

ICANN BOARD PAPER NO. 2022.02.24.1a

TITLE: **RZERC003: Adding Zone Data Protections to the Root Zone**

PROPOSED ACTION: **For Board Consideration and Approval**

EXECUTIVE SUMMARY:

The Board is being asked to take action on recommendations from the [Root Zone Evolution Review Committee](#) (RZERC) published in [RZERC003: Adding Zone Data Protections to the Root Zone](#).

The Internet Engineering Task Force (IETF) produced [RFC 8976](#) in February 2021 which documents a new technique for verifying the contents of Domain Name System (DNS) zone files. The technique, Message Digests for DNS Zones (aka "ZONEMD"), is expected to provide the most value if deployed in the DNS root zone to provide additional data integrity protections, particularly for emerging applications like hyperlocal root zone distribution. The RZERC considered a proposal to implement ZONEMD in the root zone at the request of the Root Zone Maintainer and published RZERC003 on 12 February 2021. RZERC003 contains four recommendations in support of implementing the ZONEMD protocol in the DNS root zone, three of which require action from ICANN org.

Advice to the Board is processed via the [Action Request Register](#) (ARR) process to manage community requests to the Board and ICANN org in a consistent, efficient, and transparent manner. As part of the ARR process, for each recommendation presented within this Board paper ICANN org has confirmed its understanding of the recommendation with the RZERC, considered if the work called for is in alignment with ICANN's strategic goals and mission to ensure the stable and secure operation of the Internet's unique identifier systems, and evaluated the feasibility of implementation. ICANN org has briefed the Board Technical Committee on the findings of its assessment.

BOARD TECHNICAL COMMITTEE RECOMMENDATION:

The BTC recommends that the Board accept the RZERC003 recommendations presented in this Board paper. The BTC considers implementation of the recommendations to be feasible and in alignment with ICANN’s strategic goals and mission to ensure the stable and secure operation of the Internet’s unique identifier systems. The cost of implementation to ICANN org is anticipated to be low and includes expenditure associated with project management, administration activities, and potentially some outreach efforts.

PROPOSED RESOLUTION:

Whereas, in February 2021, the Internet Engineering Task Force (IETF) produced [RFC 8976](#) documenting a new technique for verifying the contents of Domain Name System (DNS) zone files: Message Digests for DNS Zones (aka “ZONEMD”).

Whereas, on 12 February 2021, the ICANN Root Zone Evolution Review Committee (RZERC) published [RZERC003: Adding Zone Data Protections to the Root Zone](#) containing three recommendations to ICANN in support of implementing the ZONEMD protocol in the DNS root zone.

Whereas, the Board Technical Committee (BTC) has considered RZERC003 and ICANN org's feasibility assessment of implementation of the recommendations and found that implementing the recommendations would be in alignment with ICANN’s strategic goals and mission to ensure the stable and secure operation of the Internet’s unique identifier systems.

Resolved (2022.02.24) the Board accepts Recommendation 1 calling for ICANN org to engage with the Root Zone Maintainer and the Root Server operators to ensure the addition of a ZONEMD resource record to the root zone will not negatively impact the distribution of root zone data within the Root Server System, and directs the ICANN President and CEO, or their designee(s), to implement this recommendation.

Resolved (2022.02.24) the Board accepts Recommendation 2 calling for ICANN org to engage with relevant technical bodies to raise awareness of the plan for the deployment of ZONEMD in the root zone, and directs the ICANN President and CEO, or their designee(s), to implement this recommendation.

Resolved (2022.02.24) the Board accepts Recommendation 4 calling for ICANN org to develop a plan for deploying ZONEMD in the root zone with its contractors and make the plan available to RZERC for review, and directs the ICANN President and CEO, or their designee(s), to implement this recommendation.

PROPOSED RATIONALE:

Why is the Board addressing the issue?

The Board is taking action on advice from the RZERC. The RZERC reviews proposed architectural changes to the content of the DNS root zone, the systems including both hardware and software components used in executing changes to the DNS root zone, and the mechanisms used for distribution of the DNS root zone. The Board's consideration of this advice forms a part of the [Action Request Register](#) (ARR) process designed to manage community requests to the Board and ICANN org in a consistent, efficient, and transparent manner.

What is the proposal being considered?

In February 2021, the Internet Engineering Task Force (IETF) produced [RFC 8976](#) documenting a new technique for verifying the contents of DNS zone files, known as Message Digests for DNS Zones, or ZONEMD. The RZERC considered a proposal to implement ZONEMD in the root zone at the request of the Root Zone Maintainer and published [RZERC003](#) on 12 February 2021. RZERC003 contains four recommendations in support of implementing the ZONEMD protocol in the DNS root zone:

- Recommendation 1: The root zone maintainer and root server operators should verify and confirm that the addition of a ZONEMD resource record will in no way negatively impact the distribution of root zone data within the RSS.
- Recommendation 2: The DNS and Internet community should be made aware of plans to use ZONEMD in the root zone, and be given an opportunity to offer feedback. This may include technical presentations at meetings hosted by ICANN, the DNS Operations Analysis and Research Center (DNS-OARC), the North American Network Operators' Group (NANOG), the Réseaux IP Européens (RIPE), etc.

- Recommendation 3: Developers of name server software are encouraged to implement ZONEMD and consider enabling it by default when the software is configured to locally serve root zone data.
- Recommendation 4: Public Technical Identifiers (PTI) and the RZM should jointly develop a plan for deploying ZONEMD in the root zone, and make this plan available for review by RZERC.

Which stakeholders or others were consulted?

RZERC003 was created and edited by members of the RZERC. The RZERC is comprised of representatives from:

- Internet Engineering Task Force (IETF)
- Address Supporting Organization (ASO)
- Country Code Names Supporting Organization (ccNSO)
- ICANN Board
- Public Technical Identifiers (PTI)
- Registries Stakeholder Group of the Generic Names Supporting Organization (RySG)
- Root Server System Advisory Committee (RSSAC)
- Security and Stability Advisory Committee (SSAC)
- Verisign as the Root Zone Maintainer

What concerns or issues were raised by the community?

No concerns or issues raised.

Are there positive or negative community impacts?

Implementation is expected to have positive community impacts by implementing additional security mechanisms for the dissemination of the DNS root zone. No negative impacts have been identified.

What significant materials did the Board review?

The Board reviewed RZERC003 produced by the RZERC and [RFC 8976](#) produced by the IETF. In addition, for each recommendation presented in this resolution the Board considered ICANN org's understanding of the recommendation as confirmed by the RZERC and ICANN org's feasibility assessment of implementation.

Are there fiscal impacts or ramifications on ICANN (strategic plan, operating plan, budget); the community; and/or the public?

The cost for ICANN org is anticipated to be low, and includes expenditure associated with project management, administration, and outreach efforts. These costs are incorporated into the Office of the Chief Technology Officer (OCTO) budget as part of normal activities.

Are there any security, stability or resiliency issues relating to the DNS?

ZONEMD is a new technique for verifying the contents of DNS zone files. If deployed in the root zone, ZONEMD is expected to provide additional data integrity protections, particularly for emerging applications such as hyperlocal root zone distribution.

Is this action within ICANN's Mission? How does it relate to the global public interest?

This action is within ICANN's mission and serves the global public interest as implementation is expected to provide additional data integrity protections in the root zone.

Is this either a defined policy process within ICANN's Supporting Organizations or ICANN's Organizational Administrative Function decision requiring Public Comment or not requiring Public Comment?

This action does not require Public Comment.

Signature Block:

Submitted by: John Crain

Position: Chief Technology Officer

Date Noted: 7 February 2022

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ICANN BOARD PAPER NO. 2022.02.24.2a

TITLE: **FY23 IANA Operating Plan and Budget**

PROPOSED ACTION: **For Board Consideration and Approval**

EXECUTIVE SUMMARY:

As required by the ICANN Bylaws, the draft FY23 IANA Operating Plan and Budget (OP&B) was developed and posted for public comment and discussion on 15 September 2021, alongside the FY23 Public Technical Identifiers (PTI) OP&B, which sets out the funding needs for PTI's performance of the IANA functions. The PTI OP&B is an integral and Bylaws' mandated part of the broader IANA OP&B. The PTI Board adopted the FY23 PTI OP&B on 13 December 2021. The finalized FY23 PTI OP&B is reflected in the FY23 IANA OP&B. All public comments have been taken into consideration, and where appropriate and feasible, have been incorporated into a final FY23 IANA OP&B. Per the Bylaws, the IANA OP&B is to be adopted by the ICANN Board and then posted on the ICANN website. The Empowered Community will have an opportunity to consider the FY23 IANA OP&B after Board adoption.

BOARD FINANCE COMMITTEE (BFC) RECOMMENDATION:

The BFC recommends, after careful consideration of the public comments received and the corresponding responses, that the Board approve the FY23 IANA Operating Plan and Budget.

PROPOSED RESOLUTION:

Whereas, the draft FY23 IANA Operating Plan and Budget was posted for public comment in accordance with the Bylaws on 15 September 2021.

Whereas, comments received through the public comment process were reviewed and responded to and provided to the Board Finance Committee (BFC) for review and consideration. In addition, all public comments have been taken into consideration, and where appropriate and feasible, have been incorporated into a final FY23 IANA Operating Plan and Budget.

Whereas, in accordance with ICANN Bylaws section 22.4 (b), ICANN shall require PTI to submit the PTI Budget to ICANN as an input prior to and for the purpose of being included in the proposed Operation Plan and ICANN Budget. The Adopted FY23 PTI Budget is included as input to the IANA Operating Plan and Budget.

Whereas, per the ICANN Bylaws, the IANA Operating Plan and Budget is to be adopted by the ICANN Board and then posted on the ICANN website.

Resolved (2022.02.24.xx), the Board adopts the FY23 IANA Operating Plan and Budget.

PROPOSED RATIONALE:

In accordance with Section 22.4 of the ICANN Bylaws, the Board is to adopt an annual IANA budget and publish it on the ICANN website. On 15 September 2021, the drafts of the FY23 PTI Operating Plan and Budget and the FY23 IANA Operating Plan and Budget were posted for public comment. The PTI Board approved the FY23 PTI Operating Plan and Budget on 13 December 2021, and the PTI Budget was received as input into the FY23 IANA Operating Plan and Budget.

The FY23 PTI Operating Plan and Budget and the draft FY23 IANA Operating Plan and Budget are based on numerous discussions with members of ICANN org and the ICANN Community, including extensive consultations with ICANN Supporting Organizations, Advisory Committees, and other stakeholder groups throughout the prior several months. In July 2021, preliminary consultations were conducted with stakeholders on FY23 priorities for Public Technical Identifiers (PTI). These engagements were in the form of discussions with Supporting Organizations and Advisory Committees, as well as the gTLD Registries Stakeholder Group, Regional Internet Registries and IETF leadership. In addition, two Community Webinars were held on 27 July 2021.

All comments received through the Public Comment proceeding were considered in relation to the FY23 IANA Operating Plan and Budget. Where feasible and appropriate these inputs have been incorporated into the final FY23 IANA Operating Plan and Budget proposed for adoption.

Adopting the FY23 IANA Operating Plan and Budget will have a positive impact on ICANN in that it provides a proper framework by which the IANA services will be performed, which also provides the basis for the organization to be held accountable in a transparent manner.

This decision is in the public interest and within ICANN's mission, as it is fully consistent with ICANN's strategic and operational plans, and the results of which in fact allow ICANN to satisfy its mission.

This decision will have a fiscal impact on ICANN and the Community as is intended. This should have a positive impact on the security, stability and resiliency of the domain name system (DNS) with respect to any funding that is dedicated to those aspects of the DNS.

This is an Organizational Administrative Function that has already been subject to public comment as noted above.

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Adopted FY23 PTI Operating Plan and Budget

Public Technical Identifiers (PTI)
December 2021

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Highlights

In July 2021, preliminary consultations were conducted with stakeholders on FY23 priorities for Public Technical Identifiers (PTI). These engagements were in the form of discussions with Supporting Organizations and Advisory Committees, as well as the gTLD Registries Stakeholder Group, Regional Internet Registries and IETF leadership. The team also held [webinars](#) that were publicly available for any interested party to join. Since the results from this early engagement did not show a need for changes to the proposed priorities, PTI developed an Operating Plan and Budget that sustains the current performance of the IANA services, and continues efforts to incrementally improve systems and processes. This plan does not envisage significant new undertakings, and is aligned with PTI's obligations set forth in its Bylaws and the [PTI Four-Year Strategic Plan](#).

This document includes a few changes to its structure compared to previous years. In the past, work was divided into two portfolios: operations and system enhancements. Activities in this plan are now aligned with the objectives defined in the dedicated strategic plan published in September of 2020. This effort helps prioritize existing and upcoming projects and operational initiatives according to the targeted outcomes intended to be achieved by the end of fiscal year 2024. The activities laid out in the FY23 plan are an output of that review which will now be divided into four areas of focus: operations, technical services, operational excellence and governance.

Although there will be distinct projects that must be completed in each of these focus areas, the activities described in operations, operational excellence and governance will likely remain stable every year as they involve day-to-day operational and administrative work, contractual deliverables, surveys, quality assurance, organizational assessments and audits, staff management, and Board support.

Through this plan the systems and processes used to deliver the IANA functions will continue to evolve, and that includes work on the associated technical platforms. For FY23, continued efforts are planned to improve the root zone management system (RZMS) and the registry workflow system used for protocol parameter assignments (codenamed Opal). The team also plans on completing further enhancements to the iana.org website and the key management facilities, conducting the next key rollover, and finally, continuing a multi-year research effort with the community to develop an operational approach to support new cryptographic algorithms in the DNS root zone.

Despite the risks and uncertainties brought by the COVID-19 pandemic and documented in the FY22 PTI Operating Plan and Budget, PTI has shown resilience and adaptability by working with the ICANN org and community to modify operational processes and procedures that allowed the team to continue to meet contractual deliverables and service level agreements. This was accomplished through supporting fully remote working by PTI staff, and successfully performing key signing key (KSK) ceremonies with minimized teams of staff and using significantly enhanced remote participation for community members.

It is important to note that the information included in this plan is strictly for the work to be conducted by PTI to deliver IANA services. The *FY23 PTI Operating Plan and Budget* represents about 90 percent of the [FY23 IANA Operating Plan and Budget](#) so it is critical that both plans are thoroughly reviewed. The [Planning Process Overview section](#) will further explain the differences between both these plans.

Changes Between Draft and Adopted Versions

The table below shows the changes made to the Draft FY23 PTI Operating Plan and Budget based on input received from the Public Comment Proceeding.

| Section of the Plan | Description of Change |
|--|---|
| Scope of Work | Further aligned PTI's four-year Strategic Plan with the Operating Plan. See tables added between page 12 to 16. |
| Budget Variance by IANA Function | Merged three financial tables into one for ease of review. See table on page 21. |

Introduction

About PTI

[Public Technical Identifiers \(PTI\)](#) is an affiliate of ICANN and, through [contracts and subcontracts](#) with ICANN, is responsible for the operations of the IANA functions. PTI has its own Bylaws that require the organization to develop its own annual PTI Operating Plan and Budget.

About IANA

The Internet Assigned Numbers Authority (IANA) is the function of ICANN responsible for coordinating some of the key elements that keep the Internet running smoothly. While the Internet is renowned for being a worldwide network free from central coordination, there is a technical need for some key parts of the Internet to be globally coordinated, and this coordination role is undertaken by IANA. Specifically, the IANA team allocates and maintains unique codes and numbering systems that are used in the technical standards (protocols) that drive the Internet. IANA's activities can be broadly grouped into three functions:

IANA Naming Function

The IANA naming function includes:

- Providing oversight and management of the root zone for the Domain Name System (DNS). The root zone defines top-level domains (TLDs), and this work includes receiving and evaluating changes against policies and operational requirements
- Protecting the trust anchor for the DNS, including performing key signing ceremonies to maintain community confidence in the system
- Providing oversight and management of the .INT TLDs for intergovernmental treaty organizations
- Fostering support for Internationalized Domain Names (IDNs) by maintaining a shared repository of IDN practices and label generational rulesets (LGRs) across TLDs

Operational information on the IANA naming Function is available on the [IANA website](#).

IANA Numbering Function

The IANA numbering function consists of the administration of Internet number resource registries in accordance with global policies, and any applicable and mutually acceptable and agreed upon guidelines and procedures, including:

- Allocation of Internet number resources (IP addresses and Autonomous System Numbers) to Regional Internet Registries
- Management of returned Internet number resources
- Maintenance of general Internet number registries
- Administration of the unicast portion of the special-purpose “in-addr.arpa” and “ip6.arpa” DNS zones

Operational information on the numbering function is available on the [IANA website](#).

IANA Protocol Parameter Function

The IANA protocol parameter function consists of assigning and registering Internet protocol parameters in accordance with the criteria and procedures specified in Internet technical standards. These standards are usually published in the form of Requests for Comments (RFC) documents issued through the Internet standardization process conducted within the Internet Engineering Task Force (IETF).

Protocol parameters are a broad set of unique identifiers that are used in multitudes of applications, each with unique allocation criteria and administrative procedures. Both registration, and publication of the assignments made within the thousands of protocol parameter registries that IANA administers is open to the public and provided free-of-charge. Operational information on protocol parameters is available on the [IANA website](#).

Planning Process Overview

The planning process for PTI is part of ICANN’s broader planning process. The key drivers that inform the PTI operating plan and budget are the [PTI Strategic Plan](#) and the ICANN [Strategic](#) and [Operating](#) Plans. PTI’s plans represent a subset of the overall ICANN plans that pertain to the successful delivery of the IANA functions.

PTI Strategic Plan

The PTI Board worked closely with the IANA staff, ICANN org, and members of the community to develop an inaugural [strategic plan](#) for July 2020 to June 2024. This plan

provides an in-depth look at the IANA-related strategic objectives that will help PTI continue to provide secure and accountable management of the Internet's unique identifier systems.

The requirement for a dedicated strategic plan comes from [PTI's Bylaws](#). This mandate provides an opportunity to explore the IANA-related objectives in greater detail while remaining aligned with the goals and initiatives outlined in ICANN's [Five-Year Strategic Plan](#) and [Five-Year Operating Plan](#).

PTI and IANA Operating Plans and Budget

To satisfy bylaws requirements, each year a distinct operating plan and budget (OP&B) is developed for PTI which includes all costs directly related to the delivery of the IANA services, including developing enhancements, reporting performance, and continuous improvement activities. This OP&B is submitted to both the PTI Board and ICANN Board at least nine months before the fiscal year begins (PTI Bylaws, Article 9, §9.2(a)).

Additionally, ICANN's bylaws require an IANA operating plan and budget (IANA OP&B) that is inclusive of both the PTI OP&B, and additional costs incurred by ICANN org in supporting and enabling PTI's performance of the IANA functions. (ICANN Bylaws, Article 22, §22.4(b)).

The structure of the PTI OP&B is illustrated in Figure 1.

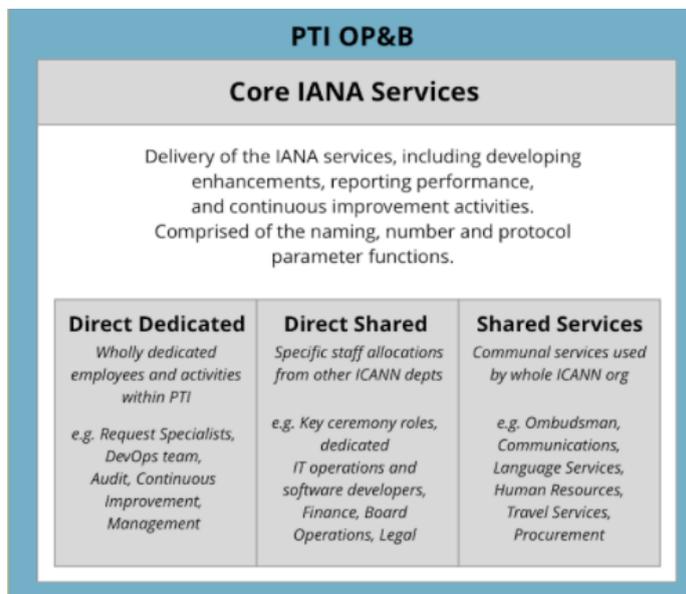


Figure 1: What is included in the PTI OP&B

The PTI OP&B is then included in the IANA OP&B which, in addition to direct costs, will also include costs incurred by ICANN to oversee PTI’s performance of the IANA functions, plus costs solely incurred to enable IANA functions, as illustrated in Figure 2.

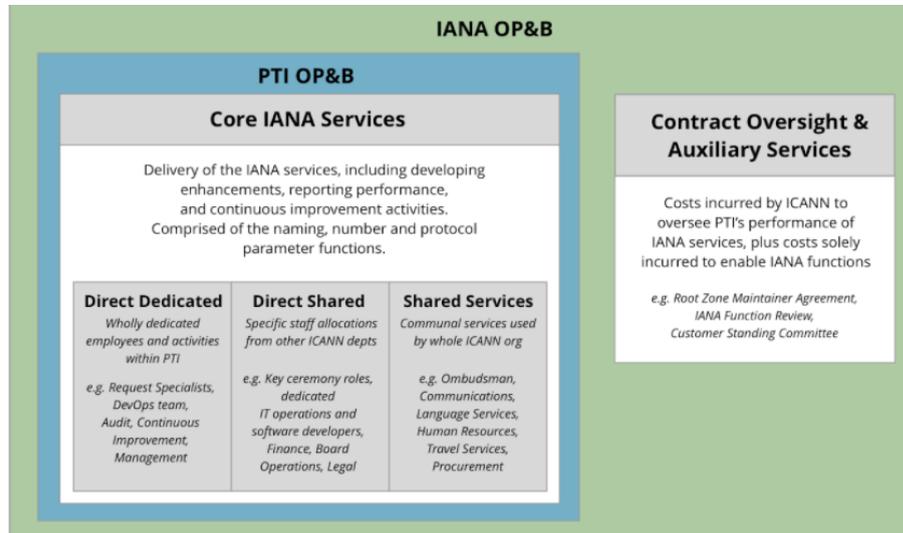


Figure 2: What is included in the IANA OP&B

Development of both plans are the result of various forms of community engagement. Targeted engagement is performed early in the development process, and complete drafts are subject to ICANN’s Public Comment process. Feedback received is considered and integrated as appropriate, and the resulting documents are put for Board adoption. The PTI Board specifically reviews the PTI OP&B, whereas the ICANN Board reviews the IANA OP&B as a component of the broader ICANN operating plan and budget, illustrated in Figure 3.

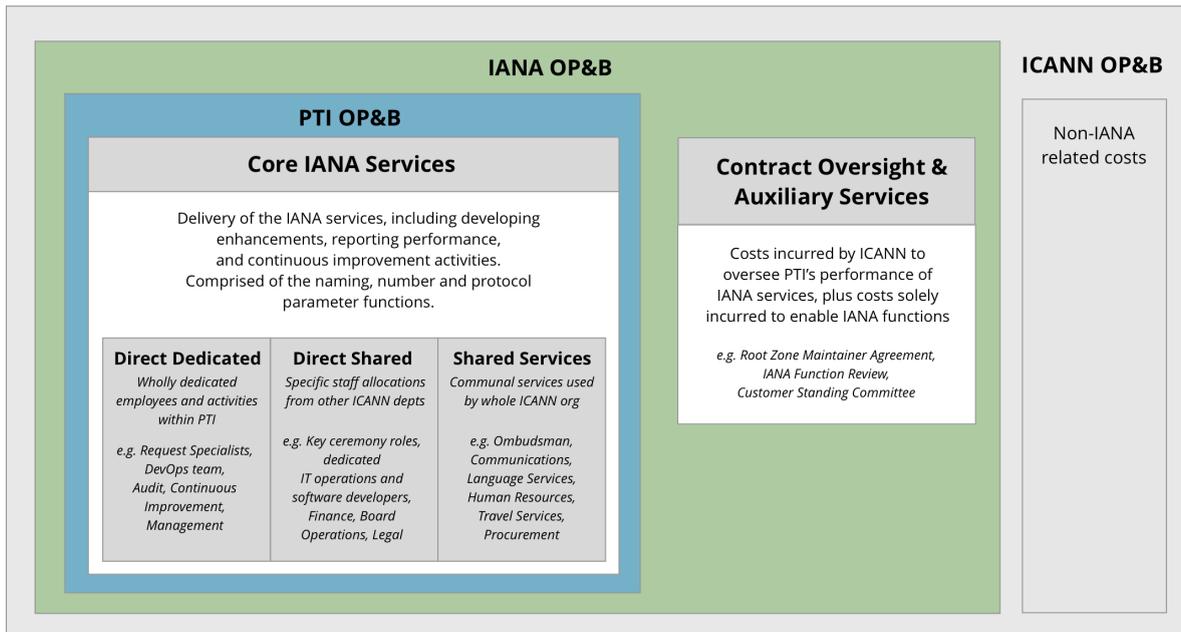


Figure 3: What is included in the ICANN OP&B

The adopted PTI OP&B forms the basis for ICANN’s funding of PTI. This year’s adopted PTI OP&B includes data on activities to be carried out during FY23 and displays all cost categories for each service.

FY23 PTI Planning Assumptions

Strategy

To ensure the PTI FY23 objectives are correctly captured in its four year strategic plan, PTI worked in close collaboration with ICANN's planning team to review operating initiatives and functional activities as laid out in the Five-Year ICANN Operating Plan. In addition, PTI participated in [ICANN's strategic outlook process](#) conducted in partnership with the community and evaluated whether there were new trends, risks and opportunities to consider before defining annual objectives. Although at the time of planning the strategic outlook review had not been finalized, the work to date supports an assumption that no changes be made to the PTI 2020–2024 Strategic Plan.

Financials

A key assumption in developing the FY23 PTI Budget, which is supported by ICANN's planning team and corresponding IANA Budget, is that funding for the IANA functions and

the activities laid out in the FY23 PTI OP&B will remain a priority for ICANN. PTI is expected to exercise careful cost control in its operations.

Personnel costs are the highest expenses in the PTI Budget, so carefully planning for resources is critical. For FY23, additional headcount may be required but are not included in this budget in order to align with ICANN's common process for approving and budgeting for new positions. A certain amount of headcount turnover and growth is budgeted each year, but new positions are not allocated to the functional activities until they are hired. This process allows the organization to strategically evaluate each new hire, controlling headcount growth and ensuring proper allocation of resources. If PTI requires additional headcount in FY23, resources will be prioritized using this budgeting and approval process.

Operations

The volume of transactions performed across the IANA functions typically shows a modest year-on-year increase, and this is expected to continue for the scope of the existing services. Historically, this organic growth has been successfully addressed through efficiencies realized by improving internal processes, training and systems. In the past 12 months, the IANA functions have comprehensively met their service level agreements with their respective community groups, and it is expected that this will continue.

Customer feedback received through various surveys show that satisfaction with PTI's performance and engagement remains high but customers are still requesting that systems be enhanced to meet technological advancements and mitigate security threats. Although PTI can assume based on high satisfaction that the character of the operational work will remain mostly unchanged for the next fiscal year, the current allocation of PTI's [Direct Dedicated](#) resources poses a risk to timely delivery of key projects as the relatively small team of highly specialized individuals juggle between meeting its contractual deliverables and Service Level Agreements, and also serving as subject matter experts to the various system improvements and policy implementation projects.

Key signing key (KSK) ceremonies are planned to resume normal operations in FY23. However, contingency plans that were put in place and allowed for successful operation of the KSK ceremonies in fiscal years 2021 and 2022 will still be activated if face-to-face meetings and travel continue to be impacted by pandemic-related limitations. The associated changes are anticipated to have no material fiscal impact beyond typical operational costs.

Engagement

ICANN has managed operations during the COVID-19 pandemic by being even more cost conscious, working remotely, and holding all meetings virtually. For FY23, the planning and budgeting forecast anticipates a return to face-to-face meetings and engagement at pre-pandemic levels. This is a practical assumption, intended to ensure that the organization is prepared to resume travel based on historical levels, while leaving room for adjustment because of permanent or ongoing challenges related to pandemic health concerns.

Community Recommendations

As the ICANN Board reviews recommendations from the various community-led reviews and policy development processes, PTI will remain available for implementation of Board-approved recommendations that are assessed through ICANN's prioritization process. By following ICANN's structured planning and prioritization process, any ongoing review and policy-related work that is not yet Board-approved is not included in the FY23 PTI Operating Plan and Budget. PTI assumes that the Contingency funds will remain available for urgent unplanned activities if and when they arise.

FY23 PTI Operating Plan

PTI published its first dedicated strategic plan covering fiscal years 2021–2024 with a refreshed vision and strategic goals that help achieve ICANN's objective to "evolve the unique identifier systems in coordination and collaboration with relevant parties to continue to serve the needs of the global Internet user base."¹

The PTI OP&B details how the organization will operationalize the work each fiscal year to achieve the targeted outcomes of both PTI and ICANN's strategic objectives.

Scope of work

PTI operationalizes work using four focus areas: operations, operational excellence, technical services, and governance. The activities described in each scope of work is guided by PTI's FY21-24 Strategic Plan as described in this section. When combined, the scope

¹ ICANN Strategic Plan. PDF file. June 24, 2019.
<https://www.icann.org/en/system/files/files/strategic-plan-2021-2025-24jun19-en.pdf>

listed below will form the direct dedicated cost portion of the PTI OP&B. [The FY23 PTI Budget section](#) will further explain direct dedicated and direct shared costs.

Operations

PTI's core operations include project and non-project based work dedicated to meeting contractual deliverables and the delivery of the IANA functions. The operational work of IANA has remained consistent through the years:

- Conducting the daily activities required to provide the IANA functions in accordance with Service Level Agreements such as:
 - Processing root zone, protocol parameter, and number-related requests
 - Responding to general inquiries
 - Generating and publishing various performance reports
 - Facilitating community understanding of the functions to inform future policy development, and provide subject matter expertise as needed
 - Maintaining active relationships through community engagement
- Maintaining systems and processes to ensure secure and highly-availability of IANA critical internet infrastructure
 - Ensuring IANA systems are available, and working with partners to facilitate the successful operation of essential infrastructure, such as the DNS root zone.
 - Safely storing and managing the root zone KSK, including performing ceremonies and other activities to promote system trust
 - Verifying fitness of the systems and processes

These activities support the PTI strategic plan as follows:

| PTI FY21-FY24 Strategic Plan Strategic Objectives | PTI FY21-FY24 Strategic Plan Strategic Goals |
|--|---|
| <p>TRUST Maintain stakeholders' trust that IANA is the proper home for enabling global interoperability through unique identifier coordination.</p> | <p>1.2 Continuing to build on engagement efforts with oversight bodies such as the IETF Leadership, RIRs, CSC, and SO/ACs, as well as with the broader Internet community that uses the IANA services.</p> <p>1.3 Maintaining the high level of transparency within the IANA performance reporting practices.</p> |

| | |
|--|--|
| <p>SECURITY</p> <p>Monitor and adapt to security threats and ensure resilient and secure IANA operations.</p> | <p>2.2 Performing key ceremonies with high levels of transparency and accountability and improving key management facilities to mitigate security threats and maintain facility quality.</p> |
| <p>DELIVERY OF SERVICES</p> <p>Continue to drive the implementation of operational initiatives to enhance the delivery of services based on the needs of the IANA customer.</p> | <p>3.1 Performing the IANA functions in accordance with contractual obligations.</p> <p>3.3 Ensuring operational readiness for evolving and future technologies and programs.</p> |

Operational Excellence

Operational improvement activities include project work dedicated to the continuous improvement in the delivery of the IANA functions. FY23 work is planned to stay consistent with previous years with structural enhancements to align with the PTI Strategic Plan and overall maturity level of PTI:

- Engaging a third-party auditor to assess the IANA Registry Assignment and Maintenance Systems (RAMS) using the Service Organization Controls 2 (SOC2) Framework and the DNSSEC systems and processes using the Service Organization Controls 3 (SOC3) Framework
- Conducting an annual customer engagement survey
- Planning and executing a table-top exercise to test the Contingency and Continuity of Operations Plan (CCOP) and identify strengths and areas for improvement
- Conducting an internal quality management assessment according to the European Foundation for Quality Management (EFQM) Excellence Model to identify strengths and areas for improvement
- Monitoring and reporting of performance and customer satisfaction
- Enhancing project management capabilities by further aligning ongoing programs and projects to PTI's strategy, growing project management expertise across the team, and maturing the reporting of project condition, all while adhering to internationally recognized standards of project management.

These activities support the PTI strategic plan as follows:

PTI FY21-FY24 Strategic Plan

PTI FY21-FY24 Strategic Plan

| Strategic Objectives | Strategic Goals |
|--|--|
| <p>OPERATIONAL EXCELLENCE Monitor the delivery and performance of the IANA functions to achieve operational excellence.</p> | <p>4.1 Performing regular qualitative and quantitative analysis and review of business processes and service delivery through feedback mechanisms such as customer surveys and third-party audits.</p> <p>4.2 Enhancing the established project management culture across the organization to ensure timely delivery of projects within the IANA Portfolio.</p> <p>4.3 Monitoring key performance indicators to ensure performance is in line with established service level agreements (SLAs), and remains trusted, relevant and fit-for-purpose.</p> |

Technical Services

The technical services area focuses on system engineering and maintenance, software enhancements, tool development, website administration, and other discrete development projects to improve delivery of the IANA functions. In FY23 the focus areas are:

- Registry Workflow System (Opal) project
 - Migrating workflows from legacy ticketing systems to the new platform
 - Surfacing new dynamic presentation of registry data, in additional formats
 - Self-service opportunities for customers to complete straightforward requests
 - Piloting new mechanisms to allow specialist community groups to review and assess changes to registry data
- Continuing to evolve and adapt the RZMS to support increased customer demands and the evolution of underlying community-developed policies
 - Expand security options that allows for additional integrity checks associated with customer authentication
 - Adapt technical check systems to reflect emerging operational scenarios not envisaged with the original system
 - Provide an extensible architecture and associated adaptability that will better cater for forecast initiatives emerging from the policy communities.

- Delivering updates to the IANA website to effectively deliver registry information and associated procedures and documentation. Improvement areas include:
 - Enhanced browsing and searching of registry data
 - Improved machine-readable data, including customer application programming interface (API) and data representation
 - Optimized experience for common customer interactions, including via mobile devices
- Providing root zone DNSSEC management enhancements
 - Perform the next Key Signing Key (KSK) Rollover
 - Facilitate research to develop an operational approach to support new cryptographic algorithms in the DNS root zone (also known as an ‘algorithm rollover’)
 - Evaluating long-term evolution of the key signing model — which presumes reliance on international travel — in light of the limitations the COVID-19 pandemic has highlighted.
- Evaluating, planning, and implementing enhancements to Key Management Facilities (KMF)
 - Replacement of hardware responsible for enforcing access controls
 - Recall the recovery key shareholders to test their cards and to generate new card sets; establish periodic test/recall schedules

These activities support the PTI strategic plan as follows:

| PTI FY21-FY24 Strategic Plan Strategic Objectives | PTI FY21-FY24 Strategic Plan Strategic Goals |
|---|---|
| <p>SECURITY Monitor and adapt to security threats and ensure resilient and secure IANA operations.</p> | <p>2.1 Ensuring the systems used to deliver the IANA functions conform with relevant and trusted security standards, and security practices are enhanced as appropriate.</p> <p>2.2 Performing key ceremonies with high levels of transparency and accountability and improving key management facilities to mitigate security threats and maintain facility quality.</p> |

| | |
|--|--|
| <p>DELIVERY OF SERVICES</p> <p>Continue to drive the implementation of operational initiatives to enhance the delivery of services based on the needs of the IANA customer.</p> | <p>3.2 Evolving the systems that manage the workflow of change requests and publish registry data.</p> |
|--|--|

Governance

Overall management and oversight are needed to ensure IANA is the proper home for enabling global interoperability through unique identifier coordination. The work in this area also supports ICANN org in its governance efforts to sustain and improve openness, inclusivity, accountability, and transparency.

- Providing support to the PTI Board
- Strategic planning and implementation
- Serving as subject matter experts to cross functional operating initiatives as laid out in the [ICANN 5 Year Operating Plan](#)
- Providing personnel management that includes career development plans, performance management cycles and professional training opportunities
- Resuming face-to-face engagement with IANA stakeholders and the broader community groups
- Participating in customer-related activities such as conferences, meetings, and other community events

These activities support the PTI strategic plan as follows:

| PTI FY21-FY24 Strategic Plan Strategic Objectives | PTI FY21-FY24 Strategic Plan Strategic Goals |
|---|--|
| <p>TRUST</p> <p>Maintain stakeholders' trust that IANA is the proper home for enabling global interoperability through unique identifier coordination.</p> | <p>1.1 Working closely with the wider ICANN org and partners to monitor and raise awareness of industry trends that help identify whether IANA is being properly utilized to coordinate evolving unique identifiers.</p> |
| <p>GOVERNANCE</p> <p>Support ICANN org in its governance efforts to sustain and</p> | <p>5.1 Supporting the various review processes conducted by the community that pertain to the IANA function.</p> |

improve openness, inclusivity, accountability, and transparency.

5.2 Reducing unnecessary complexity and duplication between what is in scope for IANA and ICANN.

5.3 Identifying opportunities to streamline oversight agreements and contracts.

FY23 PTI Budget

Funding

PTI is the affiliate of ICANN that is responsible for the operations of the IANA functions. PTI invoices ICANN org every quarter for performing those functions. ICANN, in accordance with its Bylaws, contracts with PTI to perform the IANA functions. ICANN org is committed to providing the funding of PTI for the IANA functions. ICANN org has a sustainable model of funding expected to generate approximately \$140 million per year, which allows ICANN org to confidently commit to the funding of PTI.

FY23 PTI Budget Overview

The *PTI OP&B* covers three types of costs: direct dedicated, direct shared, and shared support function allocations.

PTI Direct Dedicated Expenses

Direct dedicated costs are for resources fully committed to delivering the IANA functions.

The list of activities included in the direct dedicated costs are shown in the FY23 [PTI Operating Plan section](#) of this document. The total cost of the activities listed in the [FY23 PTI Operating Plan section](#) is \$5.1M.

PTI currently has 17 direct dedicated Full Time Employees (FTE).

| Focus Area | FY23 FTE Direct Dedicated |
|------------------------|---------------------------|
| Operations | 4.3 |
| Operational Excellence | 4.0 |
| Technical Services | 4.1 |

| | |
|------------|------|
| Governance | 4.6 |
| Total | 17.0 |

PTI Direct Shared Expenses

PTI relies upon staff within the ICANN org that provide material support to PTI as a dedicated component of their key responsibilities. This includes staff tasked with being officers of the company, as well as specialized functions. For example, ICANN org provides PTI with the baseline security capabilities of ICANN org for securing its systems and software, and implementing company-wide approaches to threat identification, response, and mitigation. PTI additionally has direct shared allocations that pertain to its unique requirements such as its control audits and management of the root zone KSK. The total cost for direct shared expenses is \$2.2M.

The list of functions and activities included in the direct shared costs are:

- Finance & Planning
 - Annual Operating Plan and Budget
 - Financial Audit and Tax Processes
- HR & Facilities
 - Administration and Rent for Los Angeles Office
- Engagement
 - SO & AC Engagement
 - DNS Industry Engagement
 - Technical Engagement
- Governance Support
 - Legal
 - PTI Board Support
- Engineering & IT
 - Key Signing Ceremony Support
 - Software Development
 - Security

ICANN currently allocates 5 direct shared FTE to support PTI.

| Focus Area | FTE Direct Shared |
|------------|-------------------|
|------------|-------------------|

| | |
|------------------------|-----|
| Operations | 1.0 |
| Operational Excellence | 1.0 |
| Technical Services | 2.0 |
| Governance | 1.0 |
| Total | 5.0 |

PTI Shared Support Functions with ICANN

ICANN support functions provide a baseline set of services in common with the rest of ICANN org that help the PTI team members deliver on all aspects of their work. Examples of these services include Human Resources, Finance and Administration. A portion of the costs incurred by ICANN org for these supporting functions is allocated to PTI. ICANN org determines the allocated amount by calculating the total support functions expense as a percentage of the total ICANN operations costs, excluding the cost of dedicated direct shared costs, as noted above. This percentage for support functions is applied to the FY23 PTI costs (dedicated and shared) to determine the support function allocation for PTI. For FY23 the total cost for these support functions shared with ICANN are \$2.5M.

The list of Shared Support Functions with ICANN are:

- Global Human Resources and Administrative Services
- Board Operations
- Global Communications and Language Services
- Complaints Office
- Engineering & IT
- Security Operations
- Governance Support
- Global Support Center
- Ombudsman
- Finance & Planning
- Nominating Committee Support
- Executive Support

PTI Total Expenses

| FY23 Grand Total Including Support Functions Shared with ICANN | | | | | | | |
|--|-------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | FTE | Personnel | T&M | Prof Svcs | Admin | Capital | Total |
| Direct costs / Dedicated resources | 17.0 | \$3.3 | \$0.3 | \$1.0 | \$0.1 | \$0.3 | \$5.1 |
| Direct costs / Shared resources | 5.0 | \$1.3 | \$0.1 | \$0.3 | \$0.5 | \$0 | \$2.2 |
| Support Services Allocations | 0.0 | \$1.6 | \$0.1 | \$0.4 | \$0.3 | \$0 | \$2.5 |
| Total | 22.0 | \$6.3 | \$0.5 | \$0.8 | \$0.9 | \$0.3 | \$9.8 |

Due to rounding, numbers presented may not add up precisely to the totals indicated.

PTI Budget Variance

The Draft FY23 PTI budget is \$9.8M, which is \$0.1M higher than the FY22 Budget.

| FY23 PTI Budget in Millions, USD | | FY23 Budget | FY22 Budget | Under/(Over) | | FY21 Actuals | Under/(Over) | |
|-------------------------------------|-----|----------------|----------------|----------------|--------------|-----------------|----------------|---------------|
| | | | | Total | % | | Total | % |
| FUNDING | | \$9.8 | \$9.7 | (\$0.1) | -1.1% | \$7.7 | (\$2.1) | -27.7% |
| Personnel | | \$6.3 | \$6.1 | (\$0.2) | -3.3% | \$5.7 | (\$0.6) | -11.3% |
| Travel & Meetings | | \$0.5 | \$0.6 | \$0.0 | 5.2% | \$0.0 | (\$0.5) | -13991.5% |
| Professional Services | | \$1.3 | \$1.3 | \$0.0 | 2.2% | \$0.8 | (\$0.5) | -56.6% |
| Administration | | \$0.9 | \$0.9 | \$0.0 | -5.4% | \$1.0 | \$0.1 | 5.4% |
| Contingency | | \$0.5 | \$0.5 | \$0.0 | 0.0% | \$0.0 | (\$0.5) | 0.0% |
| Capital | | \$0.3 | \$0.3 | \$0.0 | 0.0% | \$0.3 | (\$0.1) | -22.1% |
| Depreciation | (a) | \$0.0 | \$0.1 | \$0.1 | 83.2% | \$0.0 | \$0.0 | -799.0% |
| TOTAL CASH EXPENSES | | \$9.8 | \$9.7 | (\$0.1) | -1.1% | \$7.7 | (\$2.1) | -27.7% |
| EXCESS/(DEFICIT) | | \$0.0 | \$0.0 | \$0.0 | 0.0% | \$0.0 | \$0.0 | 0.0% |
| Average Headcount (FTE) | (b) | 22.0 | 22.0 | 0.0 | 0.0% | 20.9 | -1.1 | -5.2% |

(a) Depreciation is treated as a cash expense for PTI since it will be reimbursed to ICANN
(b) FTE: Full-time staff equivalent

Due to rounding, numbers presented may not add up precisely to the totals indicated.

The key comparisons to the previous year’s budget are:

- Personnel costs are \$0.2M higher, due to an ICANN standard three percent inflationary adjustment for standard of living increases, promotions, and health care benefits costs
- Travel and Meetings, including travel and venue costs for outreach, meetings, and PTI Board activities were relatively flat to FY22 allocations
- Professional services, including contractor services, legal fees, and audit services, remained relatively flat to FY22 budget as requirements have not changed
- Administration, including rent and other facilities costs, software, and general office expenses, remained relatively flat from the prior year.
- Contingency for unforeseen and unallocated costs remains flat compared to the FY22 budget
- Capital costs are flat to the FY22 budget and cover software development costs for the root zone

Budget Variance by IANA Function

The IANA functions are contracted to PTI according to three contracts, reflecting the three key client communities of the functions. The tables below allocates funding to these three groups, namely: Names, Numbers and Protocol Parameters.

| PTI Services <small>In Millions, USD</small> | FY23 Budget | | | | FY22 Budget | | | | FY23 Budget vs FY22 Budget | | | |
|---|--------------|--------------|---------------------|--------------|--------------|--------------|---------------------|--------------|----------------------------|--------------|---------------------|----------------|
| | Names | Numbers | Protocol Parameters | Total | Names | Numbers | Protocol Parameters | Total | Names | Numbers | Protocol Parameters | Total Variance |
| Direct costs / Dedicated resources | 2.6 | 1.0 | 1.5 | 5.1 | 2.7 | 0.9 | 1.4 | 5.0 | (0.1) | 0.1 | 0.1 | 0.1 |
| Direct costs / Shared resources | 1.1 | 0.4 | 0.7 | 2.2 | 1.2 | 0.4 | 0.6 | 2.3 | (0.1) | 0.0 | 0.0 | 0.0 |
| Support Services Allocations | 1.3 | 0.5 | 0.7 | 2.5 | 1.3 | 0.4 | 0.7 | 2.5 | (0.1) | 0.1 | 0.0 | 0.0 |
| Total | \$5.0 | \$1.9 | \$2.9 | \$9.8 | \$5.3 | \$1.7 | \$2.8 | \$9.7 | (\$0.3) | \$0.2 | \$0.2 | \$0.1 |

For both the PTI total expenses and FY23 PTI budget variance charts above, the dollar figures are shown in millions of U.S. dollars with a granularity of \$100,000. Due to rounding, numbers presented may not add up precisely to the totals indicated and percentages may not precisely reflect the absolute figures. An absence of an expenditure is shown with a dash.

Appendix

FY23 IANA Operating Plan and Budget

The FY23 IANA Operating Plan and Budget comprises the full PTI Operating Plan and Budget, as well as other costs associated with governance and delivery of IANA functions that are not performed directly by PTI. The draft *FY23 IANA Operating Plan & Budget* can be reviewed [here](#).



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Proposed for Adoption IANA FY23 Operating Plan and Budget

Internet Assigned Numbers Authority (IANA)
January 2022

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Introduction

The ICANN Bylaws require the organization to prepare and submit to the Board a proposed annual operating plan and budget for management and support of the [IANA functions](#). The IANA operating plan and budget (*IANA OP&B*) includes itemization of all costs for Public Technical Identifiers (PTI) to perform the IANA functions, direct costs for shared resources between ICANN and PTI, and support functions provided by ICANN to PTI and for the next fiscal year.

[PTI](#) is an affiliate of ICANN and, through [contracts and subcontracts](#) with ICANN, is responsible for the operations of the IANA functions. PTI has its own Bylaws that require the organization to develop an annual PTI Operating Plan and Budget (*PTI OP&B*) that is adopted by the PTI Board. The *PTI OP&B* includes all costs directly related to the delivery of the IANA functions: performing day-to-day operations, developing and evolving tools and systems, reporting on performance and customer satisfaction, and maintaining the security and integrity of key elements of Internet infrastructure. For FY23, the total *PTI OP&B* is \$9.8M.

Because the annual *IANA OP&B* comprises the full [PTI OP&B](#) as well as other costs associated with support and delivery of the IANA functions that are not performed directly by PTI, it is important that both documents are thoroughly reviewed during the Public Comment Process.

Planning Process Overview

The *FY23 IANA Operating Plan and Budget (FY23 IANA OP&B)* includes all of the services described in the [FY23 PTI OP&B](#) as well as activities related to the contract oversight and activities incurred by ICANN (see figure 1 below).

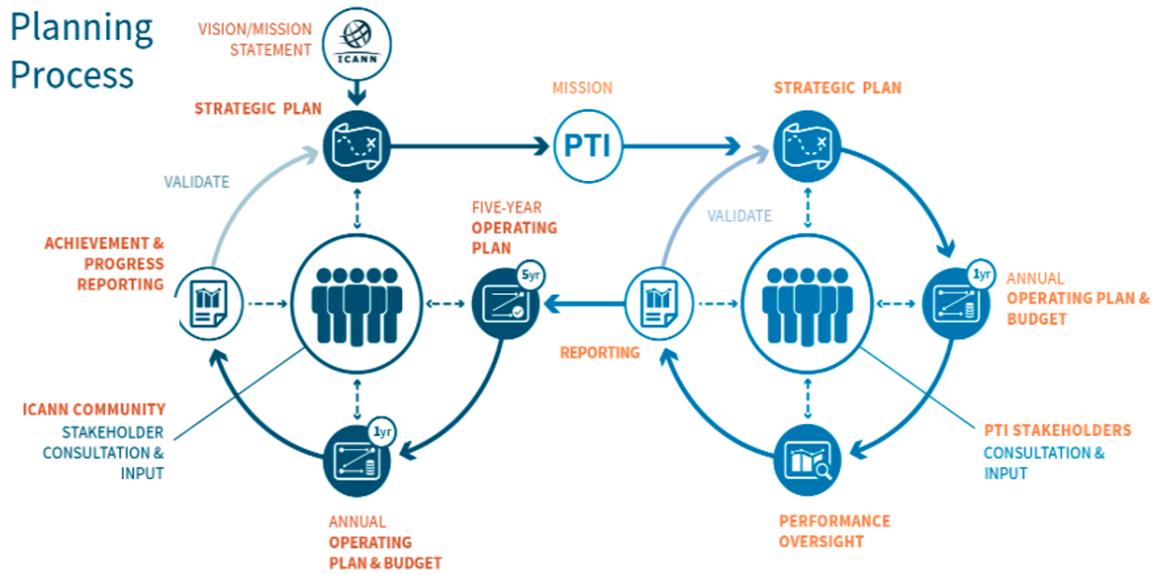


FIGURE 1 The IANA and ICANN Planning Process

The FY23 IANA OP&B is then incorporated into ICANN’s FY23 Operating Plan and Budget, which is sent to the ICANN Board for review and consideration of adoption. See figure 2 below.

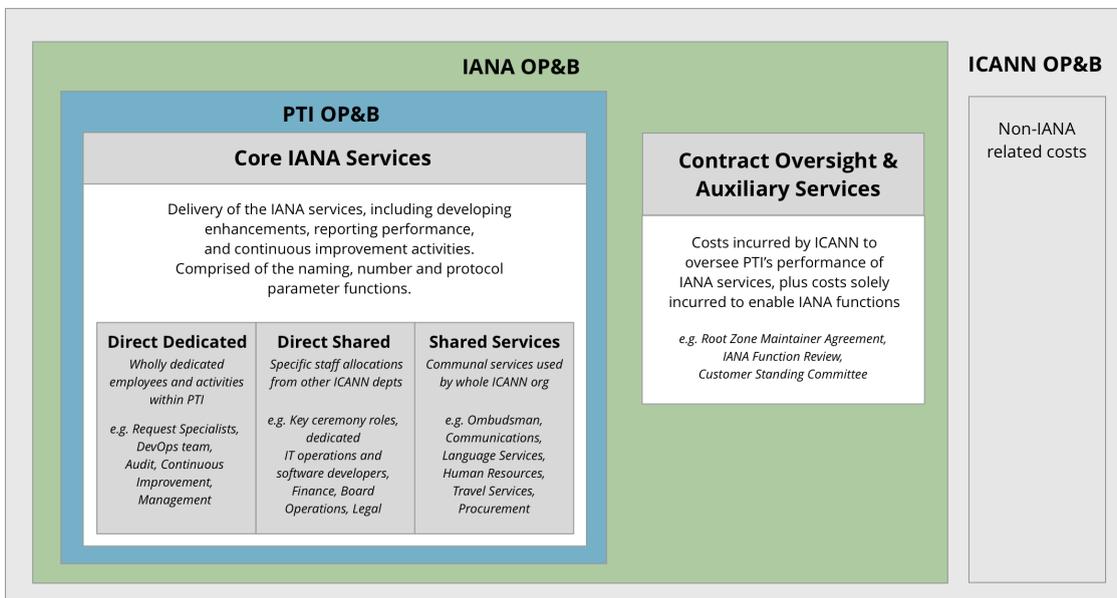


FIGURE 2 The PTI, IANA and ICANN Annual Operating Plan and Budgets

FY23 IANA Operating Plan and Budget

The services described in the [FY23 PTI OP&B](#) represent a very large component of the *FY23 IANA OP&B*. The other components are the services that are not borne directly by PTI in its role as the IANA functions operator. These services are performed by ICANN.

Scope of Work

The largest set of activities that are in scope for the *FY23 IANA OP&B* are laid out in the [FY23 PTI OP&B](#). Reviewing that plan is essential to understanding the *FY23 IANA OP&B* as it will detail the planned assumptions, the scope of work and the budget structure used to deliver the IANA functions.

The additional components of the *FY23 IANA OP&B* are IANA support activities that are performed by ICANN org and excluded from the *FY23 PTI OP&B*:

- Logistical support for community oversight groups like the Customer Standing Committee (CSC); review committees and teams such as the Root Zone Evolution Review Committee (RZERC), IANA Naming Functions Review (IFR) and the CSC Effectiveness Review.
- Costs relating to the Root Zone Maintainer Agreement
- Activities supporting the continued evolution of the root server system
- Support for policy development work that will have a direct impact on IANA service delivery

The total cost for the IANA support activities is \$0.6M.

Funding

PTI is the affiliate of ICANN that is responsible for the operations of the IANA functions. PTI invoices ICANN org every quarter for performing those functions. ICANN org, in accordance with its Bylaws, subcontracts with PTI to perform the IANA functions. ICANN org is committed to providing the funding of PTI for the IANA functions. ICANN org has a sustainable model of funding expected to generate approximately \$140 million per year, which allows ICANN org to confidently commit to the funding of PTI.

FY23 IANA Budget

The Draft FY23 IANA Budget is \$10.4 million, of which \$9.8 million is for performing the core IANA services and \$0.6 million is for IANA support activities (not performed by PTI). The FY23 PTI Budget is \$0.1M higher than the FY22 PTI Budget primarily due to an increase in personnel costs for inflation; partially offset by lower direct shared costs for depreciation on existing and new assets. The IANA support activities component is \$0.1M lower compared to the FY22 IANA Budget due to the mix of personnel support. Overall the services remain the same to the FY22 Budget.

The Personnel budget of 22 headcount includes current active staff for IANA. Additional headcount may be required in FY23 to support IANA but are not included in this budget to align with the organizational process for approving and budgeting for new positions. A certain amount of headcount turnover and growth is budgeted each year, but new positions are not allocated to the functional activities until they are hired. This rigorous process allows the organization to strategically evaluate each new hire, controlling headcount growth and ensuring proper allocation of resources. If IANA requires additional headcount in FY23, resources will be prioritized using this budgeting and approval process

Dollar figures are shown in millions of U.S. dollars with a granularity of \$100,000. Due to rounding, numbers presented may not add up precisely to the totals indicated, and percentages may not precisely reflect the absolute figures. An absence of an expenditure is shown with a dash.

| FY23 PTI Budget in Millions, USD | FY23 Budget | FY22 Budget | Under/(Over) | | FY21 Actuals | Under/(Over) | |
|-------------------------------------|----------------|----------------|----------------|--------------|-----------------|----------------|---------------|
| | | | Total | % | | Total | % |
| FUNDING | \$9.8 | \$9.7 | (\$0.1) | -1.1% | \$7.7 | (\$2.1) | -27.7% |
| Personnel | \$6.3 | \$6.1 | (\$0.2) | -3.3% | \$5.7 | (\$0.6) | -11.3% |
| Travel & Meetings | \$0.5 | \$0.6 | \$0.0 | 5.2% | \$0.0 | (\$0.5) | -13991.5% |
| Professional Services | \$1.3 | \$1.3 | \$0.0 | 2.2% | \$0.8 | (\$0.5) | -56.6% |
| Administration | \$0.9 | \$0.9 | \$0.0 | -5.4% | \$1.0 | \$0.1 | 5.4% |
| Contingency | \$0.5 | \$0.5 | \$0.0 | 0.0% | \$0.0 | (\$0.5) | 0.0% |
| Capital | \$0.3 | \$0.3 | \$0.0 | 0.0% | \$0.3 | (\$0.1) | -22.1% |
| Depreciation (a) | \$0.0 | \$0.1 | \$0.1 | 83.2% | \$0.0 | \$0.0 | -799.0% |
| TOTAL CASH EXPENSES | \$9.8 | \$9.7 | (\$0.1) | -1.1% | \$7.7 | (\$2.1) | -27.7% |
| EXCESS/(DEFICIT) | \$0.0 | \$0.0 | \$0.0 | 0.0% | \$0.0 | \$0.0 | 0.0% |

| | | | | | | | |
|--|------|------|-----|------|------|------|-------|
| Average Headcount (FTE) (b) | 22.0 | 22.0 | 0.0 | 0.0% | 20.9 | -1.1 | -5.2% |
| (a) Depreciation is treated as a cash expense for PTI since it will be reimbursed to ICANN | | | | | | | |
| (b) FTE: Full-time staff equivalent | | | | | | | |

| FY23 IANA Budget in Millions, USD | FY23 IANA Draft Budget | FY22 IANA Adopted Budget | Under/(Over) | | FY21 IANA Actuals | Under/(Over) | |
|--------------------------------------|---------------------------|--------------------------------|----------------|--------------|----------------------|----------------|---------------|
| | | | Total | % | | Total | % |
| PTI Budget | \$9.8 | \$9.7 | (\$0.1) | -1.1% | \$7.7 | (\$2.1) | -27.7% |
| IANA Support Activities (1) | \$0.6 | \$0.6 | \$0.1 | 8.8% | \$0.6 | \$0.0 | 2.0% |
| TOTAL | \$10.4 | \$10.3 | (\$0.1) | -0.5% | \$8.3 | (\$2.1) | -25.6% |

(1) IANA Support Activities include the Root Zone Maintainer function, Customer Standing Committee, Root Zone Evolution Committee, and IANA Naming Function reviews.

Caretaker Budget

Under the ICANN Bylaws, after the ICANN Board approves the IANA operating plan and budget, the Empowered Community can raise concerns through a petition. If the IANA operating plan and budget has not come into full force and effect on or prior to the first date of any fiscal year of ICANN, the Board shall adopt a temporary budget, the Caretaker IANA Budget, which shall be effective until such time as the IANA budget has been effectively approved by the ICANN Board and not rejected by the Empowered Community.

Appendix

FY23 PTI Operating Plan and Budget

The *FY23 PTI Operating Plan and Budget* represents the majority of the *FY23 IANA OP&B* scope. The total PTI OP&B for fiscal year 23 is \$9.8M. The draft *FY23 PTI Operating Plan and Budget* can be reviewed [here](#).



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Proposed for Board Adoption

FY23 IANA Operating and Budget



24 February 2022

Background and Objective

- ICANN's bylaws require the organization to submit the IANA Operating Plan and Budget (OP&B) to ICANN at least nine months in advance of the fiscal year. So that the IANA OP&B can be approved by the ICANN Board in advance of ICANN's OP&B to account for the timing of separate empowered community process.
- Key Milestones Achieved:
 - ✓ ICANN received input from PTI as input into the IANA Functions Budget-July 2021 to September 2021
 - ✓ The IANA Functions Draft FY23 OP&B were posted for Public Comments 15 September through 25 October 2021
 - ✓ The Public Comment Summary Report were published on 30 November 2021
 - ✓ The PTI Board adopted the FY23 PTI OP&B on 13 December 2021
 - ✓ ICANN BFC reviewed the proposed for Adoption FY23 IANA OP&B in Jan 2022



Objective:

- **ICANN Board to consider the adoption of the FY23 IANA Operating Plan and Budget**

Summary of Changes: Draft to Proposed for Adoption

- ICANN org believe that all public comments have been adequately addressed
 - All comments received have been taken into consideration and where appropriate and feasible were incorporated into the Proposed for Adoption FY23 PTI OP&B
 - No changes to the FY23 IANA OP&B
- The below improvements were incorporated in the text of the PTI Operating Plan:
 - Additional content was added to enhance the linkage between the PTI FY21-24 Strategic Plan and the PTI FY23 Revised Draft OP&B
 - 3 financial tables were merged into 1 table for ease of review and presentation purposes
- None of the public comments resulted in any change to the FY23 Budgets

See Proposed for Adoption FY23 IANA Operating Plan & Budget

See Adopted (By the PTI Board) FY23 PTI Operating Plan & Budget

FY23 IANA Operating Activities Summary

- **Operations:** include project and non-project work dedicated to meeting contractual deliverables and the delivery of the IANA functions.
- **Operational Excellence:** activities include project work dedicated to the continuous improvement in the delivery of the IANA functions.
- **Technical Services:** activities focuses on system engineering and maintenance, software enhancements, tool development, website administration, and other discrete development projects to improve delivery of the IANA functions.
- **Governance:** overall management and oversight activities needed to ensure IANA is the proper home for enabling global interoperability through unique identifier coordination.

FY23 IANA Budget Summary

The IANA support activities component is \$0.1M lower compared to the FY22 IANA Budget due to the mix of personnel support.
Overall, the services remain the same to the FY22 Budget.

| FY23 IANA Budget in Millions, USD | FY23 IANA Draft Budget | FY22 IANA Adopted Budget | Under/(Over) | | FY21 IANA Actuals | Under/(Over) | |
|--------------------------------------|---------------------------|-----------------------------|----------------|--------------|----------------------|----------------|---------------|
| | | | Total | % | | Total | % |
| FUNDING | \$10.4 | \$10.3 | (\$0.1) | -0.5% | \$8.3 | (\$2.1) | -25.6% |
| Personnel | \$6.5 | \$6.4 | (\$0.1) | -2.2% | \$5.9 | (\$0.6) | -10.0% |
| Travel & Meetings | \$0.6 | \$0.6 | \$0.0 | 3.9% | \$0.0 | (\$0.6) | N/A |
| Professional Services | \$1.6 | \$1.6 | \$0.0 | 1.8% | \$1.1 | (\$0.5) | -41.5% |
| Administration | \$0.9 | \$0.9 | (\$0.0) | -5.4% | \$1.0 | \$0.1 | 5.4% |
| Contingency | \$0.5 | \$0.5 | \$0.0 | 0.0% | \$0.0 | (\$0.5) | 0.0% |
| Capital | \$0.3 | \$0.3 | \$0.0 | 0.0% | \$0.3 | (\$0.1) | -22.1% |
| Depreciation ⁽¹⁾ | \$0.0 | \$0.1 | \$0.1 | 83.2% | \$0.0 | (\$0.0) | -799.0% |
| TOTAL CASH EXPENSES | \$10.4 | \$10.3 | (\$0.1) | -0.5% | \$8.3 | (\$2.1) | -25.6% |
| EXCESS/(DEFICIT) | \$0.0 | \$0.0 | \$0.0 | 0.0% | \$0.0 | \$0.0 | 0.0% |
| Average Headcount | 23.5 | 23.5 | 0.0 | 0.0% | 22.3 | (1.2) | -5.4% |

(1) Depreciation is treated as a cash expense for PTI since it will be reimbursed to ICANN

FY23 IANA Budget Summary

| FY23 IANA Budget in Millions, USD | FY23 IANA Draft Budget | FY22 IANA Adopted Budget | Under/(Over) | | FY21 IANA Actuals | Under/(Over) | |
|--------------------------------------|---------------------------|--------------------------------|----------------|--------------|----------------------|----------------|---------------|
| | | | Total | % | | Total | % |
| PTI Budget | \$9.8 | \$9.7 | (\$0.1) | -1.1% | \$7.7 | (\$2.1) | -27.7% |
| IANA Support Activities (1) | \$0.6 | \$0.6 | \$0.1 | 8.8% | \$0.6 | \$0.0 | 2.0% |
| TOTAL | \$10.4 | \$10.3 | (\$0.1) | -0.5% | \$8.3 | (\$2.1) | -25.6% |

(1) IANA Support Activities include the Root Zone Maintainer function, Customer Standing Committee, Root Zone Evolution Committee, and IANA Naming Function reviews.

The BFC recommends that ICANN Board consider the Adoption of the FY23 IANA Operating Plan and Budget

See attached Board resolution draft

Next Step and Timeline – IANA

| Key Steps | When | Who | Comments |
|--|--------------------------------|------------------------------------|--|
| ✓ Initial Community Consultation | June – July 2021 | Community | Two Community Webinars 27 July |
| ✓ Draft Operating Plan and Budget Development | July – August 2021 | PTI & ICANN | |
| ✓ PTI Draft OP&B Submitted to PTI Board | 09 September 2021 | PTI Board | At Least 9 Months Before Next Fiscal Year (Input to ICANN OP&B Per Bylaws) |
| ✓ IANA Draft OP&B Submitted to ICANN BFC | 10 September 2021 | ICANN BFC | At Least 9 Months Before Next Fiscal Year (Input to ICANN OP&B Per Bylaws) |
| ✓ Draft OP&B Public Comment Period | 15 September – 25 October 2021 | Community | Public Comment periods runs for 40 days |
| ✓ PTI Board Review Public Comment Staff Report | 22 November 2021 | PTI | |
| ✓ Published Public Comment Staff Report | 30 November 2021 | Org | |
| ✓ PTI OP&B Adoption | 13 December 2021 | PTI Board (PTI OP&B) | |
| IANA OP&B Adoption | January 2022 / February 2022 | ICANN BFC/ ICANN Board (IANA OP&B) | Once the PTI Board adopts the PTI Plans, the IANA plans are submitted to the BFC and Board |
| Empowered Community Period | February - March 2022 | Empowered Community | 28 Days should no petition be submitted |

Empowered Community Process and Caretaker IANA Budget

- ① Under the ICANN Bylaws, after the ICANN Board approves the IANA OP&B, the Empowered Community can raise concerns through a petition
- ② If the IANA OP&B has not come into full force and effect on or prior to the first date of any fiscal year of ICANN, the Board shall adopt a temporary budget, the Caretaker IANA Budget, which shall be effective until such time as the IANA budget has been effectively approved by the ICANN Board and not rejected by the Empowered Community

Appendix

Bylaw Planning Requirements

PTI Strategic Plan

“The Corporation shall develop and annually update a four-year strategic plan that outlines the Corporation’s strategic priorities (the “Strategic Plan”). This Strategic Plan process may be run concurrently with the Annual Budget development process...”

PTI Bylaws

PTI Operating Plan and Budget

“At least nine months prior to the commencement of each fiscal year, the Corporation shall submit to the PTI Board and the Board of Directors of ICANN (the “ICANN Board”) a proposed annual operating plan and budget for the Corporation’s next fiscal year (“Annual Budget”).

PTI Bylaws

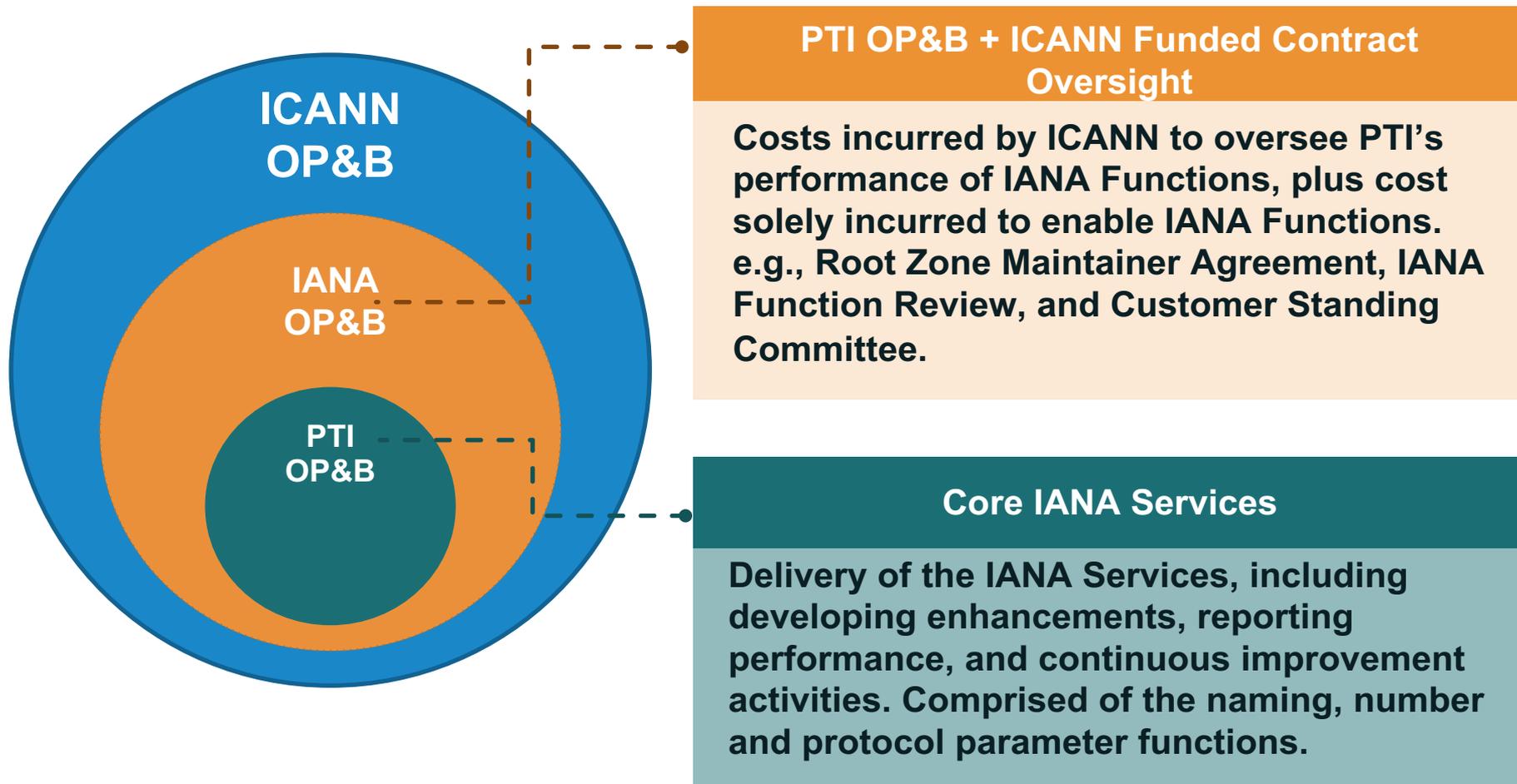
IANA Operating Plan and Budget

“At least 45 days prior to the commencement of each fiscal year, ICANN shall prepare and submit to the Board a proposed annual operating plan and budget of PTI and the IANA department, ... (the “IANA Budget”)....”

ICANN Bylaws

Scope of The Plans

The PTI and IANA Operating Plan and Budgets (OP&B) are components of the ICANN Operating Plan and Budget



FY23 IANA Planning Assumptions

Strategic Objectives
Remain Unchanged

The 2020-2024 strategic plan correctly captures our FY23 objectives

Customer
Satisfaction and
Expectations

Ongoing customer satisfaction remains high, but there is a need to incrementally improve our services to maintain this happiness

Affordability
Assumption and
Balanced Budget

Funding for IANA remains a priority and ICANN will continue to support all expected expenses

Face-to-Face
Meetings and
Engagement

Although there is still uncertainty, for planning purposes, the FY23 plans assume business travel, face-to-face meetings and other engagement activities will resume

Community
Recommendation
Work

Implementation work will be planned only as recommendations and policies move forward and reach the stage of Board consideration

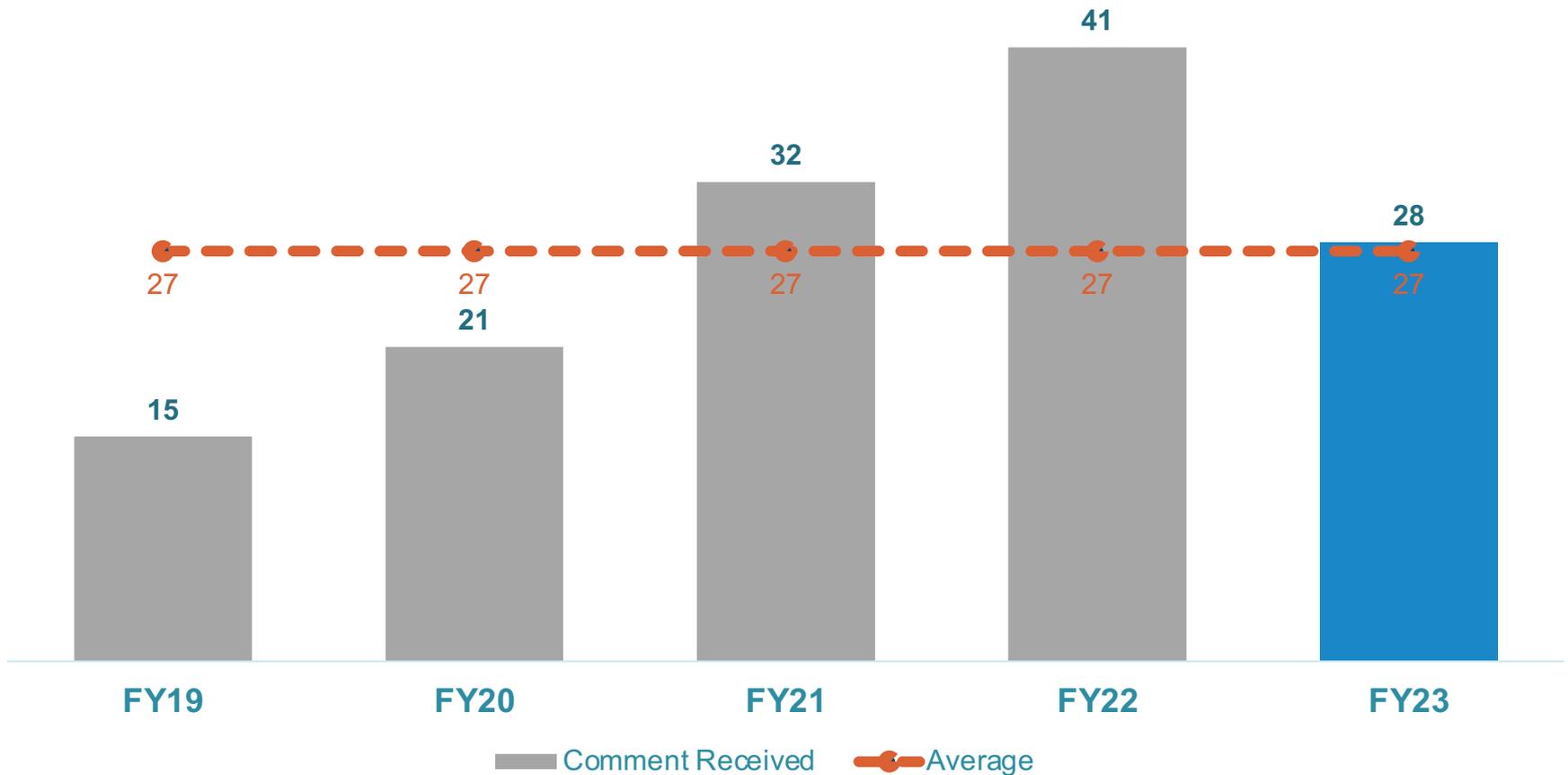
FY23 IANA OP&B Public Comment

- Public Comment period ran from 15 September – 25 October 2021
- 28 comments received by 5 organizations:
 - ICANN At Large Advisory Committee (ALAC) – 1
 - ICANN Business Constituency (BC) - 15
 - GNSO Council (GNSO) – 5
 - Registries Stakeholder Group (RySG) – 6
 - Registrars Stakeholder Group (RrSG)* – 1
- Consistent themes across comments:
 - 47% (13 Comments) on Financials
 - 21% (6 comments) on Planning Assumptions
 - 21% (6 comments) on Operating Activities
 - 11% (3 comments) on document structures

* Received after Public Comment Proceeding closed.

Number of Comments by Year

The number of comments received in FY23 is less than FY22 but is still aligned with the past five years' average



Public Comments by SO/AC

| | | FY21 | FY22 | FY23 | FY23 vs FY22 |
|---------------------------------------|--|--------------------|--------------------|--------------------|---------------|
| No. | Groups Submitting Comments | Number of Comments | Number of Comments | Number of Comments | Higher/-Lower |
| 1 | Article 19 | - | 4 | - | -4 |
| 2 | At-Large Advisory Committee (ALAC) | 1 | 1 | 1 | - |
| 3 | Business Constituency (BC) | 7 | 13 | 15 | +2 |
| 4 | Country Code Names Supporting Organization (ccNSO) | - | 1 | - | -1 |
| 5 | Generic Names Supporting Organization Council (GNSO) | 6 | 6 | 5 | -1 |
| 7 | Non-Commercial Stakeholders Group (NCSG) | 9 | 8 | - | -8 |
| 8 | The Registrar Stakeholder Group (RrSG)* | 2 | 1 | 1 | - |
| 9 | gTLD Registries Stakeholder Group (RySG) | 6 | 7 | 6 | -1 |
| # of Groups Submitting by Year | | 32 | 41 | 28 | -13 |

* Received after Public Comment Proceeding closed.

PTI Budget Variance by IANA Function

| PTI Services In Millions, USD | FY23 Budget | | | | FY22 Budget | | | | FY23 Budget vs FY22 Budget | | | |
|---------------------------------------|--------------|--------------|---------------------|--------------|--------------|--------------|---------------------|--------------|----------------------------|--------------|---------------------|----------------|
| | Names | Numbers | Protocol Parameters | Total | Names | Numbers | Protocol Parameters | Total | Names | Numbers | Protocol Parameters | Total Variance |
| Direct costs / Dedicated resources | 2.6 | 1.0 | 1.5 | 5.1 | 2.7 | 0.9 | 1.4 | 5.0 | (0.1) | 0.1 | 0.1 | 0.1 |
| Direct costs / Shared resources | 1.1 | 0.4 | 0.7 | 2.2 | 1.2 | 0.4 | 0.6 | 2.3 | (0.1) | 0.0 | 0.0 | 0.0 |
| Support Services Allocations | 1.3 | 0.5 | 0.7 | 2.5 | 1.3 | 0.4 | 0.7 | 2.5 | (0.1) | 0.1 | 0.0 | 0.0 |
| Total | \$5.0 | \$1.9 | \$2.9 | \$9.8 | \$5.3 | \$1.7 | \$2.8 | \$9.7 | (\$0.3) | \$0.2 | \$0.2 | \$0.1 |

ICANN BOARD PAPER NO. 2022.02.24.2b

TITLE: GNSO Supplemental Recommendation on EPDP Phase 1
Policy Recommendation #12

PROPOSED ACTION: For Board Consideration and Approval

EXECUTIVE SUMMARY:

On 4 March 2019, the Generic Names Supporting Organization (GNSO) Council Supermajority [adopted](#) the Expedited Policy Development Process (EPDP) on the Temporary Specification for gTLD Registration Data Phase 1 [Final Report](#), which consists of 29 recommendations. Pursuant to the [ICANN Bylaws](#), The GNSO council transmitted the [recommendations](#) to the ICANN Board. Following the Bylaws-mandated [public comment](#) proceedings, the Board subsequently adopted the EPDP Phase 1 recommendations on 15 May 2019 with the exceptions of Recommendation 1 (with respect to Purpose 2), and Recommendation 12, which the Board did not adopt in full.

The Board chose not to adopt Recommendation 12 due to the implementation guidance that provides the contracted parties the opportunity to redact or delete data in the Organization field if the registrant does not confirm the contents in the Organization field are accurate. The Board expressed concern that deletion of the contents in the Organization field may result in the loss of identifying information about who the registrant is and may not be consistent with ICANN's mission or in the global public interest.

To address the Board's concern, on 19 December 2019, the GNSO Council [approved](#) additional supplemental implementation guidance for Recommendation 12 noting that *"prior to eliminating Organization Contact fields, all Registrars MUST ensure that each registration contains Registered Name Holder contact information."* In considering the Supplemental Recommendation, the Board reviewed the guidance to confirm whether this change adequately addressed its previously noted concerns and shared its understanding of the intent and impact of Recommendation 12 with the GNSO Council, which has [confirmed](#) the points specified by the

Board. Per Bylaws Annex A, Section 9, the Board shall adopt the Supplemental Recommendation unless more than two-thirds (2/3) of the Board determines that such policy is not in the interests of the ICANN community or ICANN.

ICANN PRESIDENT & CEO RECOMMENDATION:

Following the review and discussion by the GDPR Steering Committee of the [21 January 2022](#) GNSO Council letter which agrees with the Board's stated [understandings](#) of the impact of the Supplemental Recommendation on EPDP Phase 1 Recommendation 12, ICANN's President & CEO recommends that the Board adopt the GNSO Council Supplemental Recommendation on the Expedited Policy Development Process on the Temporary Specification for gTLD Registration Data (EPDP) Phase 1, Recommendation 12, in relation to the deletion of data for the Organization field. The Supplemental Recommendation approved by the GNSO Council on [19 December 2019](#) addresses the Board's overarching concern of loss of essential data, should there ever be the need to contact the domain owner. ICANN's President and CEO recommends that the ICANN Board directs ICANN's President and CEO, or his designee(s), to implement the Supplemental Recommendation as detailed in the resolution below.

PROPOSED RESOLUTION:

Whereas, on 20 February 2019 the Expedited Policy Development Process team (EPDP) Phase 1 team published its [Final Report](#)¹ on the Temporary Specification for gTLD Registration Data.

Whereas, on 4 March 2019 the GNSO Council [approved](#) all twenty-nine (29) the Final PDP recommendations as documented in the EPDP Working Group's Phase 1 [Final Report](#).

Whereas, on 29 March 2019, the GNSO Council transmitted its Bylaws-mandated [Recommendations Report](#) to the ICANN Board of Directors, recommending that the Board adopt all the Phase 1 policy recommendations.

¹ ICANN.org GNSO (20 Feb 2019), *Final Report on Temporary Specification for gTLD Registration Data Expedited Policy Development Process*, <https://gnso.icann.org/sites/default/files/file/field-file-attach/epdp-gtld-registration-data-specs-final-20feb19-en.pdf> p.15.

Whereas, on 4 March 2019, the Phase 1 Final Report was published for [public comment](#) to inform Board action on the report, in accordance with the Bylaws.

Whereas, on 15 May 2019, the Board adopted the EPDP Phase 1 recommendations with the exception of Recommendation 12, which the Board did not adopt in full. The Board articulated its reasons for not adopting Recommendation 12, with respect to the option to delete data in the Organization field in its scorecard titled "[Scorecard: EPDP Phase 1 Recommendations](#)."

Whereas, the ICANN Board chose not to adopt implementation advice 2(b) of Recommendation 12, due to the deletion of the contents in the organization field might result in the loss of identifying information about who the registrant is and might not be consistent with ICANN's mission or in the global public interest.

Whereas, per Bylaws requirements the GNSO Council reviewed the Board [statement](#) and initiated a discussion with the ICANN Board.

Whereas, on 14 October 2019, the Board [suggested](#) to the GNSO Council that including an additional safeguard, similar to the safeguard applied with respect to the administrative contact field, within a supplemental recommendation might be a path forward for Board adoption of Recommendation 12.

Whereas, on 19 December 2019, the GNSO Council Supermajority [adopted](#) Recommendation #12, amending the text of Recommendation 12 to state that "prior to eliminating Organization Contact fields, all Registrars MUST ensure that each registration contains Registered Name Holder contact information."

Whereas, the Board considered the Supplemental Recommendation #12 and corresponded with the GNSO Council throughout 2020 and 2021. On 23 October 2021, the Board [shared](#) its understanding of the intent and impact of Recommendation 12 once the Registration Data Policy is implemented with the GNSO Council for further clarification.

Whereas, on 14 December 2021 the Board and GNSO Council discussed the Board's understanding in detail.

Whereas, on 21 January 2022, the GNSO Council generally confirmed the Board's understanding of the intent and impact of Recommendation 12, once implemented, as outlined in its [21 January 2022](#) letter.

Resolved (2022.02.24.xx), the Board adopts the GNSO Council's [Supplemental Recommendation](#) on the Expedited Policy Development Process on the Temporary Specification for gTLD Registration Data (EPDP) Phase 1, Recommendation 12, concerning the deletion of data in the Organization field as it addresses the Board's overarching concern of loss of essential data, should there ever be the need to contact the domain owner and is in the best interests of ICANN and the ICANN community per Annex A-1 of the ICANN Bylaws.

Resolved (2022.02.24.xx), the Board directs the President and CEO, or his designee(s), to include the appropriate guidance as described in the GNSO 21 January 2022 correspondence as part of the implementation of the Registration Data Policy.

PROPOSED RATIONALE:

Why is the Board addressing the issue?

On 20 February 2019, the Expedited Policy Development Process team (EPDP) Phase 1 team published its [Final Report](#) on the Temporary Specification for gTLD Registration Data. On 4 March 2019, the GNSO Council Supermajority adopted the [Final Report](#) and ICANN org subsequently commenced a public comment period. The Board resolved to [adopt](#) the recommendations, with some exceptions, on 15 May 2019. The Board did not [adopt](#) Recommendation 12 in full with respect to the recommendation's implementation advice 2(b) which allows the deletion of registration data in the organization field. Recommendation 12

relates to the publication or deletion of data in the organization field. The ICANN Board chose not to adopt implementation advice 2(b) of Recommendation 12, where contracted parties are given the option to delete data in the Organization field due to the concern that this would result in loss of necessary information if a registrant does not reply to a registrar's inquiry. The Board articulated its reasons for not adopting Recommendation 12, with respect to the option to delete data in the Organization field in the scorecard titled "[Scorecard: EPDP Phase 1 Recommendations](#)." Within the scorecard the Board highlighted its concern about losing necessary information if a registrant does not reply to a registrar's inquiry. Subsequently, the Board issued a [Board Statement](#) to the chair of the GNSO Council requesting a discussion per the Bylaw requirements (Annex A-1, Section 6.c).

What is the proposal being considered?

The Board is taking action at this time to adopt the GNSO Council Supplemental Recommendation on the Expedited Policy Development Process on the Temporary Specification for gTLD Registration Data (EPDP) Phase 1, Recommendation 12, concerning the Organization field per the ICANN Bylaws Annex A section 9.d.

Which stakeholders or others were consulted?

The GNSO Council discussed this topic during its Council meetings on [28 May 2019](#), [26 June 2019](#), [18 July 2019](#), [22 August 2019](#), [24 October 2019](#) and [6 November 2019](#), and with the ICANN Board during its joint sessions at ICANN65 and ICANN66, on [24 June 2019](#) and [3 November 2019](#) respectively. The GNSO Council also solicited additional information from the EPDP team to prepare for the upcoming discussion with the ICANN Board. The GNSO Council's initial communication with the EPDP Phase 2 team on this topic occurred on 16 May 2019 to inform the team of the Board's decision to defer the adoption of Recommendation 1, Purpose 2 for further consideration in EPDP Phase 2, and the non-adoption of the aspect of Recommendation 12 that permitted the deletion of registrant organization field data, resulting in a [dialogue between](#) the Board and the GNSO Council.

On 9 June 2019, the EPDP Phase 2 Chair [corresponded](#) with the Chair of the GNSO Council identifying additional context for the EPDP Team’s [rationale](#) for its Recommendation 12; however, there was no agreement at that stage on whether or not the Board’s non-adoption should be supported. On 24 June 2019, the GNSO Council held its [working session](#) at ICANN65 in Marrakech, Morocco and discussed Recommendation 12 in response to the GNSO Council’s request to the EPDP team for substantive feedback on the Board’s decision. The GNSO Council Chair wrote to the EPDP team on 31 October 2019 articulating that the Council was aiming to conclude the GNSO-Board discussion based on input received by the Board. On 3 November 2019, the GNSO Council met with the Board, and EPDP team members during the ICANN66 public meeting to discuss potential next steps forward resulting in the GNSO council [resolving](#) supplemental implementation guidance.

What concerns or issues were raised by the community?

Following the GNSO Council approval of the Supplemental Recommendation related to Recommendation 12, the Business Constituency (BC) group released a [public statement](#) supporting the supplemental guidance provided by the GNSO Council to address a concern similar to the Board’s regarding the deletion of data.

What significant materials did the Board review?

The Board reviewed the following significant materials:

- The 15 May 2019 Board [statement](#) on adopting 27 out of the 29 recommendations.
- The GNSO Council’s 09 [September 2019](#) letter updating the Board on the EPDP Phase 1 consultation process.
- The Board’s [14 October 2019](#) letter welcoming the Recommendation 12 rationale that was provided during the Board-GNSO Council ICANN65 meeting.
- The GNSO Council’s [23 December 2019](#) letter, notifying the Board of its supermajority adoption of the Recommendation 12 supplemental guidance.
- The Board’s [11 December 2020](#) letter sharing their concern that data be retained someplace, as a safeguard rather than deleted.

- The GNSO Council’s [04 March 2021](#) letter clarifying the Boards concern that data published in Whois or RDAP is not the data on which the registrar primarily relies to maintain contact with the registrant.
- The Board’s [7 May 2021](#) letter acknowledging receipt of the GNSO council correspondence concerning the Council’s clarification on the Supplemental Guidance on EPDP Phase 1, Recommendation 12.
- The Board’s [23 October 2021](#) letter sharing their understanding of the impact and intent of Recommendation 12 once implemented in the Registration Data Policy.
- The GNSO Council’s [21 January 2022](#) letter confirming with the Boards assumptions on the intent and impact of Recommendation 12 once implemented.

What factors did the Board find to be significant?

The Board understands from the GNSO council letter that “there is a significant legacy of mixed uses and purposes for this field. There is no standardization across the registrar landscape in how this field is processed.” Thus, it is the Board’s understanding that the intent of EPDP Phase 1 Recommendation 12 is to provide requirements to standardize how the Registrant Organization Field is processed. The Board also acknowledges the GNSO Council [statement](#) that “the data published in Whois or RDAP is not the only data stored, nor is it the data on which the registrar primarily relies to maintain contact with the registrant” and understands that for existing registrations, deleted values will continue to be required to be maintained in the registrar record of changes to WHOIS information for the duration of the registrar’s sponsorship of the domain name and for an additional 2 years per section 1.1 of the Data Retention Specification in the [2013 RAA](#). The requirement for new registrations is for Registrars to seek confirmation to publish the value in the Registrant Organization Field. If the Registrant declines publication of the value, the value will remain redacted, but the data will not be deleted.

Are there positive or negative community impacts?

Adopting the GNSO adopted Supplemental Recommendation on the EPDP Recommendation 12 regarding the deletion of data will have a positive impact on ICANN and the community as it

establishes safeguard mechanisms to prevent the chance of essential registrant data, should there ever be the need to contact the domain owner.

Are there fiscal impacts or ramifications on ICANN (strategic plan, operating plan, budget); the community; and/or the public?

Implementing the EPDP Phase 1 Recommendations is expected to have operational, financial, and/or other impact on registries and registrars who will implement new requirements to standardize how the Registrant Organization Field is processed.

Are there any security, stability or resiliency issues relating to the DNS?

None at this time.

Is this decision in the public interest and within ICANN's mission?

This action is within ICANN's mission and mandate and in the public interest as ICANN's role is to coordinate the development and implementation of policies that are developed through a bottom-up consensus-based multistakeholder process and designed to ensure the stable and secure operation of the Internet's unique names systems.

Is this either a defined policy process within ICANN's Supporting Organizations or ICANN's Organizational Administrative Function decision requiring public comment or not requiring public comment?

This is within ICANN's Organizational Administrative Function that does not require public comment, but it should be noted that the Final Report of policy recommendations were the subject of [public comment](#) as discussed above.

Signature Block:

Submitted by:

Position:

Date Noted:

Email:

ANNEX A: OVERVIEW OF RECOMMENDATION 12 CORRESPONDENCE

| Date | Author | Where | Concern | Clarification |
|--------------|--------------|---------------------------------|---|---|
| 15 May 2019 | ICANN Board | Board Scorecard | <p>“The recommendation states that the Organization field will be published if that publication is acknowledged or confirmed by the registrant. If the registrant does not confirm, registrars may redact or delete the contents in the field. Once implemented the Recommendation may result in loss of identifying information about who the registrant is.</p> <p>For example: Domain name: icann.org Registrant: Domain Administrator Organization: ICANN ”</p> | |
| 09 Sept 2019 | GNSO Council | Correspondence | | <p>A. “Recommendation 12 was a compromise between those who believe that the Registrant Org is not personal data, and those who believe it could possibly be personal data, or used to infer/obtain personal data via other sources.</p> <p>B. Registrants and registrars have been using the Registrant Org field in non-standard ways for almost 20 years. There is a significant legacy of mixed</p> |

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| | | | | <p>uses and purposes for this field. There is no standardization across the registrar landscape in how this field is utilized.</p> <p>C. No matter what the outcome of the dialogue, the EPDP will effectively “change the rules” for registrants who may have entered data years ago without regard for the privacy implications.</p> <p>D. Registrants should be provided with a path to confirm if the data entered in Registrant Org indicates that their domain name is actually registered by a legal (vs. natural) person. As this will result in the legal person’s Org data being published, this needs to be an explicit confirmation, similar to opt-in consent.</p> <p>E. If a registrant explicitly deletes the data in the Registrant Org field, then Registrars should make this change in their own databases, and at the Registry.</p> <p>F. But if the registrant doesn’t respond to attempts by the registrar to confirm the type of data subject they are, then that must be taken as an “opt-out” of the new rules supporting this field. (Privacy by Default)</p> <p>G. Registrars have no method at this time to relay a consent status to the registry. Deletion of data is a workaround which allows the natural person’s Org field to remain private, but which may cause databases to get out of sync, thus negatively impacting the accuracy of registration data.</p> <p>H. If deletion was later found to be an error on the part of the registrant, it is a trivial matter for them to re-enter the data.</p> |
|--|--|--|--|--|

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| | | | | <p>I. But if their personal data is exposed in error, then it cannot be un-exposed, and the registrar/registry involved could be subject to GDPR enforcement.</p> <p>J. Exposing the data by accident is an issue, but contracted parties also need to know their liability and responsibility under Art 17.2 of the GDPR.</p> <p>K. Where the controller has made the personal data public and is obliged pursuant to paragraph 1 to erase the personal data, the controller, taking account of available technology and the cost of implementation, shall take reasonable steps, including technical measures, to inform controllers which are processing the personal data that the data subject has requested the erasure by such controllers of any links to, or copy or replication of, those personal data.”</p> |
| 14 Oct 19 | ICANN Board | Correspondence | <p>“we are also examining this issue from the perspective of protecting the Registered Name Holder from inadvertent consequences of the deletion of their organization field data. For example: in the case of the domain name icann.org, the domain name registration currently lists “ICANN” in the Registrant Organization field. Should ICANN overlook the registrar’s request for confirmation that the organization field is to continue being published, and the registrar as a result decides to delete (as opposed to merely redact) the Organization field data, it would mean that the registration would appear to be reassigned to the person listed in the “Registrant Name” field. In this specific case, the registration would appear to be assigned to “Domain Administrator.”</p> <p>As this by itself could be considered to be inaccurate or incomplete registration data, this might result in suspension and even</p> | |

| | | | | |
|-------------|--------------|--|---|--|
| | | | <p>subsequent deletion of the domain name. Some registrars might have additional information on their "customer" that they could use to establish/re-establish an organization's rights to a domain name even if the Registrant Organization field is permanently deleted and entirely removed from a registrar's records, but that might not be true for all registrars.</p> <p>This scenario may apply only in a limited number of cases, but the implications could be significant. Registration data, including registrant organization field data, serves security and stability purposes, as recognized by the EPDP Phase 1 team. Thus, deletion of registrant organization field data might have security and stability implications and could cause concrete harm.”</p> | |
| 3 Nov 2019 | ICANN Board | ICANN66 ICANN Board and GNSO Council joint meeting | <p>“there’s no dispute that the concern started from the fact that the language says delete... A registrar is likely to retain that data somewhere, so that if you need to contact somebody and removing that data makes it difficult or impossible to find that person, you would still have that information available to you.</p> <p>Including additional implementation guidance similar to that which the administrative field was treated in a supplemental recommendation might be a path forward to essentially reaffirm the recommendation.”</p> | |
| 23 Dec 2019 | GNSO Council | GNSO Council meeting | | <p>In relation to Recommendation 12, with respect to the option to delete data in the Organization field, the GNSO Council adopts the following Supplemental Recommendation reaffirming the part of the original Recommendation #12 and the Implementation Advice which stated that: "b) If the registrant declines, or does not respond to the query, the Registrar may redact the Organization field, or delete the field contents." (emphasis added) but hereby providing additional implementation guidance: similar to what was recommended in Recommendation 29 in the context of the deletion of administrative contact, prior to</p> |

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| | | | | eliminating Organization Contact fields, all Registrars MUST ensure that each registration contains Registered Name Holder contact information. |
| 23 December 2019 | GNSO council | Correspondence | | The GNSO Council informed the ICANN Board Chair of the Council’s discussion and vote in favor of the Supplemental Recommendation regarding Recommendation #12 |
| 11 Dec 20 | ICANN Board | Correspondence | <p>Given the Board’s understanding that the data need not be published in this instance, the concern is that the data be retained in some manner rather than deleted. That is, a registrar may delete data in organization fields from its registration data records (WHOIS records), but must retain it elsewhere, e.g., in a separate customer database.</p> <p>The Board’s concern is not that the data be retained as part of the registrar’s registration data records, but that it is being retained someplace, as a safeguard in the event of disputes or other issues, rather than deleted. The Board is seeking clarification on whether this understanding is consistent with the Supplemental Recommendation.”</p> | |
| 04 Mar 2021 | GNSO Council | Correspondence | | <p>“When the Council confirmed that, "all Registrars MUST ensure that each registration contains Registered Name Holder contact information," this meant that the information accompanying the registration allows for contacting the registrant.</p> <p>The example provided by the ICANN Board is not considered contact information, but instead general terminology; as such, the Registrar would not be considered in compliance with this supplemental recommendation unless there is other information present that would allow for contacting the Registered Name Holder (especially in the rare instance of a registrar failure and transition of registrations from a de-accredited, losing Registrar to a gaining Registrar)...“registrars collect and retain registrant data both pursuant to ICANN</p> |

| | | | | |
|-------------|-------------|--------------------------------|---|---|
| | | | | <p>contractual requirements and according to their own individual business needs and legal obligations.</p> <p>In practice, this means that registrars retain their customers’ data within their own customer database(s) outside of the Whois system, and, accordingly, registrars will maintain the ability to contact their customers and verify the domain.</p> |
| 23 Oct 2021 | ICANN Board | Correspondence | <ol style="list-style-type: none"> 1. “The intent of Recommendation 12 is to provide requirements to standardize how the Registrant Organization Field is utilized”. 2. “Standardizing the field will require a transition process for existing registrations.” 3. “For new registrations, the entity listed in the Organization Field will have the rights and responsibilities of Registered Name Holders (section 3.7.7 of the RAA) such as transferring, renewing and claiming a domain name.” 4. “The implementation of Recommendation 12 with the supplemental guidance will result in a new requirement for the registrar to include the Organization field in its escrow deposits.” 5. “The Board acknowledges that deleted values will continue to be required to be maintained in the registrar record of changes to WHOIS information per section 1.1 of the Data Retention Specification in the 2013 RAA.” | |

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|-----------|--------------|--------------------------------|---|--|
| | | | <p>6. “The requirement for new registrations is for Registrars to seek consent to publish the value in the Registrant Organization Field.”</p> <p>7. “The Board understands that the language in the Final Report “will be listed as the Registered Name holder” means that the data in the Registrant Name field will be treated as a point of contact at the organization.”</p> | |
| 21 Jan 22 | GNSO Council | Correspondence | | <ol style="list-style-type: none"> 1. “ In the interest of precision, the Council notes the requirements in Recommendation 12 intend to standardize how the Organization Field is processed rather than “utilized”. 2. The Council notes, as part of the implementation of Recommendation 12, it is important to inform all registrars that they should retain the registrant data as long as they are entitled to, under the law, in order to defend against potential legal claims ..and should not be construed to require additional accuracy requirements under the Whois Accuracy Program Specification. 3. The GNSO Council confirms the ICANN Board’s assumption that “For new registrations, the entity listed in the Organization Field will have the rights and responsibilities of Registered Name Holders (section 3.7.7 of the RAA) such as transferring, renewing and claiming a domain name.” 4. “..the EPDP-P1 recommendation provides that, as part of both the sanitization exercise for existing |

registrations and the requirements for new registrations, where a value is populated in the Organization field, the Organization is to be “considered” the registered name holder. Accordingly, the Council recognizes escrow of the Registrant Organization field to be a good practice beginning on the policy effective date, if not already, in order to safeguard registrants in the event of registrar failure.” “The GNSO Council requests that ICANN org ensure relevant parties are made aware of this requirement, as appropriate, through the Registration Data Policy.

5. The GNSO Council confirms the ICANN Board’s assumption “that deleted values will continue to be required to be maintained in the registrar record of changes to WHOIS information per section 1.1 of the Data Retention Specification in the 2013 RAA.”
6. “The GNSO Council agrees with the Board’s assumption; however, in the interest of textual precision, the recommendation uses the words “confirm or correct” rather than “consent” because consent has a specific meaning under the GDPR.”
7. The GNSO Council acknowledges that the text “...will be listed as...” in the EPDP Phase 1 Final Report was imprecise, and, instead, directs the Board to the draft text in the EPDP Phase 1 Implementation Review Team’s draft consensus policy language, which properly reflects the intent of the recommendation, where it states that “The Registrant

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| | | | | Organization will be considered the Registered Name Holder.” |
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