Memorandum of Understanding

1. The Number Resource Organization
   The name of this organization is the Number Resource Organization (NRO).

   The organization shall begin operations on the date this document is signed by the last founding Regional Internet Registry (RIR).

   The organization shall initially be unincorporated, but may be legally incorporated in a jurisdiction acceptable to all RIRs. Any legal obligations incurred or undertakings made by the NRO either in its unincorporated status, or once incorporated, shall require the prior written commitment of all RIRs through the signature of all RIR CEOs.

   The NRO will include those RIRs who are signatories to this document. The domicile and characteristics of this legal incorporation shall be agreed to in a supplemental writing signed by each RIR before it can be executed.

2. Purpose
   The NRO shall be operated for the purpose of:

   Serving as the coordinating mechanism of the RIRs to act collectively on matters relating to the interests of the RIRs, as delegated to the NRO by the unanimous written agreement of the RIRs.

   Undertaking any joint operational or external activities delegated to the NRO by the RIRs.

   Entering into appropriate cooperative agreements with representative Internet coordination or administrative bodies (including any national, international or public sector entity), on such terms as the NRO Executive Council deems appropriate, in order to coordinate the activities of the NRO with the activities of those of those bodies.

3. Role of RIRs in NRO
   The four RIRs whose signatures are affixed to this document are referred to as “founding RIRs.” Additional RIRs to the founding RIRs shall acquire the same legal status as the founding RIRs have in relation to the NRO upon the Executive Council finding the additional RIRs meet the criteria and process described in Section 14, and the new RIR signing the current version of this document.

4. Organizations Within the NRO
   The NRO shall consist of the following suborganizations:

   the NRO Executive Council,

   the NRO Number Council and

   a NRO Secretariat.

   There shall be no compensated employees of the NRO while it remains an unincorporated entity, but RIRs may donate funds, personnel, services and equipment to the NRO at their individual discretion in addition to the provisions for cost sharing in Section 13 of this document. After incorporation, the NRO may employ temporary or permanent staff and incur expenses for services for specific NRO activities or functions, when the RIRs, acting through the CEOs of the RIRs or the Executive Council, have provided written approval for such hiring and expenditures, and have provided adequate funds to meet such expenditures.
5. Offices
The operational office of the NRO shall reside with the NRO Secretariat under the direction of the NRO Executive Council.

6. NRO Executive Council
The NRO Executive Council represents the NRO and its suborganizations in all matters.

   a. Responsibilities.

   The NRO Executive Council shall be the sole body empowered to represent the NRO, any of its component entities, and the RIR community in any interaction with any external organization, including any national, international or public sector entity as needed.

   The NRO Executive Council shall be solely empowered to:

        represent the RIRs on issues specifically delegated by the RIRs to the NRO, and

        commit RIR resources in support of NRO activities, when unanimous agreement by the members of the Executive Council has been reached, to the extent that such resources have been or will be made available by the RIRs.

   The NRO Executive Council shall ratify or reject proposed global IP number resource policies. Such decisions shall be based on open and transparent procedures which are ratified by the regional address policy fora.

   The NRO Executive Council shall, by unanimous approval of its members, develop procedures for conducting business in a transparent manner in support of their responsibilities and submit these procedures to the Boards of all RIRs to obtain their approval.

   b. Composition.

   The NRO Executive Council shall consist of one person selected by each RIR.

   Each RIR Board shall be responsible for selecting an individual who is capable of performing the responsibilities described in Section 6(a) of this document.

   The Chair of the NRO Executive Council shall be one of its members, and rotate on a regular annual basis once an initial order of the founding RIRs is agreed, in synchronization with the Secretariat function. RIRs added after the founding members shall assume the last position in the rotation as they are added. If the RIR Board which selected the person who is on the NRO Executive Council replaces the appointee, the superceding appointee shall immediately take the place of the predecessor person.

   The Chair of the NRO Executive Council is empowered to sign documents and contracts on behalf of the NRO for any item approved unanimously in writing by the Executive Council. The cost of such contracts shall be equally divided among the RIRs, unless a specifically described alternative agreement is reached for allocating such costs.

7. NRO Number Council
The NRO Number Council shall act in an advisory capacity to the NRO Executive Council with the council's activities described as follows:
Responsibilities.

The NRO Number Council shall be responsible for the provision of advice to the Executive Council concerning the ratification of proposed global IP number resource allocation policies.

The NRO Number Council shall act as a point of consultation to external entities on proposed global IP number resource policies, addressing questions that may be raised concerning such policy proposals, maintaining a dialogue with the entity and the RIRs concerning these proposals as required.

The NRO Number Council shall develop procedures in an accessible, open, transparent and documented manner for conducting business in support of their responsibilities and submit these procedures to the Executive Council for approval.

Composition.

The members of the NRO Number Council shall include:

- One person appointed by the Board of each of the RIRs. If the RIR Board which selected the person who is appointed to the NRO Number Council replaces the appointee, the superceding appointee shall immediately take the place of the predecessor.

- Two individual members selected via an open, accessible, documented and transparent procedure by the regional policy forum of each RIR shall be members of the NRO Number Council.

- The Chair of the NRO Number Council shall be a member of the NRO Number Council elected by a majority of the members of the NRO Number Council by secret ballot for a term not to exceed one year.

- Each emerging RIR shall be entitled to nominate up to three observers to the NRO Number Council. These observers shall not enjoy the privileges of membership and, specifically, observers cannot vote on the Number Council and cannot serve as the Number Council Chair.

8. NRO Secretariat

The NRO Secretariat shall undertake such operational responsibilities of the NRO organization, as directed by the NRO Executive Council.

The operation of NRO Secretariat shall rotate on an annual basis amongst the RIRs unless the NRO Executive Council unanimously directs the hiring of a professional staff at a fixed or changing location. The NRO Secretariat shall be responsible for those functions as designated by the NRO Executive Council.

The specific functions of the NRO Secretariat shall include:

a. Coordinate administrative matters relating to the functions of the NRO Executive Council and NRO Number Council.

b. Publish information related to activities of the NRO.

c. Other functions as designated by the NRO Executive Council.

9. Advisory Appeals Process

The NRO shall establish an NRO Advisory Appeals Panel, with one representative from each RIR region, but whose members shall not be employees or Board members of the RIRs. Advisory Appeals Panel members shall be knowledgeable members of the Internet community proposed for this role by the NRO Executive Council, for the purpose of hearing complaints relating to failure on the part of an RIR, the NRO or an NRO suborganization to follow its documented policy development process concerning global IP number resource policies. The panel shall not decide on the merit(s), or lack thereof regarding the underlying policies, but may provide a written report to the Executive Council indicating the Advisory Appeals Panel's evaluation of the complaint.
The Advisory Appeals Panel shall adopt such policies and procedures as are necessary to make it accessible and open, transparent and documented. These policies and procedures should include, but are not limited to, voluntary or requested recusal of representatives, procedures for reporting to the Executive Council, and procedures to address any allegation of fraudulent or dishonest conduct by representatives. The Advisory Appeals Panel, at its sole discretion, may dismiss frivolous, repetitive or nuisance complaints without further review. The Advisory Appeals Panel decision is intended to serve as a persuasive advisory opinion, and it provides no basis for legal action in any jurisdiction.

10. Arbitration
a. In the event that an RIR is in dispute with the NRO relating to implementation of global policies, or with another RIR relating to the implementation of a coordinated policy, the NRO shall, at the request of one RIR, notify the others and arrange arbitration via ICC rules in the jurisdiction of Bermuda, or such other location as is unanimously agreed upon by each of the parties to the arbitration.
b. An organization which believes it has met the criterion of Section 14, but is refused the same legal status by the Executive Council in Section 3, may request and will be granted the right to arbitration pursuant to this provision.
c. This arbitration provision is not related in any way to the Advisory Appeals Process, described above. This arbitration provision creates no rights for any party except the RIRs who are signatories to this document, and such RIRs who are additional members as described in this document.

Global Policies may be proposed to the NRO by any RIR member of the NRO. The NRO Secretariat will format such materials and distribute them to the RIRs and the NRO Number Council. The NRO Number Council is then responsible for advising the NRO Executive Council on the ratification of such policies according to the following procedure:

a. The NRO Number Council shall undertake a review of any such policy to confirm that the documented RIR procedures were followed in its development and approval.
b. The NRO Number Council shall publicly post a last call for comments on the proposed policy for a defined period (30 days) to assure itself that the significant viewpoints of interested parties were adequately considered. According to the results of this call, the NRO Number Council may then give a recommendation to the NRO Executive Council on whether the policy can be ratified.
c. If it is the determination of the NRO Number Council the policy should not be recommended for ratification in clause 11b, it shall be referred by the NRO Number Council back to the RIRs for their consideration.

12. Technical Activity
Technical activities may be assigned by the RIRs to the NRO. The NRO Executive Council may delegate to the Secretariat the performance of technical activities.

13. Finances
The following procedures shall apply to the NRO concerning financing the operation of the NRO:

a. NRO expenses must be approved in advance solely by unanimous authorization of the NRO Executive Council, and shall be borne by the RIR signatories on an equal basis of each RIR, unless specifically superceded by a specific or general per capita agreement by the NRO Executive Council.
b. An RIR that is subject to legal claims for its role in carrying out any duly authorized NRO activity shall have the right to seek contributions for its defense or to defray any resulting judgment pursuant to paragraph “a.” Such contributions must be specifically authorized by the NRO Executive Council on a case-by-case basis.
c. After incorporation, the NRO shall seek appropriate liability insurance to cover its activities and all RIRs shall contribute equally to cover this expense, unless superceded by a specific or general per capita agreement by the NRO Executive Council.

14. Recognition of New RIRs
Global IP Number Resource Policies shall include objective, non-discriminatory and transparent criteria for recognition of new RIRs.

The criteria and associated process for such recognition shall be published by the NRO as a matter of Global IP Number Resource Policy.

15. Limitation
This MOU does not create any partnership, agency, association or franchise arrangement. Nothing in this MOU permits any party to transfer or assign any interest, right or obligation under this MOU without the prior
written consent of each signatory party to this MOU. The RIRs who are founding members to this agreement do not agree to accept responsibility for financial commitments made by the NRO in contravention of this agreement.

16. Amendment and Precedence of this MOU With Respect to Other Documents Subsequently Created
The provisions of this MOU may be changed only by a writing signed by all RIRs agreeing upon such a change. Any such writing can be signed in counterparts. Any such writing shall indicate, with particularity, any portion of this Agreement that is intended to be superceded. Such a superceding document must make an explicit reference to this document citing to the date of this agreement.

AGREED:
Asia Pacific Network Information Centre
By:______________________________ Date:24 October 2003

The American Registry for Internet Numbers
By:______________________________ Date:24 October 2003

Latin American and Caribbean Internet Addresses Registry
By:______________________________ Date:24 October 2003

Réseaux IP Européens Network Coordination Centre
By:______________________________ Date:24 October 2003