

# Annex 04 – ~~Details on~~ Recommendation #4: Ensuring Community Involvement in ICANN Decision-making: Seven New Community Powers

## 1. Summary

- The CCWG-Accountability has recommended seven Community Powers that should be in place to improve accountability and ensure community engagement. These are:
  - Reject [a Five-Year Strategic Plan, Five-Year Operating Plan, Annual Operating Plan & Budget](#) or [IANA Functions Budget/Strategic/Operating Plans](#).
  - Reject [a changes](#) to ICANN “Standard Bylaws.”
  - Approve [a changes](#) to “Fundamental Bylaws” and/or Articles of Incorporation, [and/or approve ICANN’s sale or other disposition of all or substantially all of ICANN’s assets](#).
  - Remove [an](#) individual ICANN Board Directors.
  - Recall the entire ICANN Board.
  - Initiate a binding Independent Review Process (IRP) (where a panel decision is enforceable in any court recognizing international arbitration results) [or a non-binding Request for Reconsideration \(where the ICANN Board of Directors is obliged to reconsider a recent decision or action/inaction by ICANN’s Board or staff\)](#).
  - Reject [an](#) ICANN Board decisions relating to reviews of IANA Functions, including the triggering of [any](#) Post-Transition IANA (PTI) separation [process for the IANA naming functions](#).
- The powers and associated processes were designed to ensure that no stakeholder can singlehandedly exercise any power and that under no circumstances would any individual section of the community be able to block the use of a power.

## 2. CCWG-Accountability Recommendations

- 1 The CCWG-Accountability recommends defining the following community powers as Fundamental Bylaws:
  1. Reject [a Five-Year Strategic Plan, Five-Year Operating Plan, Annual Operating Plan & Budget](#) or [IANA Functions Budget/Strategic/Operating Plans](#).
  2. Reject [a changes](#) to ICANN Standard Bylaws.
  3. Approve [a changes](#) to Fundamental Bylaws and/or Articles of Incorporation, [and/or approve ICANN’s sale or other disposition of all or substantially all of ICANN’s assets](#).

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4. Remove [an](#) individual ICANN Board Directors.
  5. Recall the entire ICANN Board.
  6. Initiate a binding IRP (where a panel decision is enforceable in any court recognizing international arbitration results) [or a non-binding Request for Reconsideration \(where the ICANN Board of Directors is obliged to reconsider a recent decision or action/inaction by ICANN's Board or staff\)](#).
  7. Reject ICANN Board decisions relating to reviews of IANA Functions, including the triggering of [any](#) PTI separation [process for the IANA naming functions](#).
- 2 The CCWG-Accountability proposes that a Bylaw be added that states that if the entire ICANN Board is removed, an Interim Board will be established only as long as is required for the selection/election process for the Replacement Board to take place. Supporting Organizations (SOs), Advisory Committees (ACs), and the Nominating Committee will develop replacement processes that ensure the Interim Board will not be in place for more than 120 days. The Interim Board will have the same powers and duties as the Board it replaces. Having a Board in place at all times is critical to the operational continuity of ICANN and is a legal requirement.
- The ICANN Bylaws will state that, except in circumstances in which urgent decisions are needed to protect the security, stability, and resilience of the DNS, the Interim Board will consult with the community through the SO and AC leadership before making major decisions. Where relevant, the Interim Board will also consult through the ICANN Community Forum before taking any action that would mean a material change in ICANN's strategy, policies, or management, including replacement of the serving President and CEO.
  - Note: Details on what the powers do is presented in greater detail in the following section and the details of how these can be used can be found in Annex 2 —[Details on Recommendation #2: Empowering the Community Through Consensus: Engagement, Escalation, Enforcement](#).
- 3 The CCWG-Accountability proposes that there be an exception to rejecting Standard Bylaws in cases where the Standard Bylaw change is the result of a Policy Development Process. The exception would be as follows:
- Fundamental Bylaws would require that the ICANN Board not combine the approval of Bylaw changes that are the result of a Policy Development Process with any other Bylaw changes.
  - Fundamental Bylaws would require the ICANN Board to clearly indicate if a Bylaw change is the result of a Policy Development Process when the Board approves it.
  - Fundamental Bylaws [dealing with rejection of a Bylaw change](#) would require, if the Bylaws change is the result of a Policy Development Process, the SO that led the Policy Development Process to formally support holding a Community Forum and exercise the power to reject the Bylaw change. If the SO that led the Policy Development Process that requires the Bylaw change does not support holding a Community Forum or exercising the power to reject the Bylaw, then the Community Power to reject the Bylaw cannot be used.

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### 3. Detailed Explanation of Recommendations

 <b>REJECT BUDGET OR STRATEGY/ OPERATING PLAN</b>	 <b>REJECT CHANGES TO ICANN STANDARD BYLAWS</b>	 <b>APPROVE CHANGES TO FUNDAMENTAL BYLAWS</b>	
 <b>REMOVE INDIVIDUAL ICANN BOARD DIRECTORS</b>	 <b>RECALL ENTIRE ICANN BOARD</b>	 <b>LAUNCH COMMUNITY INDEPENDENT REVIEW PROCESS</b>	 <b>REJECT ICANN BOARD DECISIONS RELATING TO IANA FUNCTIONS REVIEWS</b>

- 4 The CCWG-Accountability has proposed a set of seven Community Powers designed to empower the community to hold ICANN accountable for the organization's Principles (the Mission, Commitments, and Core Values). The proposed Community Powers are:

The Power to Reject ICANN's Budget or Strategic/Operating Plans

The Power to Reject Changes to ICANN Standard Bylaws

The Power to Remove Individual ICANN Board Directors

The Power to Recall the Entire ICANN Board

The Power to Approve Changes to Fundamental Bylaws and/or Articles of Incorporation [and/or Approve ICANN's Sale or Other Disposition of All or Substantially All of ICANN's Assets](#)

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The Power to Initiate a Binding IRP ([Where a Panel Decision is Enforceable in any Court Recognizing International Arbitration Results](#)) or a [Non-Binding Request for Reconsideration](#)

The Power to Reject ICANN Board Decisions Relating to Reviews of IANA Functions, including the Triggering of [Any](#) PTI Separation [Process](#)

- 5 It is important to note that the above powers, as well as the launch of a Separation Cross Community Working Group<sup>1</sup>, (as required by the CWG-Stewardship dependencies), can be enforced by using the community IRP or the power to recall the entire Board. [If the ICANN Board refuses or fails to comply with a decision of the Empowered Community to use the statutory power to remove an individual ICANN Director or recall the entire ICANN Board \(or with the Empowered Community's appointment of a Director\), the Empowered Community could address that refusal by bringing a claim in a court that has jurisdiction; there is no need for the Empowered Community to initiate or undertake other enforcement processes such as mediation or an IRP to enforce the power.](#)

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**76 The Power to Reject ICANN's Budget or Strategic/Operating Plans**

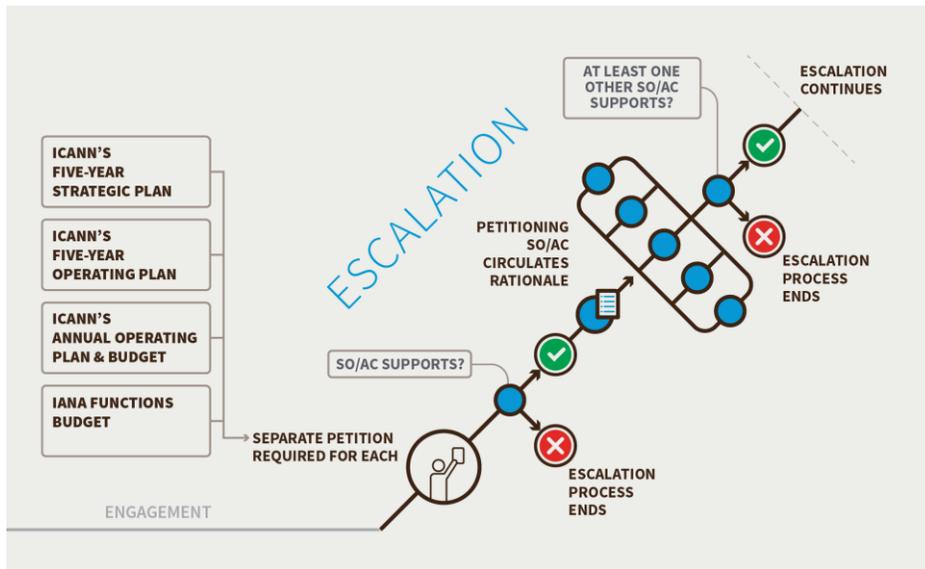
- 87 The right to set budgets and strategic direction is a critical governance power for any organization. By allocating resources and defining the goals to which these resources are directed, Strategic Plans, Operating Plans, and budgets have a significant impact on what ICANN does and how effectively it fulfills its role. The ICANN community already plays an active role in giving input into these key documents through participation in the existing consultation processes ICANN organizes.
- 98 To provide additional accountability safeguards, the CCWG-Accountability has proposed that the community be given the power to reject:
- ICANN's Five-Year Strategic Plan
  - ICANN's Five-Year Operating Plan
  - ICANN's Annual Operating Plan & Budget
  - The IANA Functions Budget

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<sup>1</sup> If the CWG-Stewardship's IANA Function Review determines that a Separation Process [for the IANA naming functions](#) is necessary, it will recommend the creation of a Separation Cross Community Working Group. This recommendation will need to be approved by a supermajority of each of the Generic Names Supporting Organization and the Country-Code Names Supporting Organization Councils, according to their normal procedures for determining supermajority, and will need to be approved by the ICANN Board after a Public Comment Period, as well as [by a Community Mechanism derived from the CCWG-Accountability process-the Empowered Community](#).

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409 The CCWG-Accountability has determined that a separate petition would be required for each budget or Strategic/Operating Plan being challenged. A budget or Strategic/Operating Plan could only be challenged if there are significant issue(s) brought up in the engagement process that were not addressed prior to approval.

4410 To reinforce the bottom-up, transparent and collaborative approach that ICANN currently uses to enable the community to give input into ICANN's budget documents, the CCWG-Accountability recommends adding such a consultation process into the ICANN Bylaws for both the ICANN Budget and the IANA Functions Budget. The Bylaws must assure that sufficient budget detail is available, in a timely way, for the community to carefully consider Budget matters and provide informed and constructive input – and for this input to be thoroughly considered - prior to the Board making decisions on Budget matters.

4211 A community decision to reject a Budget or a plan after it has been approved by the ICANN Board will be 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 rationale for any community veto should be Consensus based.~~ The veto could only concern issues that had been raised in the consultations conducted before the Board approved the budget or plan.

4312 An SO or AC that is a Decisional Participant in the Empowered Community petitioning to reject a budget or Strategic/Operating Plan would be required to circulate a rationale and obtain support for its petition from at least one other SO or AC Decisional Participant according to the escalation process.

4413 The escalation and enforcement processes for rejecting any Strategic/Operating Plan or Annual Budget would be the detailed process presented in Recommendation #2: Empowering the Community through Consensus: Engagement, Escalation, Enforcement.

Commented [w1]: This paragraph was part of 2<sup>nd</sup> draft report and the CWG required its re-introduction. (CWG-Stewardship : we require that the CCWG-Accountability proposal or the implementation process address the matters that are not sufficiently specified in the Third Draft Proposal (i.e., those relating to budget transparency, grounds for rejection of a budget/plan, timing of budget preparation and development of the caretaker budget, each of which were described in the Second Draft Proposal).

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4514 Should the power be used to reject the Annual Budget, a caretaker budget would be implemented. A caretaker budget is one that provides ongoing funding for crucial ICANN functions, while the issue/s that caused the use of the power are resolved. It will be based on current ICANN operations, according to rules developed in the implementation process (which will form a public and transparent “defined approach” to the caretaker budget. The CCWG-Accountability also recommends that the caretaker budget concept be embedded in the Fundamental Bylaws, including the responsibility of the CFO to establish the caretaker budget in accordance with the defined approach.

Commented [w2]: As per Board comment

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### 4615 The IANA Functions Budget

4716 Under this power, the community will be able to consider the IANA Functions Budget as a separate budget. The IANA Functions Budget is currently part of ICANN’s Annual Operating Plan & Budget.

4817 Under the CWG-Stewardship Final Proposal, an itemization of IANA costs as set forth in the IANA Functions Budget would include “Direct Costs for the IANA department”, “Direct Costs for shared resources” and “Support functions allocation”. Furthermore, the CWG-Stewardship Final Proposal states that these costs should be itemized into more specific costs related to each specific function to the project level and below as needed. The IANA Functions Budget requires protection as recommended by the CWG-Stewardship’s Final Proposal. The IANA Functions Budget must be managed carefully and not decreased (without public input) regardless of the status of the other portions of the budget.

Commented [w4]: CWG-Stewardship : we require that the CCWG-Accountability proposal or the implementation process address the matters that are not sufficiently specified in the Third Draft Proposal (i.e., those relating to budget transparency, grounds for rejection of a budget/plan, timing of budget preparation and development of the caretaker budget, each of which were described in the Second Draft Proposal).

4918 The CCWG-Accountability recommends that there should be two distinct processes with respect to the community’s power to reject the IANA Functions Budget and its power to reject the ICANN Budget, meeting the requirements of the CWG-Stewardship set forward by the IANA Stewardship Transition Proposal. The use of the Community Power to reject the ICANN Budget would have no impact on the IANA Functions Budget, and a rejection of the IANA Functions Budget would have no impact on the ICANN Budget.

2019 The escalation and enforcement processes for rejecting an IANA Functions Budget would be the detailed process presented in Recommendation #2: Empowering the Community through Consensus: Engagement, Escalation, Enforcement.

Commented [JTC5]: It seems helpful to generalize this broad statement and to put it above, which I have done.

Should the power be used to reject the annual IANA Functions Budget, a caretaker budget would be implemented (details regarding the caretaker budget are currently under development as noted above for the ICANN Budget). The CCWG-Accountability recommends that the caretaker budget approach be embedded in the Fundamental Bylaws, including the responsibility of the CFO to establish the caretaker budget in accordance with the defined approach.

Commented [w6]: the alternative of a caretaker budget (as currently defined) is considered an acceptable alternative under the conditions that it would only be triggered following the adequate steps of escalation. The Board accepts the above described approach to the veto process and corresponding caretaker Operating Plan and Budget. The Board also recommends that the caretaker budget approach be embedded in the Fundamental Bylaws, including the responsibility of the CFO to establish the caretaker budget in accordance with the defined approach.

2420 The CCWG-Accountability acknowledges that the CWG-Stewardship (or a successor implementation group) is required to develop a proposed process for the IANA Functions Operations-specific budget establishment and review. This process will be a key input for the implementation of this specific power.

Commented [w7]: CWG : In addition, we note, that the CWG-Stewardship (or a successor implementation group) is required to develop a proposed process for the IANA Functions Operations-specific budget review. We require that the proposal specifically acknowledge this. (Edited for space considerations, Please read the original submission for all details associated with this point)

2221 The CWG-Stewardship may wish to detail the planning process by which the IANA Functions Budget is established as part of its implementation programme of work, including the level of detail required to be provided for community input and the timeframes for consultations and approvals. The CCWG-Accountability limits its requirements to those set out in this Recommendation.

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[2322](#) In implementation, any process through which a portion or the whole of the IANA Functions Budget is subject to rejection should include the voice of the operational communities served by the IANA functions. The process must also be implemented in such a way as to ensure the stable and continuous delivery of the IANA Functions, and that ensures the proper delivery of contractual service levels to the respective operational communities.

Commented [w8]: Updated draft to reflect discussions during 1st reading

### [2423](#) The Power to Reject Changes to ICANN Standard Bylaws

[2524](#) In addition to the safeguard against the possibility that the ICANN Board could unilaterally amend Fundamental Bylaws without consulting the community, the CCWG-Accountability recommends that the community be given the power to reject changes to Standard ICANN Bylaws after the Board approves them, but before the changes go into effect. Any changes approved by the Board would take [3045](#) days to go into effect to enable the community to decide whether a petition to reject the change should be initiated.

[2625](#) This power, with respect to Standard Bylaws, is a rejection process that is used to tell the ICANN Board that the community does not support a Board-approved change. It does not enable the community to rewrite a Standard Bylaw change that has been proposed by the Board.

[2726](#) It is important to note that the CCWG-Accountability has been careful to try not to change ICANN's core policy-making processes. The tools it has proposed to improve accountability are generally aimed at ICANN-wide issues, not policy development in the SOs. However, the power to reject a Standard Bylaw change could interfere with the implementation of a Policy Development Process that requires such a change. To ensure this power does not interfere with ICANN's bottom-up Policy Development Processes, the CCWG-Accountability has added an exception to the Standard Bylaws rejection power to ensure that a Bylaw change that is the result of a Policy Development Process cannot be rejected after it is approved by the ICANN Board without the approval of the SO that led the Policy Development Process.

[2827](#) The escalation and enforcement processes for this power are as presented in Recommendation #2: Empowering the Community through Consensus: Engagement, Escalation, Enforcement, with the following exception:

[2928](#) The CCWG-Accountability proposes that there be an exception to rejecting Standard Bylaws in cases where the Standard Bylaw change is the result of a Policy Development Process. The exception would be as follows:

- Fundamental Bylaws would require that the ICANN Board not combine the approval of Bylaw changes that are the result of a Policy Development Process with any other Bylaw changes.
- Fundamental Bylaws would require the ICANN Board to clearly indicate if a Bylaw change is the result of a Policy Development Process when the Board approves it.
  - Fundamental Bylaws dealing with rejection of a Bylaw change would require, if the Bylaws change is the result of a Policy Development Process, the SO that led the Policy Development Process to formally support holding a Community Forum and exercise the power to reject the Bylaw change. If the SO that led the Policy Development Process that requires the Bylaw change does not support holding a Community Forum or exercising the power to reject the Bylaw, then the community power to reject the Bylaw cannot be used.

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**3029 The Power to Approve Changes to Fundamental Bylaws and/or Articles of Incorporation and/or Approve ICANN's Sale or Other Disposition of All or Substantially All of ICANN's Assets**

**3130** To safeguard against the possibility that the ICANN Board could unilaterally amend Bylaws and/or Articles of Incorporation without consulting the community, the CCWG-Accountability determined that the community consultation process should be reinforced in Fundamental Bylaws. The proposed set of Fundamental Bylaws would be harder to change than the Standard Bylaws for two reasons:

- The authority to change Fundamental Bylaws and/or Articles of Incorporation would be shared between the ICANN Board and the [ICANN-Empowered Community](#).
- The required threshold of [Board](#) support to change a Fundamental Bylaw would be significantly higher than the threshold to change a Standard Bylaw.

**31** The CCWG-Accountability emphasizes the importance for the ICANN Board and [ICANN-Empowered Community](#) to be able to define new Fundamental Bylaws and/or Articles of Incorporation over time, or to change or remove existing ones to ensure that ICANN can adapt to the changing Internet environment.

**32** [The same escalation process applies to ICANN's sale or other disposition of all or substantially all of ICANN's assets.](#)

**33** **The escalation process for this power is as follows:**

**34** **Step 1. The ICANN Board Publishes its Approval of a Change to the Fundamental Bylaws and/or Articles of Incorporation and/or Sale or Other Disposition of All or Substantially All of ICANN's Assets**

**35** **Step 2. Holding a Community Forum (30 Days to Organize and Hold the Event from the Date of the publication by the Board)**

- ⊙ It is expected that this will only involve remote participation methods, such as teleconferences and Adobe Connect-type meetings over a period of one or two days at most. Unless the timing allows participants to meet at a regularly scheduled ICANN meeting, there is no expectation that participants will meet face to face. The Community Forum would be open to all interested participants and ICANN will provide support services, including the publishing of recordings and transcripts. Representatives of the ICANN Board are expected to attend and be prepared to address the issues raised.
- ⊙ The purpose of the Community Forum is information-sharing (the rationale for the petition, etc.) and airing views on the petition by the community. Accordingly, any SO or AC may circulate in writing their preliminary views on the exercise of this Community Power.
- ⊙ The Community Forum will not make decisions nor seek consensus. It will not decide whether to advance the petition to the decision stage; [although the issue may be resolved before or in the Community Forum. Resolving an issue will be confirmed by the Decisional Participants that supported the petition formally agreeing, in accordance with their own](#)

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~~mechanisms, that the escalation process should be halted. This decision is up to the SOs and/or ACs to determine after the Forum.~~

- ⊙ The Community Forum should be managed/moderated in a fair and neutral manner.
- ⊙ Should the relevant ~~SOs or ACs~~ Decisional Participants determine a need for further deliberation, a second and third session of the Community Forum could be held.
- ⊙ ICANN staff will collect and publish a public record of the Forum(s), including all written submissions.

36 **Step 3. Decision to use a Community Power as an Empowered Community (21 Days from the Conclusion of the Community Forum)**

- ⊙ If three or more ~~SOs and/or ACs~~ Decisional Participants support and no more than one objects within the 21-day period, the ~~Sele-Designator~~ Empowered Community will use its power to approve the change to the Fundamental Bylaws.
- ⊙ If the required thresholds during the 21-day period are not met, the escalation ends without the changes to the Fundamental Bylaws being approved.

37 **Step 4. Advising the ICANN Board (1 Day)**

- ⊙ The Empowered Community will advise the Board of its decision.

38 **The Power to Remove Individual ICANN Board Directors**

39 The ~~proposed~~ power to Remove Individual ICANN Board Directors would allow for the removal of a Director before the Director's current term comes to an end. This was a formal requirement from the CWG-Stewardship. ~~Currently, the power to remove Individual Directors is only available to the Board itself as per the existing Bylaws.~~

40 Given ICANN Board Directors can be nominated in two significantly different ways, specific SO or AC nomination or Nomination Committee nomination, the processes for removing each type of Director will be different.

41 In cases where the nominating SO or AC perceives that there is a significant issue with its appointed Director, it can use the following escalation process to determine if removal of the Director is recommended. It is important to note that this process can only be used once during a Director's term if the process reaches the step of holding a ~~Ce~~ community Forum or above and then fails to remove the Director.

42 As a condition to being nominated by an AC, an SO, or the Nominating Committee and seated on the Board, each Director-nominee shall be required to sign an irrevocable letter agreement that:

- Expresses a contractual commitment that: (1) Acknowledges that the nominating AC or SO, or, for directors ~~appointed~~ nominated by the Nominating Committee, the Empowered

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Community, has the right to remove the director from service at any time and for any reason through the processes set out in the Bylaws (as described below); (2) Confirms that service as a director does not establish any employment or other relationship to ICANN, the Empowered Community, the ACs, the SOs, or the Nominating Committee, or the agents of any of them, that provides any due process rights related to termination of service as a director other than those specified in the Bylaws; and (3) Waives any and all claims against, and releases from all liability, ICANN, the Empowered Community, the ACs, the SOs, the Nominating Committee, and all of their agents, and any other individuals participating in the removal process, arising from or in connection with the removal process.

- Provides a conditional irrevocable resignation from the Board that is automatically effective upon a final determination of removal through the individual director removal process or the full ~~bB~~Board recall process upon communication of such decision to the Board (as set forth below).
- 43 Indemnification associated with the removal of individual ICANN Board directors **[following items pending approval by the ICANN Board as of the time of writing]:**
- If a director initiates a lawsuit in connection with his or her removal or recall (for example, a director claims that he was libeled in the written rationale calling for his removal), ICANN will provide indemnification and advance expenses as provided below.
  - Indemnification will be available (i) to a member of an ~~an Supporting Organization~~SO, an ~~Advisory Committee~~AC, the Nominating Committee, or the Empowered Community (ii) who is acting as a representative of such organization or committee (iii) for actions taken by such representative in such capacity pursuant to processes and procedures set forth in the Bylaws (for example, the chair of an ~~an Supporting Organization~~SO submitting a written rationale for the removal of a director).
  - As required by California law and consistent with ICANN's current Bylaws, indemnification will only be available if the actions were taken (i) in good faith and (ii) in a manner that the indemnified person reasonably believed to be in the best interests of ICANN.
  - Guidelines for standards of conduct that will be ~~be presumed to be~~ presumed to be in good faith (for example, conducting reasonable due diligence as to the truthfulness of a statement) will be developed in Work Stream 2.
  - Indemnification will cover amounts actually and reasonably incurred in connection with the lawsuit, such as ~~reasonable attorneys' fees of no more than one firm,~~ judgments, and settlements approved by the Board in its reasonable discretion.
  - ICANN will advance funds to cover defense expenses where the person meeting the requirements set forth above undertakes to repay to ICANN amounts received for expenses for which the requirements for indemnification are ultimately determined not to have been met.

Commented [JS9]: "Contemplated by" is too broad and vague.

Commented [JS10]: "Presumed" already covers this and we should avoid making readers try to give meaning to every word when one word will due.

Commented [JS11]: There needs to be a limit on the attorneys' fees that will be covered. ICANN cannot afford to cover someone hiring 10 different firms.

Commented [JS12]: The Board needs to have approval over these settlements, otherwise ICANN could be put into a situation where it is indirectly making a settlement payment to a current or recently removed director.

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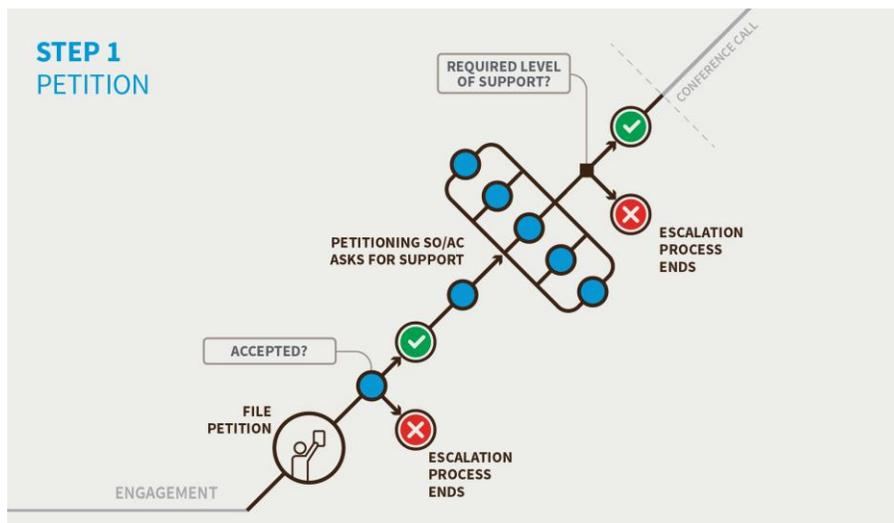
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#### 4544 **Directors Nominated by the Nominating Committee (and Appointed by the Empowered Community)**

#### 4645 **Step 1. Triggering Individual ICANN Board Director Removal by Community Petition (21 Days from the Official Posting of the Original Petition)**

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- ⦿ Begin a petition in an SO or AC [that is a Decisional Participant in the Empowered Community](#).
- ⦿ Any individual can begin a petition as the first step to using a Community Power. A petition must be supported by a written rationale stating the reasons why removal is sought.
- ⦿ For the petition to be accepted, the SO or AC, in accordance with its own mechanisms, must accept the petition.
- ⦿ Prior to completion of the petition phase, the affected Director and the Chair of the Board (or Vice Chair if appropriate) [are](#) invited to a dialogue, which also includes the individual(s) bringing the petition and the chair of the SO/AC where the petition is under consideration. The purpose of the dialogue is to gain a full understanding of the issues leading to the petition and consider if there are other ways to address the concerns.
- ⦿ If the SO or AC does not approve the petition within 21 days, the escalation process terminates.
- ⦿ If the SO or AC approves the petition, it can proceed to the next step.

**4746 Step 2. Triggering Review by Community Petition Part Two (Seven Days from the End of the Previous Step)**

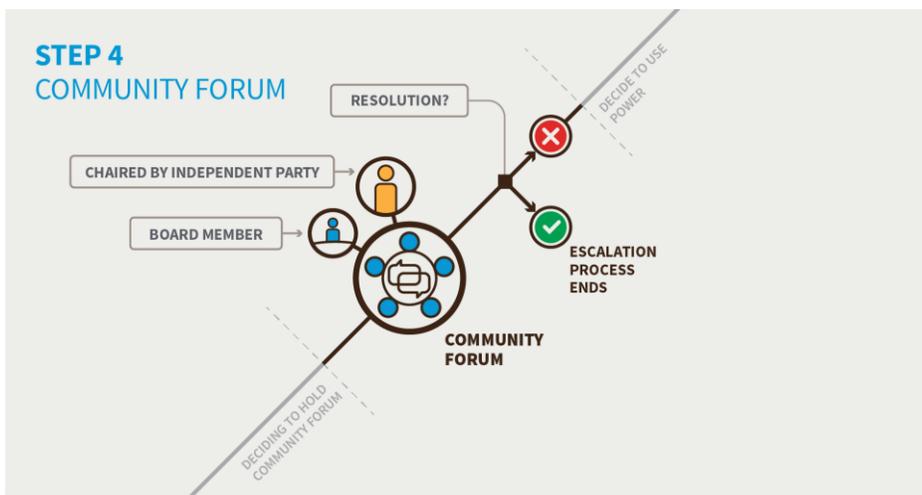
- ⦿ The SO or AC that approved the petition contacts the other Decisional Participants in the Empowered Community to ask them to support the petition. At least one additional Decisional Participant must support the petition (for a minimum of two) for a Community Forum to be organized to discuss the issue.

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- ⦿ If the petition fails to gather the required level of support within seven days, the escalation process terminates ~~(except for removal of an individual Director)~~.
- ⦿ If a minimum of two Decisional Participants support the petition within seven days, a Community Forum is organized.

4847 **Step 3. Holding a Community Forum (21 Days to Organize and Hold the Event from the Date of the Decision to Hold It)**



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- ⦿ It is expected that this will only involve remote participation methods, such as teleconferences and Adobe Connect-type meetings over a period of one or two days at most. Unless the timing allows participants to meet at a regularly scheduled ICANN meeting, there is no expectation that participants will meet face to face.
- ⦿ The Community Forum would be open to all interested participants and ICANN will provide support services. The ICANN Board Director that is the subject of the petition would be invited and expected to attend and be prepared to address the issues raised.
- ⦿ The purpose of the Community Forum is information-sharing (the rationale for the petition, etc.) and airing views on the petition by the community. Accordingly, any SO or AC may circulate in writing their preliminary views on the exercise of this Community Power.
- ⦿ The Community Forum will not make decisions nor seek consensus. It will not decide whether to advance the petition to the decision stage; although the issue may be resolved before or in the Community Forum. Resolving an issue will be confirmed by the Decisional Participants that supported the petition formally agreeing, in accordance with their own mechanisms, that the escalation process should be halted. This decision is up to the SOs and/or ACs to determine after the Forum.
- ⦿ The Community Forum should be managed/moderated in a fair and neutral manner.

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- ⦿ Should the relevant SOs or ACs determine a need for further deliberation, a second and third session of the Community Forum could be held.
- ⦿ Staff will collect and publish a public record of the Forum(s), including all written submissions.
- ⦿ If the Empowered Community and the ICANN Board Director can resolve the issue in the Community Forum, the escalation process terminates. Note after this point, this process cannot be used again by the [community-Empowered Community](#) to remove this specific ICANN Board Director during [his or her](#) ~~the~~ current term.
- ⦿ If the Empowered Community and the ICANN Board Director cannot resolve the issue, the community must decide if it wishes to take further action.

#### 4948 Step 4. Decision to use a Community Power as an Empowered Community (21 Days from the Conclusion of the Community Forum)



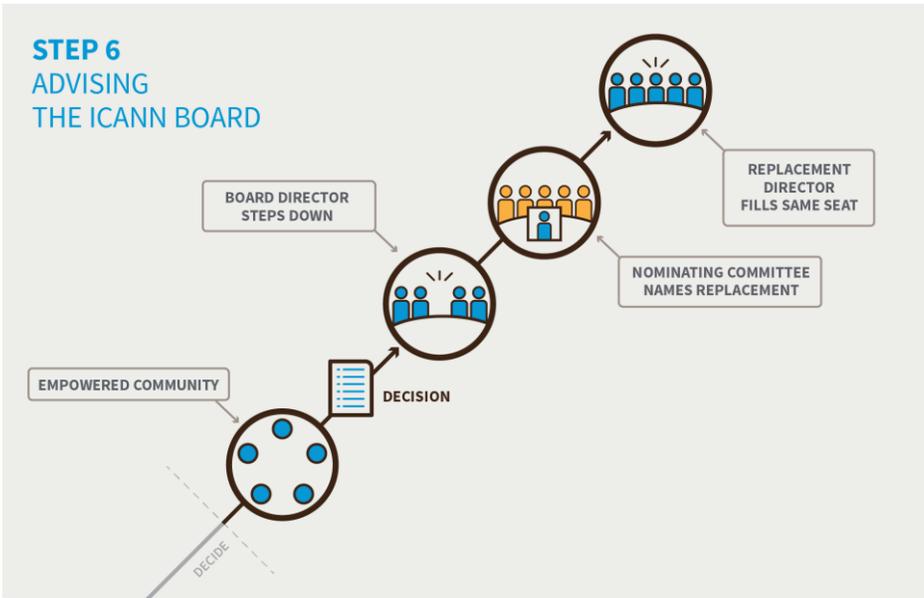
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- ⦿ If **three** or more [SOs and/or ACs](#) [Decisional Participants](#) support and no more than one objects within the 21-day period, the [Sole Designator](#) [Empowered Community](#) will use its power. The community will also publish an explanation of why it has chosen to do so. The published explanation can reflect the variety of underlying reasons.
- ⦿ If the proposal [for the Empowered Community](#) to use a Community Power [as the Empowered Community](#) does not meet the required thresholds during the 21-day period, the escalation process terminates.

#### 5049 Step 5. Advising the ICANN Board (One Day)

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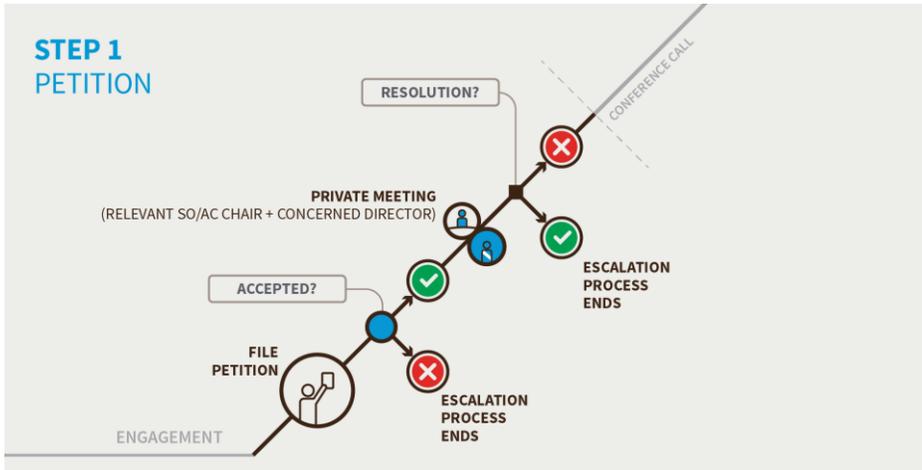
- ⦿ If the Empowered Community has decided to use its power, it will advise the ICANN Board Director of the decision and direct it to comply with the decision.
- ⦿ Naming a replacement:
  - The Nominating Committee may instruct the ~~Sole Designator~~ [Empowered Community](#) to appoint a new Director. It is expected that the Nominating Committee will amend its procedures so as to have several “reserve” candidates in place.
  - Replacement Directors will fill the same “seat” and their term will come to an end when the term of the original Director was to end.

**5150 [Directors Nominated by a Supporting Organization or Advisory Committee \(and Appointed by the Empowered Community\)](#)**

**5251 [Step 1. Triggering Individual ICANN Board Director Removal by Community Petition \(21 Days from the Official Posting of the Original Petition\)](#)**

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- ⊙ The petition can only be started in the SO or AC that nominated the Director [and that is a Decisional Participant in the Empowered Community](#).
- ⊙ Any individual can begin a petition as the first step to using a Community Power.
- ⊙ For the petition to be accepted, the SO or AC, in accordance with its own mechanisms, must accept the petition.
- ⊙ If the SO or AC does not approve the petition within 21 days, the escalation process terminates.
- ⊙ If the SO or AC approves the petition, it can proceed to the next step.

**53 — Step 2. Triggering Review by Community Petition Part Two (Seven Days from the End of the Previous Step)**

- ~~⊙ The SO or AC that approved the petition contacts the other Decisional Participants in the Empowered Community to ask them to support the petition. At least one additional Decisional Participant must support the petition (for a minimum of two) for a Community Forum will to be organized to discuss the issue if supported by a majority within the nominating SO/AC.~~
- ~~⊙ If the petition fails to gather the required level of support within seven days, the escalation process terminates (except for removal of an individual Director).~~
- ~~⊙ If a majority within the nominating SO/AC minimum of two Decisional Participants support the petition within seven days, a Community Forum is organized.~~

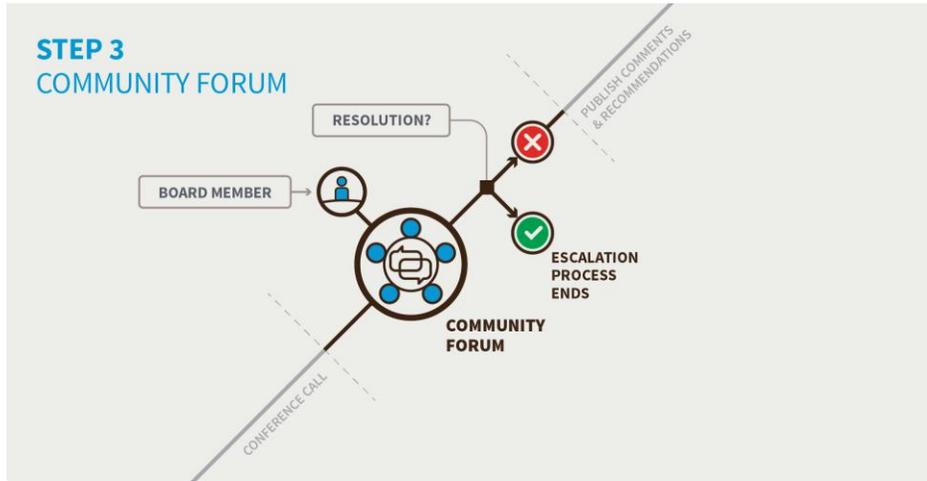
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5552 **Step 23. Holding a Community Forum (21 Days to Organize and Hold the Event from the Date of the Decision to Hold It)**



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- ⦿ It is expected that this will only involve remote participation methods, such as teleconferences and Adobe Connect-type meetings over a period of one or two days at most. Unless the timing allows participants to meet at a regularly scheduled ICANN meeting, there is no expectation that participants will meet face to face. The Community Forum would be open to all interested participants and ICANN will provide support services. The ICANN Board Director that is the subject of the petition would be invited and expected to attend and be prepared to address the issues raised.
- ⦿ The purpose of the Community Forum is information-sharing (the rationale for the petition, etc.) and airing views on the petition by the community. Accordingly, any SO or AC may circulate in writing their preliminary views on the exercise of this Community Power.
- ⦿ The Community Forum will not make decisions nor seek consensus. It will not decide whether to advance the petition to the decision stage; although the issue may be resolved before or in the Community Forum. Resolving an issue will be confirmed by the nominating SO/AC that supported the petition formally agreeing, in accordance with its own mechanisms, that the escalation process should be halted. This decision is up to the SOs and/or ACs to determine after the Forum.
- ⦿ The Community Forum should be managed/moderated in a fair and neutral manner **and cannot involve a representative of the nominating SO or AC.**
- ⦿ Should the relevant SOs or ACs determine a need for further deliberation, a second and third session of the Community Forum could be held.
- ⦿ Staff will collect and publish a public record of the Forum(s), including all written submissions.
- ⦿ If the Empowered Community and the ICANN Board Director can resolve the issue in the Community Forum, the escalation process terminates. Note after this point, this process

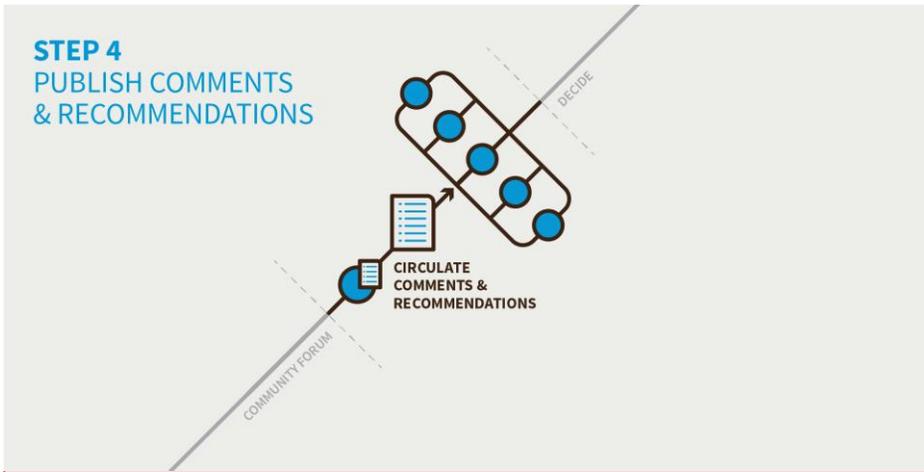
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cannot be used again by the [Empowered Community](#) to remove this specific ICANN Board Director during its current term.

- ⦿ If the Empowered Community and the ICANN Board Director cannot resolve the issue, the [Empowered Community](#) must decide if it wishes to take further action.
  - At the end of the Community Forum, the Community Forum Chair will issue a formal call for comments and recommendations from the community within seven days, and input received will be sent to the relevant SO or AC and posted publicly.

**5653 Step 34. Supporting Organizations and/or Advisory Committees Publish their Comments and Recommendations (Seven Days)**



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**5754 Step 45. Decision to Use a Community Power as a ~~Decisional Participant~~ Empowered Community (21 Days from the Conclusion of the Period for Supporting Organization and Advisory Committee Comments)**

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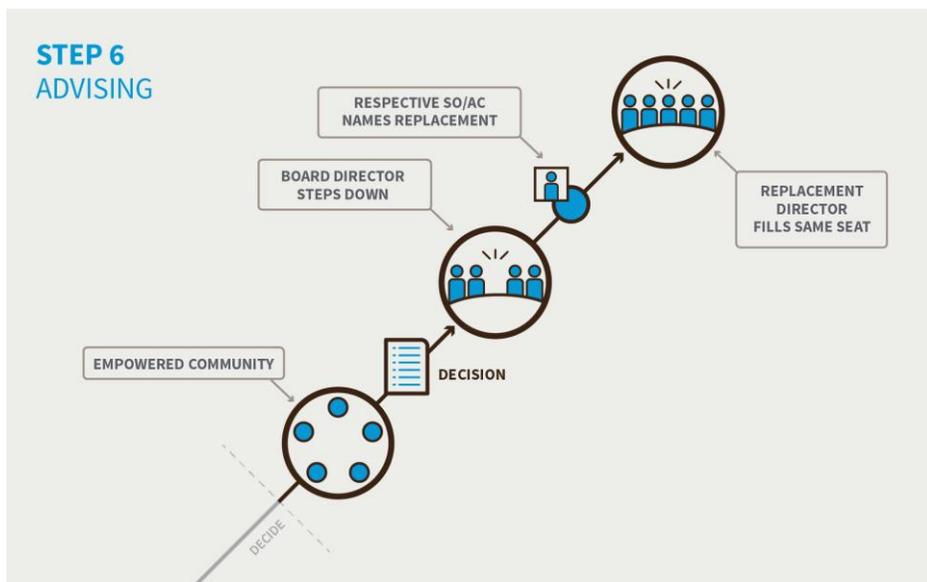
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- ⦿ If a [three-quarters majority within](#) the nominating SO or AC supports using the power within the 21-day period, the [Sole Designator Empowered Community](#) will use its power. The SO or AC will also publish an explanation of why it has chosen to do so.
- ⦿ If the nominating SO or AC does not [adequately](#) support using the power within the 21-day period, the escalation process terminates.

5855 Step 56. Advising the ICANN Board (One Day)



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- ⦿ If the Empowered Community has decided to use its power, it will advise the ICANN Board Director of the decision and direct it to comply with the decision.
- ⦿ Naming a replacement:
  - The ~~respective nominating~~ SO or AC is responsible for nominating an individual to fill the vacancy on the ICANN Board through its usual process (as set out in Article VI, Section 12.1 of the Bylaws).
  - Replacement Directors will fill the same "seat" and their term will come to an end when the term of the original Director was to end. A Director appointed in such circumstances will not have their remaining time in the role counted against any term limits, to which they would otherwise be subject.

#### **5956 The Power to Recall the Entire ICANN Board**

**6057** The CCWG-Accountability believes there may be situations where removing individual Directors from ICANN's Board may not be a sufficient accountability remedy for the community.

**6458** In cases where the community perceives that a set of problems has become impossible to resolve, the community may wish to signal its lack of confidence in the Board by petitioning for a recall (i.e., the removal) of the entire ICANN Board (except the CEO, who is appointed by the Board). The power to recall a Board is a critical enforcement mechanism for the [Empowered Community](#) under the Sole Designator model because it can be used to support the other Community Powers and provide a final and binding accountability mechanism.

**6259** By exercising this power, the entire ICANN Board (except the CEO) could be removed by the community. However, it is unlikely that the [Empowered Community](#) would use this power lightly, and the engagement and escalation processes are designed to encourage agreement between the Board and the [Empowered Community](#). If the ICANN Board were to be recalled, an Interim Board would be put in place. Interim Directors would be named with the exercising of the Community Power to ensure continuity.

**6360** The CCWG-Accountability expects that this power would only be exercised as a last resort after all other attempts at resolution have failed. As a recall of the Board would be extremely disruptive for the entire organization, the CCWG-Accountability has included several safeguards in the proposed escalation process to ensure that this decision reaches the maturity and level of support needed before it can be used.

#### **6461 Step 1. Triggering Recalling the ICANN Board Directors by Community Petition (21 Days from the Official Posting of the Original Petition)**

- ⦿ Begin a petition in an SO or AC [that is a Decisional Participant in the Empowered Community](#).
- ⦿ Any individual can begin a petition as the first step to using a Community Power.
- ⦿ For the petition to be accepted, the SO or AC, in accordance with its own mechanisms, must accept the petition.

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- ⦿ If the SO or AC does not approve the petition within 21 days, the escalation process terminates.
- ⦿ If the SO or AC does approve the petition within the 21-day period, it proceeds to the next step.

**6562 Step 2. Triggering Removal of ICANN Board by Community Petition Part Two (Seven Days from the End of the 4521-Day Period of the Previous Step)**

- ⦿ The SO or AC that approved the petition contacts the other Decisional Participants in the Empowered Community to ask them to support the petition. At least two additional Decisional Participant must support the petition (for a minimum total of three) for a Community Forum to be organized to discuss the issue.
- ⦿ If the petition fails to gather the required level of support within seven days, the escalation process terminates ~~(except for removal of an individual Director)~~.
- ⦿ If a minimum of ~~two~~three Decisional Participants support the petition within seven days, a Community Forum is organized.
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**6663 Step 3. Holding a Community Forum (21 Days to Organize and Hold the Event from the Date of the Decision to Hold It)**

- ⦿ The power to recall the entire Board would require a face-to-face meeting. The three or more SOs or ACs that approved holding the Community Forum would decide if holding the Community Forum can wait until the next regularly scheduled ICANN meeting or if a special meeting is required to bring participants together. In both of these cases, the three or more SO or ACs that have requested the Community Forum will publish the date for holding the event which will not be subject to the 21-day limitation. In this case, the Community Forum would be considered completed at the end of the face-to-face meeting.
- ⦿ The Community Forum would be open to all interested participants and ICANN will provide support services. The ICANN Board would be invited and expected to attend and be prepared to address the issues raised.
- ⦿ The purpose of the Community Forum is information-sharing (the rationale for the petition, etc.) and airing views on the petition by the community. Accordingly, any SO or AC may circulate in writing their preliminary views on the exercise of this Community Power
- ⦿ The Community Forum will not make decisions nor seek consensus. It will not decide whether to advance the petition to the decision stage: although the issue may be resolved before or in the Community Forum. Resolving an issue will be confirmed by the Decisional Participants that supported the petition formally agreeing, in accordance with their own mechanisms, that the escalation process should be halted. This decision is up to the SOs and/or ACs to determine after the Forum.
- ⦿ The Community Forum should be managed/moderated in a fair and neutral manner.
- ⦿ Should the relevant SOs or ACs determine a need for further deliberation, a second and third session of the Community Forum could be held.

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- ⦿ Staff will collect and publish a public record of the Forum(s), including all written submissions.
- ⦿ If the Empowered Community and the ICANN Board can resolve the issue in the Community Forum, the escalation process terminates.
- ⦿ If the Empowered Community and the ICANN Board cannot resolve the issue, the [Empowered Community](#) must decide if it wishes to take further action.

**6764 Step 4. Decision to use a Community Power as an Empowered Community (21 Days from the Conclusion of the Community Forum)**

- ⦿ If **four** or more [SOs and/or ACs](#) [Decisional Participants](#) support and no more than one objects within the 21-day period, the [Sole Designator](#) [Empowered Community](#) will use its power. The community will also publish an explanation of why it has chosen to do so. The published explanation can reflect the variety of underlying reasons. [In a situation where the GAC may not participate as a Decisional Participant because the Community Power is proposed to be used to challenge the Board's implementation of GAC advice and the threshold is set at four in support, the power will still be validly exercised if three are in support and no more than one objects.](#)
- ⦿ If the proposal to use a Community Power as the Empowered Community does not meet the required thresholds during the 21-day period, the escalation process terminates.

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**6865 Step 5. Advising the ICANN Board (One Day)**

- ⦿ If the Empowered Community has decided to use its power, it will advise the ICANN Board Director of the decision and direct it to comply with the decision.

~~⦿ Naming a replacement:~~

- ~~⦿ The Nominating Committee may instruct the Sole Designator to appoint a new Director. It is expected that the Nominating Committee will amend its procedures so as to have several "reserve" candidates in place.~~
- ~~⦿ Replacement Directors will fill the same "seat" and their term will come to an end when the term of the original Director was to end.~~

**6966 Interim Board**

The CCWG-Accountability proposes that a Bylaw be added that states that if the Board is removed, the Interim Board will be in place only as long as is required for the selection/election process for the Replacement Board to take place. SOs, ACs, and the Nominating Committee will develop replacement processes that ensure the Interim Board will not be in place for more than 120 days. The Interim Board will have the same powers and duties as the Board it replaces. Having a Board in place at all times is critical to the operational continuity of ICANN and is a legal requirement.

**7067** The ICANN Bylaws will state that, except in circumstances of where urgent decisions are needed to protect the security, stability, and resilience of the DNS, the Interim Board will consult with the community through the SO and AC leadership before making major decisions. Where relevant, the Interim Board will also consult through the ICANN Community Forum before taking

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any action that would mean a material change in ICANN's strategy, policies, or management, including replacement of the serving President and CEO.

**7468. The Power to initiate a Community Independent Review Process or Request for Reconsideration**

7269 A community IRP or request for reconsideration may be launched ~~for reasons outside of enforcing a decision~~ as described in Recommendation #2: Empowering the Community through Consensus: Engagement, Escalation, Enforcement. One example could be to require ICANN to provide documents as required under the right of inspection requirement.

7370 A community IRP may be launched for any of the following reasons:

- Hear and resolve claims that ICANN through its Board of Directors or staff has acted (or has failed to act) in violation of its Articles of Incorporation or Bylaws (including any violation of the Articles of Incorporation or Bylaws resulting from action taken in response to advice/input from any AC or SO).
- Hear and resolve claims that PTI through its Board of Directors or staff has acted (or has failed to act) in violation of its contract with ICANN and the CWG-Stewardship requirements for issues related to the IANA naming functions.
- Hear and resolve claims that expert panel decisions are inconsistent with ICANN's Bylaws.
- Hear and resolve issues relating to DIDP decisions by ICANN which are inconsistent with ICANN Bylaws.
- Hear and resolve claims initiated by the Empowered Community with respect to matters reserved to the Empowered Community in the Articles of Incorporation or Bylaws .

71 A request for reconsideration can be initiated so as to oblige the Board of Directors to reconsider a recent decision or action/inaction by the ICANN Board or staff.

7472 The escalation and enforcement processes ~~will be the same as for rejecting an IANA Functions Budget~~ initiating a community IRP or a request for reconsideration are detailed in Recommendation #2: Empowering the Community through Consensus: Engagement, Escalation, Enforcement.

**7573. The Power to Reject ICANN Board Decisions Relating to Reviews of IANA Functions, including the Triggering of Any Post-Transition IANA Separation Process for the IANA Naming Functions**

7674 The IANA Functions Review, Special IANA Function Review, and the Separation Cross Community Working Group are all ~~structures-accountability mechanisms for the IANA naming functions~~ that the CWG-Stewardship has requested the CCWG-Accountability constitute in the Fundamental Bylaws ~~to oversee the operations of the IANA Functions Operator~~. As such, these structures will exist within ICANN and many of their recommendations will require ICANN Board approval before implementation (i.e., change in the Statement of Work for the IANA Functions Operator). The CWG-Stewardship determined it was critical that the recommendations of these various bodies be respected by the ICANN Board, and so further required that the CCWG-

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Accountability provide mechanisms to ensure that the recommendations from these bodies could be enforced.<sup>2</sup>

<sup>75</sup> The escalation and enforcement processes ~~will be the same as~~ for rejecting an [ICANN Board decision relating to Special IANA Function Review and Separation Cross Community Working Group recommendations](#)~~IANA Functions Budget~~ are detailed in Recommendation #2:

Empowering the Community through Consensus: Engagement, Escalation, Enforcement.

<sup>776</sup> [The right to reject ICANN Board decisions relating to reviews of IANA functions, including ICANN Board decisions relating to Special IANA Function Review and Separation Cross Community Working Group recommendations, can be exercised by the Empowered Community an unlimited number of times.](#)

## 4. Changes from the “Third Draft Proposal on Work Stream 1 Recommendations”

- Budget rejection for PTI significantly updated
- Caretaker budget expanded.
- Indemnification for removal of an ICANN Board Director greatly expanded.
- Escalation steps amended to match process in [R](#)ecommendation #2.
- [Scope of Community IRP modified to match \[R\]\(#\)ecommendation #7.](#)
- [The Power to Approve Changes to Fundamental Bylaws and/or Articles of Incorporation is now: The Power to Approve Changes to Fundamental Bylaws and/or Articles of Incorporation and/or Approve ICANN’s Sale or Other Disposition of All or Substantially All of ICANN’s Assets](#)
- [The Power to Initiate a Binding IRP \(Where a Panel Decision is Enforceable in any Court Recognizing International Arbitration Results\) now includes the possibility for the Empowered Community to file a Request for Reconsideration.](#)

## 5. How does this meet the CWG-Stewardship Requirements?

- The Power to Reject ICANN’s Budget or Strategy/Operating Plans directly meets the following CWG-Stewardship requirement:
  - ICANN Budget: Community rights regarding the development and consideration of the ICANN Budget.
- The Power to Remove Individual ICANN Board Directors and The Power to Recall the Entire ICANN Board directly meets the following CWG-Stewardship requirement:

<sup>2</sup> Consult the [CWG-Stewardship Final Report](#) for further details.

- ICANN Board: Community rights regarding the ability to appoint/remove Directors of the ICANN Board, and recall the entire Board.
- The Power to Approve Changes to Fundamental Bylaws is directly related to the following CWG-Stewardship requirement:
  - Fundamental Bylaws: All of the foregoing mechanisms are to be provided for in the ICANN Bylaws as Fundamental Bylaws.

## 6. How does this address NTIA Criteria?

### [7977](#) **Support and enhance the multistakeholder model.**

- Decentralizing power within ICANN through an Empowered Community.
- Establishing a public Community Forum to ensure that all voices and perspectives are heard before execution of a Community Power.
- Recommending a process where all are welcome to participate in the consultation processes prior to designing the document that will be put for discussion.
- Retaining decision-making based on consensus rather than voting.

### [7978](#) **Maintain the security, stability, and resiliency of the Internet DNS.**

- Elaborating Community Powers associated with a defined escalation process.
- The multi-step engagement process associated with the escalation process prevents single-step actions and encourages a conciliatory approach.
- The escalation process includes high thresholds for using accountability actions that based on consensus of the entire community. This process provides safeguards to prevent a situation where an SO/AC might initiate a petition to reject with the intention of negatively impacting another SO/AC's budget by ensuring that no single SO/AC can use a power singlehandedly and no single AC/SO can singlehandedly block the use of a power.

### [8079](#) **Meet the needs and expectation of the global customers and partners of the IANA services.**

- Including limited timeframes, transparent processes, and associated thresholds to maintain operational viability.

### [8480](#) **Maintain the openness of the Internet.**

- Establishing a public Community Forum to ensure that all voices and perspectives are heard before execution of a Community Power.
- Preserving policies of open participation in ICANN's SOs and ACs.

- The escalation process includes the convening of a Community Forum where all would be welcome to participate as a potential step. In addition, all are welcome to participate in the consultation process that organized to elaborate these key documents.
- 

**8281 NTIA will not accept a proposal that replaces the NTIA role with a government-led or an inter-governmental organization solution.**

- Retaining decision-making based on consensus rather than voting.
  - Maintaining the advisory role of governments in the SO and AC structure.
-