountability is encouraged to identify any additional resources beyond the staff assigned to the group it may need at the earliest opportunity to ensure that such resources can be identified and planned for.

Section V: Rules of Engagement

1007 **DECISION-MAKING METHODOLOGIES:**

1008 In developing its Proposal(s), work plan and any other reports, the CCWG-Accountability shall seek to act by consensus. Consensus calls should always make best efforts to involve all members (the CCWG-Accountability or sub-working group). The Chair(s) shall be responsible for designating each position as having one of the following designations:

1009 a) Full Consensus - a position where no minority disagrees; identified by an absence of objection

1010 b) Consensus – a position where a small minority disagrees, but most agree

1011 In the absence of Full Consensus, the Chair(s) should allow for the submission of minority viewpoint(s) and these, along with the consensus view, shall be included in the report.

1012 In a rare case, the chair(s) may decide that the use of a poll is reasonable to assess the level of support for a recommendation. However, care should be taken in using polls that they do not become votes, as there are often disagreements about the meanings of the poll questions or of the poll results.

1013 Any member who disagrees with the consensus-level designation made by the Chair(s), or believes that his/her contributions are being systematically ignored or discounted should first discuss the circumstances with the relevant sub-group chair or the CCWG-Accountability co-chairs. In the event that the matter cannot be resolved satisfactorily, the group member should request an opportunity to discuss the situation with the Chairs of the chartering organizations or

their designated representatives.

1014 SO and AC support for the Draft Proposal(s)

1015 Following submission of the Draft Proposal(s), each of the chartering organizations shall, in accordance with their own rules and procedures, review and discuss the Draft Proposal(s) and decide whether to adopt the recommendations contained in it. The chairs of the chartering organizations shall notify the co-chairs of the WG of the result of the deliberations as soon as feasible.

1016 Supplemental Draft Proposal

1017 In the event that one or more of the participating SO's or AC's do(es) not adopt one or more of the recommendation(s) contained in the Draft Proposal(s), the Co-Chairs of the CCWG-Accountability shall be notified accordingly. This notification shall include at a minimum the reasons for the lack of support and a suggested alternative that would be acceptable, if any. The CCWG-Accountability may, at its discretion, reconsider, post for public comments and/or submit to the chartering organizations a Supplemental Draft Proposal, which takes into accounting the concerns raised.

1018 Following submission of the Supplemental Draft Proposal, the chartering organizations shall discuss and decide in accordance with its own rules and procedures whether to adopt the recommendations contained in the Supplemental Draft Proposal. The Chairs of the chartering organizations shall notify the Co-Chairs of the CCWG-Accountability of the result of the deliberations as soon as feasible.

1019 Submission Board Report

1020 After receiving the notifications from all chartering organizations as described above, the Co-Chairs of the CCWG-Accountability shall, within 10 working days after receiving the last notification, submit to the Chair of the ICANN Board of Directors and Chairs of all the chartering organizations the CCWG-Accountability Board Report, which shall include at a minimum:

1021 a) The (Supplemental) Proposal as adopted by the CCWG-Accountability; and

1022 b) The notifications of the decisions from the chartering organizations

1023 c) Documentation of the process that was followed, including, but not limited to documenting the process of building consensus within the CCWG-Accountability and public consultations.

1024 In the event one or more of the chartering organizations do(es) not support (parts of) the (Supplemental) Proposal(s), the Board Report shall also clearly indicate the part(s) of the (Supplemental) Final Proposal(s) which are fully supported and the parts which not, and which of the chartering organizations dissents, to the extent this is feasible.

1025 Board consideration and interaction with CCWG-Accountability and chartering organizations

1026 It is assumed that after submission of the Board Report, the ICANN Board of Directors will consider the Proposal(s) contained in this Report in accordance with the process outlined in its

resolution of 16 October 2014 (see <https://www.icann.org/resources/board-material/resolutions-2014-10-16-en#2.d>):

1027 *Resolved (2014.10.16.17), the Board commits to following the following principles when considering the Cross Community Working Group Recommendations on Enhancing ICANN Accountability and Governance:*

1. *These principles apply to consensus-based recommendations from the Cross Community Working Group on Enhancing ICANN Accountability and Governance.*
2. *If the Board believes it is not in the global public interest to implement a recommendation from the Cross Community Working Group on Enhancing ICANN Accountability and Governance (CCWG Recommendation), it must initiate a dialogue with the CCWG. A determination that it is not in the global public interest to implement a CCWG Recommendation requires a 2/3 majority of the Board.*
3. *The Board must provide detailed rationale to accompany the initiation of dialogue. The Board shall agree with the CCWG the method (e.g., by teleconference, email or otherwise) by which the dialogue will occur. The discussions shall be held in good faith and in a timely and efficient manner, to find a mutually acceptable solution.*
4. *The CCWG will have an opportunity to address the Board's concerns and report back to the Board on further deliberations regarding the Board's concerns. The CCWG shall discuss the Board's concerns within 30 days of the Board's initiation of the dialogue.*
5. *If a recommendation is modified through the CCWG, it is returned back to the Board for further consideration. The CCWG is to provide detailed rationale on how the modification addresses the concerns raised by the Board.*
6. *If, after modification, the Board still believes the CCWG Recommendation is not in the global public interest to implement the CCWG Recommendation, the Board may send the item back to the CCWG for further consideration, again requiring a 2/3 vote of the Board for that action. Detailed rationale for the Board's action is again required. In the event the Board determines not to accept a modification, then the Board shall not be entitled to set a solution on the issue addressed by the recommendation until such time as CCWG and the Board reach agreement.*

1028 Before submitting a modified recommendation to the ICANN Board of Directors, as envisioned under 5. of the Board resolution, the CCWG-Accountability will submit a Draft Supplemental Board Report to the chartering organizations containing:

- 1029 a) The modified recommendations, and associated detailed rationale,
- 1030 b) The Board decision, and associated detailed rationale
- 1031 c) The recommendation as contained in the Board Report

1032 Following submission of the Draft Supplemental Board Report, the chartering organizations shall discuss and decide in accordance with their own rules and procedures whether to adopt the modified recommendations contained in the report. The Chairs of the chartering organizations shall notify the co-chairs of the CCWG-Accountability of the result of the deliberations as soon as feasible.

1033 After receiving the notifications from all chartering organizations, the co-Chairs of the CCWG-Accountability shall, within 10 working days after receiving the last notification, submit to the Chair of the ICANN Board of Directors and Chairs of all the chartering organizations the CCWG-Accountability Supplemental Board Report, which shall include at a minimum:

1034 a) The modified recommendations, and associated detailed rationale.

1035 b) The notifications of the decisions from the chartering organizations.

1036 c) Documentation of the process that was followed, including, but not limited to documenting the process of building consensus within the CCWG-Accountability and consultations with the chartering organizations.

1037 If, in accordance with 6., the Board determines not to accept a modified recommendation, the CCWG-Accountability shall follow the procedure regarding the Supplemental Board Report, as just described, to reach agreement with the Board.

1038 **MODIFICATION OF THE CHARTER:**

1039 In the event this charter does not provide guidance and/or the impact of the charter is unreasonable for conducting the business of the CCWG-Accountability, the co-chairs have the authority to determine the proper actions. Such action may, for example, consist of a modification to the Charter in order to address the omission or its unreasonable impact, in which case the Co-Chairs may propose such modification to the chartering organizations. A modification shall only be effective after adoption of the amended Charter by all chartering organizations, in accordance with their own rules and procedures.

1040 **PROBLEM/ISSUE ESCALATION & RESOLUTION PROCESSES:**

1041 All participants are expected to abide by the [ICANN Expected Standards of Behavior](#).

1042 The co-chairs are empowered to restrict the participation of someone who seriously disrupts the working group. Generally, the participant should first be warned privately, and then warned publicly before such a restriction is put into place; in extreme circumstances, this requirement may be bypassed. This restriction is subject to the right of appeal as outlined above.

1043 In the event that no consensus is reached by the CCWG-Accountability, the co-chairs of the

CCWG-Accountability will submit a Report to the chartering organizations. In this Report the co-chairs shall document the issues that are considered contentious, the process that was followed and will include suggestions to mitigate prevention of consensus. If, after implementation of the mitigating measures consensus can still not be reached, co-chairs shall prepare a Final Report documenting the processes followed, including requesting suggestions for mitigating the issues that are preventing consensus from the chartering organizations. The Final Report will be submitted to the ICANN Board and the chartering organizations requesting closure of the CCWG-Accountability by the chartering organizations.

1044 **CLOSURE & WORKING GROUP SELF-ASSESSMENT:**

1045 The CCWG-Accountability will consult with their chartering organizations to determine when it can consider its work completed. The CCWG-Accountability and any sub-working groups shall be dissolved upon receipt of the notification of the Chairs of the chartering organizations or their designated representatives.

Appendix C: Legal Subteam Methodology

Scope of work

- 1046 Adler & Colvin will be the primary source of advice on corporate governance law and California not-for-profit law.
- 1047 Sidley & Austin will be addressing international law and jurisdiction issues and any additional topic, as deemed appropriate.

Rules of Engagement & Working Methodologies

1048 **COMMUNICATIONS & COORDINATION**

1049 **Law firms coordination**

- 1050 Sidley & Austin will be the coordinating firm. Both firms are expected to work on the different issues assigned to them but Sidley Austin will coordinate how the complementary and collaborative work will be developed by the firms. It is of the essence for the success of the group to avoid having duplicate work that may impact in duplicate billable hours.
- 1051 Private coordination meetings between lawyers would be acceptable and desirable. Information should flow freely between law firms.

1052 **Legal Subteam & Law firms coordination**

1053 Law firms report to the CCWG-Accountability and receive instructions from the legal executive sub team only. Legal Executive Subteam Members include: León Sánchez (lead); Athina Fragkouli; Robin Gross; David McAuley; Sabine Meyer; Edward Morris; Greg Shatan and Samantha Eisner (support);

1054 Should there be the need for a call between the available members of the Executive Legal Subteam and any of the law firms in order to address urgent matters without the ability to setup a public call, it will always be required to provide proper debrief to the open list in a timely fashion. This method will be exceptional.

1055 A single mailing-list will be used. Legal sub team members who are not listed in the legal executive subteam have viewing rights to help streamline communications. Posting privileges should carry request privileges.

1056 The mailing-list remains open to any observers.

1057 Activities and requests will be documented on the dedicated wiki page - <https://community.icann.org/display/acctcrosscomm/Legal+SubTeam>

1058 **Mailing-List**

1059 All formal requests, including follow-up clarifications, are made in writing and communicated through the public mailing list ccwg-accountability5@icann.org – public archives available at <http://mm.icann.org/pipermail/ccwg-accountability5/>

1060 **Conference calls**

1061 All weekly calls are to be recorded, transcribed and archived in the public wiki space.

1062 Legal sub team and law firms coordination call will be held on Wednesdays: 14:00-15:00 UTC
Legal Subteam only - 15:00-16:00 UTC Legal Subteam and lawyers.

1063 Calls are open to anyone.

1064 **REQUESTS FOR EXPERTISE & LEGAL ADVICE**

1065 **Requests for Advice**

1066 No individual outside the executive legal sub team should send requests to law firms.

1067 Law firms are to alert the legal executive sub team of any requests made by individuals outside the legal executive sub team.

- 1068 Only tasks assigned by memorandum will be subject for lawyers work. It is important that both law firms continue to follow the calls of the CCWG-Accountability and the discussion in the mailing lists as there might be important topics or questions raised over the different discussions that might provide context to the assignments made by the Legal Subteam.
- 1069 Questions will continue to be gathered and compiled in a single document by the Legal Subteam to keep track of the different concerns and questions raised within the larger group and they will be triaged in order to then be assigned formally to the lawyers.
- 1070 On each assignment, the Legal Subteam will do its best effort to provide as much context as possible to better guide the lawyers on the needs that the particular assignment is trying to address.
- 1071 Requests for legal advice should be numbered consecutively for reference purposes.
- 1072 All requests will be archived in the public wiki space.
- 1073 **Legal Advice**
- 1074 While recognizing that Sidley Austin will be coordinating the work of both law firms with the aim of having a harmonized voice, law firms should state any deferring views they may have on any particular issue where this difference happens. Furthermore, should this difference in views happen, each law firm will be required to provide the rationale for its deferring view.
- 1075 During face-to-face meetings/calls, high level legal advice should come in real time in reply to anyone raising a question within the Charter's scope.
- 1076 Lawyers' involvement with WP1, WP2 and WPST will be key for next steps as it is them that are building the proposals that will be subject to public comment. Therefore, the Legal Subteam and the law firms should be able to provide these WPs with the tools they need to build feasible and legally viable proposals.
- 1077 It is of the essence that as a next step the law firms analyze the different templates of powers and mechanisms attached herein in order to provide advice on whether those powers and mechanisms are legally viable in the first place and if not, which would be the alternatives. On a second phase, the law firms will be asked to advice on how these mechanisms and powers may be implemented in a holistic view of the accountability enhancement process.

Appendix D: Work Area 1 Outcome

Inventory of existing ICANN Accountability Mechanisms

1078 **ICANN BYLAWS AND BYLAWS-MANDATED REDRESS MECHANISMS**

1079 **ICANN Bylaws specifically provide four avenues for review:**

- ❑ Reconsideration Process (Art. IV, Sec. 2): mechanism to challenge staff action taken against ICANN policies, or Board actions taken without consideration of material information or based upon false or inaccurate information.
- ❑ Independent Review Process (IRP) (Art. IV, Sec. 3): allows for claims that the ICANN Board acted in a manner inconsistent with its Bylaws or Articles of Incorporation to be considered by an independent panel of neutrals.
- ❑ Organizational Reviews (Art. IV, Sec. 4): As required by the Bylaws, periodic reviews of the performance and operation of each Supporting Organization, each Advisory Committee (other than the Governmental Advisory Committee), and the Nominating Committee are organized to determine whether that organization has a continuing purpose in the ICANN structure, and, if so, whether any change in structure or operations is desirable to improve its effectiveness. These regular reviews allow an examination of the continuing efficacy of ICANN's component entities.
- ❑ Office of the Ombudsman (Art. V): reviews claims of unfairness by ICANN or its constituent entities. The Ombudsman framework is consistent with international standards. Office of Ombudsman publishes on an annual basis a consolidated analysis of the year's complaints and resolutions, appropriately dealing with confidentiality obligations and concerns.

1080 **POLICY CONSIDERATION REQUIREMENTS: BYLAWS-BASED ADVISORY MECHANISMS**

1081 Bylaws define ICANN's relationships to its component entities, including its Supporting Organizations (GNSO, ccNSO, and ASO) and Advisory Committees (SSAC, GAC, ALAC, and RSSAC). The Bylaws include detailed requirements for how the Board considers community-developed policies and receives advice. Some of these relationships are further defined through more detailed documentation, such as the Memorandum of Understanding with the Address Supporting Organization.

1082 **AFFIRMATION OF COMMITMENTS**

1083 Signed with the United States Department of Commerce (DoC) on 30 September 2009, the Affirmation of Commitments contains joint commitments relating to ICANN's technical coordination role of the Internet Domain Name System. The commitments uphold the multi-stakeholder model, commit to operate in a transparent manner and in the global public interest, and, among other things, to undertake community-led, regular reviews relating to accountability and transparency as well as on three other fundamental organizational objectives. More information about the Accountability and Transparency Reviews are outlined below.

1084 **HEADQUARTERS**

1085 ICANN, as a California Not-for-Profit Public Benefit Corporation, is obligated to follow the laws of the State of California. ICANN is also subject to both California and U.S. laws and regulations regarding ICANN's tax-exempt, public benefit status, which each require ICANN to act in furtherance of its stated public benefit purposes. These laws, as well as the laws of other places where ICANN has a presence, carry with them obligations. For example, under law, all ICANN Directors hold a fiduciary duty to act in the best interests of ICANN, and not for their own personal (or business) benefit. ICANN has the ability to sue and be sued for its actions and to be held responsible in a court of proper jurisdiction for its dealings with the global community.

1086 **ACCOUNTABILITY AND TRANSPARENCY REVIEW TEAMS 1 AND 2 RECOMMENDATIONS**

1087 Periodic assessments of ICANN's progress toward ensuring accountability, transparency and the interests of global Internet users are undertaken by community-led Review Teams. The first accountability and transparency review, conducted in 2010 by the Accountability and Transparency Review Team 1 (ATRT1), resulted in a set of recommendations. A second review was launched in 2013 - in compliance with the Affirmation of Commitments timeframe. Pursuant to the Affirmation of Commitments, the Second Accountability and Transparency Review Team (ATRT2) assessed the extent to which the ICANN board and staff implemented the recommendations arising of the ATRT1, in addition to the core scope, and issued a set of recommendations.

1088 **CONTRACTUAL REQUIREMENTS**

1089 ICANN enters into a variety of contractual arrangements through which it takes on obligations. While meeting these requirements are a matter of contractual compliance for ICANN, at times the contracts also include broader accountability requirements as well. Some of these contracts include:

- ❑ The IANA Functions Contract with the NTIA, which incorporates, for example, a customer complaint resolution process at c.2.9.2.g as well as requirements for how ICANN is to consider delegation requests for ccLTDs (C.2.9.2.c) and gTLDs (C.2.9.2.d).
- ❑ Registry Agreements and Registrar Accreditation Agreements (see <https://www.icann.org/resources/pages/agreements-policies-2012-02-25-en> and <https://www.icann.org/resources/pages/registries/registries-agreements-en>) Through these agreements, there are escalation paths set out in the event of disagreement between ICANN and the Registry or Registrar, in each case leading to the ultimate reference to arbitration if needed
 - ❑ Both Registry and Registrar Contracts include a requirement to follow “Consensus Policies”, which are policies developed through the ICANN multistakeholder process and approved with high thresholds of support. Most commercial contracts do not include the ability to insert new obligations in this way, and so the requirements on the ICANN Board

and the ICANN community in developing and approving these policies are high and must be followed.

- The consensus policies may only cover specific issues that are specified within the agreements, and may not touch on other specific areas (such as pricing terms). Historically, this has been referred to as the “picket fence” around where ICANN could mandate registry and registrar compliance with obligations that are not specifically included within the contracts.
- Detailed topics subject to "Consensus Policy" are defined in the gTLD Registry and Registrar Agreements.

1090 **BOARD OF DIRECTORS DOCUMENTATION**

1091 Documents relating to the Board of Directors include briefing materials, resolutions, preliminary reports and minutes. Since 2010, the ICANN Board has provided a rationale for its decisions, which are published in both Resolutions and Minutes. All resolutions of the Board are tracked in a searchable tool, with information on how the mandate within each resolution was achieved. The Board also makes public how it addresses the advice it receives from the Advisory Committees, with both a GAC Register of Advice as well as the new Advice tracking tool.

1092 **GENERAL ICANN OPERATIONAL INFORMATION**

1093 Financial information includes an annual budgeting process developed with community input, the posting of quarterly financial reports (following the practice of listed companies), as well as the annual posting of ICANN's Audited Financial Statements, and the annual Form 990 tax filing. For tracking of ICANN's operational activities, information about current projects across the organization is posted. ICANN also maintains the Documentary Information Disclosure Policy (DIDP) for members of the public to request the release of information within ICANN that is not already publicly available.

1094 **ICANN BOARD SELECTION PROCESS**

1095 The selection of voting Board Directors occurs through different community processes. The Nominating Committee appoints eight Directors, ICANN's Supporting Organizations appoint six Directors (specifically, the Address Supporting Organization the Country-Code Names Supporting Organization (ccNSO) and the Generic Names Supporting Organization (GNSO) each appoint two Directors), and the At-Large Community appoints one Director. Directors serve staggered terms enabling some annual renewal of the Board. Mechanisms for the removal of Directors and Non-Voting liaisons are described in ICANN Bylaws. The President and CEO of ICANN, who is appointed by the Board, also serves a Board member.

Appendix E: Work Area 2 Outcome

Input Gathered from the Community: Required Community Powers

1096 As indicated in section 2, the group reviewed the collection of public comments received during the development of the Enhancing ICANN Accountability and categorized these as Work Stream 1 and Work Stream 2. Work Stream 1 mechanisms were defined as those that, when in place or committed to, would provide the community with confidence that any accountability mechanism that would further enhance ICANN's accountability would be implemented if it had consensus support from the community, even if it were to encounter ICANN management resistance or if it were against the interest of ICANN as a corporate entity.

1097 **THE MECHANISMS WERE DIVIDED IN THREE SECTIONS:**

1098 1. Mechanisms giving the ICANN community ultimate authority over the ICANN corporation. Most of these were initially designated as Work Stream 1, since community Members need the leverage of IANA transition to obtain these Bylaws changes.

1099 2. Mechanisms to restrict actions of the board and management of the ICANN corporation. Most of these are initially designated as WS2, since the Members could reverse board or management decisions if Members are empowered in Work Stream 1 (1, above).

1100 3. Mechanisms to prescribe actions of the ICANN corporation. Most of these are initially designated as WS2, since the Members could reverse board or management decisions if Members are empowered in Work Stream 1 (above). For example, a bottom-up consensus process to change ICANN bylaws might be rejected by ICANN board, but the Members could then reverse that decision and force the change.

1101 In addition, the CWG co-chairs detailed, in a correspondence dated 15 April 2015, the expectations from their group with regards to CCWG-Accountability Work Stream 1 recommendations. These expectations are:

- ❑ ICANN budget: The CWG supports the ability for the community to “veto” a budget.
- ❑ Community empowerment mechanisms: The CWG will be relying on the community empowerment and accountability mechanisms that the CCWG-Accountability is currently considering and developing being in place at the time of the stewardship transition. In particular, mechanisms such as: the ability to review ICANN Board decisions relating to periodic or ad-hoc reviews of the IANA function undertake through the IANA review function (PRF or possibly IRF); the ability to approve or reject board decisions on PRF as well as the related creation of a stakeholder community / member group in order ensure the ability to trigger these kinds of abilities.
- ❑ Review and redress mechanisms: The CWG would like to have the assurance that an IANA Periodic Review (or related ad-hoc review) could be incorporated as part of the Affirmation of Commitments mandated reviews integration into ICANN's Bylaws.

- Appeal mechanisms (especially with regard to ccTLD related issues): The CWG recommends that the CCWG-Accountability should be mindful of the recommendations of the CWG in relation to an appeals mechanism for ccTLDs in delegation and re-delegation. The CWG has conducted a survey among the ccTLDs as part of the work of our Design Team B, and the results led to a recommendation which notes that ccTLDs may decide to develop their own appeals mechanism regarding re/delegation at a later date (post-transition). As such, any appeal mechanism developed by the CCWG-Accountability should not cover ccTLD delegation / re-delegation issues as these are expected to be developed by the ccTLD community through the appropriate processes. However, the CWG does want to emphasize the importance and need for an appeal mechanism to cover any other issues that may involve IANA and notes that this is option is expected to be specifically called out as one of the possible escalation mechanisms¹⁴ in the draft transition proposal.

Appendix F: Affirmation of Commitments

110 1. This document constitutes an Affirmation of Commitments (Affirmation) by the United States Department of Commerce ("DOC") and the Internet Corporation for Assigned Names and Numbers ("ICANN"), a not-for-profit corporation. In recognition of the conclusion of the Joint Project Agreement and to institutionalize and memorialize the technical coordination of the Internet's domain name and addressing system (DNS)¹⁵, globally by a private sector led organization, the parties agree as follows:

1103 2. The Internet is a transformative technology that will continue to empower people around the globe, spur innovation, facilitate trade and commerce, and enable the free and unfettered flow of information. One of the elements of the Internet's success is a highly decentralized network that enables and encourages decision-making at a local level. Notwithstanding this decentralization, global technical coordination of the

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07 ¹⁴ As a note of clarification, the CWG has been referring previously to this appeals mechanism as IAP (Independent Appeals Panel) but understands that the CCWG is referring to this mechanism as Independent Review Mechanism (IRP), which would also include the option for appeal. As such the CWG will be updating its references.

08 ¹⁵ For the purposes of this Affirmation the Internet's domain name and addressing system (DNS) is defined as: domain names; Internet protocol addresses and autonomous system numbers; protocol port and parameter numbers. ICANN coordinates these identifiers at the overall level, consistent with its mission.

Internet's underlying infrastructure - the DNS - is required to ensure interoperability.

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3. This document affirms key commitments by DOC and ICANN, including commitments to: (a) ensure that decisions made related to the global technical coordination of the DNS are made in the public interest and are accountable and transparent; (b) preserve the security, stability and resiliency of the DNS; (c) promote competition, consumer trust, and consumer choice in the DNS marketplace; and (d) facilitate international participation in DNS technical coordination.

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4. DOC affirms its commitment to a multi-stakeholder, private sector led, bottom-up policy development model for DNS technical coordination that acts for the benefit of global Internet users. A private coordinating process, the outcomes of which reflect the public interest, is best able to flexibly meet the changing needs of the Internet and of Internet users. ICANN and DOC recognize that there is a group of participants that engage in ICANN's processes to a greater extent than Internet users generally. To ensure that its decisions are in the public interest, and not just the interests of a particular set of stakeholders, ICANN commits to perform and publish analyses of the positive and negative effects of its decisions on the public, including any financial impact on the public, and the positive or negative impact (if any) on the systemic security, stability and resiliency of the DNS.

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5. DOC recognizes the importance of global Internet users being able to use the Internet in their local languages and character sets, and endorses the rapid introduction of internationalized country code top level domain names (ccTLDs), provided related security, stability and resiliency issues are first addressed. Nothing in this document is an expression of support by DOC of any specific plan or proposal for the implementation of new generic top level domain names (gTLDs) or is an expression by DOC of a view that the potential consumer benefits of new gTLDs outweigh the potential costs.

6. DOC also affirms the United States Government's commitment to ongoing participation in ICANN's Governmental Advisory Committee (GAC). DOC recognizes the important role of the GAC with respect to ICANN decision-making and execution of tasks and of the effective consideration by ICANN of GAC input on the public policy aspects of the technical coordination of the Internet DNS.

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7. ICANN commits to adhere to transparent and accountable budgeting processes, fact-based policy development, cross-community deliberations, and responsive consultation procedures that provide detailed explanations of the basis for decisions, including how comments have influenced the development of policy consideration, and to publish each year an annual report that sets out ICANN's progress against ICANN's bylaws, responsibilities, and strategic and operating plans. In addition, ICANN commits to provide a thorough and reasoned explanation of decisions taken, the rationale thereof and the sources of data and information on which ICANN relied.

1109 8. ICANN affirms its commitments to: (a) maintain the capacity and ability to coordinate the Internet DNS at the overall level and to work for the maintenance of a single, interoperable Internet; (b) remain a not for profit corporation, headquartered in the United States of America with offices around the world to meet the needs of a global community; and (c) to operate as a multi-stakeholder, private sector led organization with input from the public, for whose benefit ICANN shall in all events act. ICANN is a private organization and nothing in this Affirmation should be construed as control by any one entity.

1110 9. Recognizing that ICANN will evolve and adapt to fulfill its limited, but important technical mission of coordinating the DNS, ICANN further commits to take the following specific actions together with ongoing commitment reviews specified below:

1111 9.1 Ensuring accountability, transparency and the interests of global Internet users: ICANN commits to maintain and improve robust mechanisms for public input, accountability, and transparency so as to ensure that the outcomes of its decision-making will reflect the public interest and be accountable to all stakeholders by: (a) continually assessing and improving ICANN Board of Directors (Board) governance which shall include an ongoing evaluation of Board performance, the Board selection process, the extent to which Board composition meets ICANN's present and future needs, and the consideration of an appeal mechanism for Board decisions; (b) assessing the role and effectiveness of the GAC and its interaction with the Board and making recommendations for improvement to ensure effective consideration by ICANN of GAC input on the public policy aspects of the technical coordination of the DNS; (c) continually assessing and improving the processes by which ICANN receives public input (including adequate explanation of decisions taken and the rationale thereof); (d) continually assessing the extent to which ICANN's decisions are embraced, supported and accepted by the public and the Internet community; and (e) assessing the policy development process to facilitate enhanced cross community deliberations, and effective and timely policy development. ICANN will organize a review of its execution of the above commitments no less frequently than every three years, with the first such review concluding no later than December 31, 2010. The review will be performed by volunteer community members and the review team will be constituted and published for public comment, and will include the following (or their designated nominees): the Chair of the GAC, the Chair of the Board of ICANN, the Assistant Secretary for Communications and Information of the DOC, representatives of the relevant ICANN Advisory Committees and Supporting Organizations and independent experts. Composition of the review team will be agreed jointly by the Chair of the GAC (in consultation with GAC members) and the Chair of the Board of ICANN. Resulting recommendations of the reviews will be provided to the Board and

posted for public comment. The Board will take action within six months of receipt of the recommendations. Each of the foregoing reviews shall consider the extent to which the assessments and actions undertaken by ICANN have been successful in ensuring that ICANN is acting transparently, is accountable for its decision-making, and acts in the public interest. Integral to the foregoing reviews will be assessments of the extent to which the Board and staff have implemented the recommendations arising out of the other commitment reviews enumerated below.

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9.2 Preserving security, stability and resiliency: ICANN has developed a plan to enhance the operational stability, reliability, resiliency, security, and global interoperability of the DNS, which will be regularly updated by ICANN to reflect emerging threats to the DNS. ICANN will organize a review of its execution of the above commitments no less frequently than every three years. The first such review shall commence one year from the effective date of this Affirmation. Particular attention will be paid to: (a) security, stability and resiliency matters, both physical and network, relating to the secure and stable coordination of the Internet DNS; (b) ensuring appropriate contingency planning; and (c) maintaining clear processes. Each of the reviews conducted under this section will assess the extent to which ICANN has successfully implemented the security plan, the effectiveness of the plan to deal with actual and potential challenges and threats, and the extent to which the security plan is sufficiently robust to meet future challenges and threats to the security, stability and resiliency of the Internet DNS, consistent with ICANN's limited technical mission. The review will be performed by volunteer community members and the review team will be constituted and published for public comment, and will include the following (or their designated nominees): the Chair of the GAC, the CEO of ICANN, representatives of the relevant Advisory Committees and Supporting Organizations, and independent experts. Composition of the review team will be agreed jointly by the Chair of the GAC (in consultation with GAC members) and the CEO of ICANN. Resulting recommendations of the reviews will be provided to the Board and posted for public comment. The Board will take action within six months of receipt of the recommendations.

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9.3 Promoting competition, consumer trust, and consumer choice: ICANN will ensure that as it contemplates expanding the top-level domain space, the various issues that are involved (including competition, consumer protection, security, stability and resiliency, malicious abuse issues, sovereignty concerns, and rights protection) will be adequately addressed prior to implementation. If and when new gTLDs (whether in ASCII or other language character sets) have been in operation for one year, ICANN will organize a review that will examine the extent to which the introduction or expansion of gTLDs

has promoted competition, consumer trust and consumer choice, as well as effectiveness of (a) the application and evaluation process, and (b) safeguards put in place to mitigate issues involved in the introduction or expansion. ICANN will organize a further review of its execution of the above commitments two years after the first review, and then no less frequently than every four years. The reviews will be performed by volunteer community members and the review team will be constituted and published for public comment, and will include the following (or their designated nominees): the Chair of the GAC, the CEO of ICANN, representatives of the relevant Advisory Committees and Supporting Organizations, and independent experts. Composition of the review team will be agreed jointly by the Chair of the GAC (in consultation with GAC members) and the CEO of ICANN. Resulting recommendations of the reviews will be provided to the Board and posted for public comment. The Board will take action within six months of receipt of the recommendations.

1114

9.3.1 ICANN additionally commits to enforcing its existing policy relating to WHOIS, subject to applicable laws. Such existing policy requires that ICANN implement measures to maintain timely, unrestricted and public access to accurate and complete WHOIS information, including registrant, technical, billing, and administrative contact information. One year from the effective date of this document and then no less frequently than every three years thereafter, ICANN will organize a review of WHOIS policy and its implementation to assess the extent to which WHOIS policy is effective and its implementation meets the legitimate needs of law enforcement and promotes consumer trust. The review will be performed by volunteer community members and the review team will be constituted and published for public comment, and will include the following (or their designated nominees): the Chair of the GAC, the CEO of ICANN, representatives of the relevant Advisory Committees and Supporting Organizations, as well as experts, and representatives of the global law enforcement community, and global privacy experts. Composition of the review team will be agreed jointly by the Chair of the GAC (in consultation with GAC members) and the CEO of ICANN. Resulting recommendations of the reviews will be provided to the Board and posted for public comment. The Board will take action within six months of receipt of the recommendations.

1115

10. To facilitate transparency and openness in ICANN's deliberations and operations, the terms and output of each of the reviews will be published for public comment. Each review team will consider such public comment and amend the review as it deems appropriate before it issues its final report to the Board.

1116

11. The DOC enters into this Affirmation of Commitments pursuant to its authority under 15 U.S.C. 1512 and 47 U.S.C. 902. ICANN commits to this Affirmation

according to its Articles of Incorporation and its Bylaws. This agreement will become effective October 1, 2009. The agreement is intended to be long-standing, but may be amended at any time by mutual consent of the parties. Any party may terminate this Affirmation of Commitments by providing 120 days written notice to the other party. This Affirmation contemplates no transfer of funds between the parties. In the event this Affirmation of Commitments is terminated, each party shall be solely responsible for the payment of any expenses it has incurred. All obligations of the DOC under this Affirmation of Commitments are subject to the availability of funds.

1117 FOR THE NATIONAL
TELECOMMUNICATIONS
INFORMATION ADMINISTRATION:

1118 Name: Lawrence E. Strickling
Title: Assistant Secretary for
Communications and Information

1119 Date: September 30, 2009
FOR THE INTERNET CORPORATION
AND FOR ASSIGNED NAMES AND
NUMBERS:

1120 Name: Rod Beckstrom
Title: President and CEO

Date: September 30, 2009

Appendix G: Legal Documents

- [Use of Unincorporated Associations in ICANN Governance](#)
03 May 2015
- [Legal Assessment: Executive Summary, Summary Chart and Revised Governance Chart](#)
23 April 2015

- [Legal Assessment: Proposed Accountability Mechanisms Preliminary Response to Legal Subteam Templates \(Work Stream 2\)](#)
20 April 2015

- [Legal Scoping Document](#)
19 March 2014