
Public Comment Summary Report

Draft PTI FY25 Operating Plan and Budget

Open for Submissions Date:

Tuesday, 12 December 2023

Closed for Submissions Date:

Monday, 12 February 2024

Summary Report Due Date:

Monday, 11 March 2024

Category: Operations

Requester: ICANN org

ICANN org Contact(s):

planning@icann.org

Open Proceeding Link:

<https://www.icann.org/en/public-comment/proceeding/draft-pti-fy25-operating-plan-and-budget-12-12-2023>

Outcome:

Submissions from five community groups were received. They were categorized into 20 specific comments across the following five themes:

1. Document structure
2. Planning assumptions
3. Operating activities
4. Financials
5. Other

This *Public Comment Summary Report* includes ICANN org and PTI's responses to the comments received. All received comments will be taken into consideration, and where appropriate and feasible, will be incorporated into the revised Draft FY25 PTI Operating Plan and Budgets.

Section 1: What We Received Input On

[Public Technical Identifiers](#) (PTI) is an affiliate of ICANN, set up to perform the operations of the IANA functions through [contracts and subcontracts](#) with ICANN. PTI's Bylaws require PTI to develop an annual *Operating Plan and Budget* (OP&B). The PTI OP&B includes all costs directly related to the delivery of the IANA services: 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.

Once the PTI OP&B is adopted by the PTI Board, it is incorporated into the broader IANA OP&B, which is considered by the ICANN Board to support the operations of the IANA functions.

ICANN org and PTI published the Draft FY25 PTI OP&B on 12 December 2023 for Public Comment. This proceeding closed on 12 February 2023. We received comments from five community members and groups. One submission was received late.

This report includes ICANN org and PTI’s responses to the comments received through this Public Comment process.

Section 2: Submissions

Organizations and Groups:

Name	Initials
At-Large Advisory Committee	ALAC
gTLD Registries Stakeholder Group	RySG
Country Code Names Support Organization Strategic and Operational Planning Standing Committee	ccNSO SOPC
Generic Names Supporting Organization Business Constituency	BC

Section 2a: Late Submissions

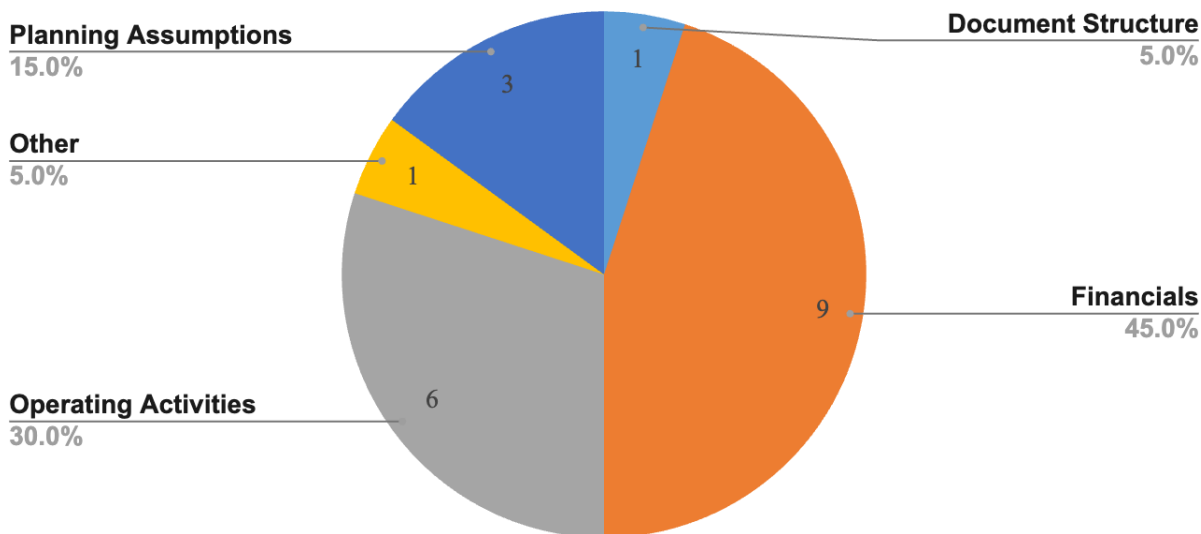
ICANN org accepted late submissions. They have been appended to this summary report. However, submissions received after the Public Comment deadline are not directly addressed by ICANN org. Where applicable, ICANN org will reference responses for similar comments received before the deadline.

Organizations and Groups:

Name	Initials
Registrar Stakeholder Group	RrSG

Section 3: Summary of Submissions

There were five submissions to the Public Comment proceeding on the Draft FY25 PTI OP&B. The comments were further broken down into a total of twenty (20) comments. To gain a better understanding of the comments, they have been grouped into five themes.



The majority of the comments received were categorized under the financial theme. The themes from community groups are broken down as such:

- The ALAC commented on document structure, planning assumptions, and financials.
- The BC commented on operating activities, financials, and one other uncategorized theme.
- The ccNSO SOPC commented on financials, operating activities, and planning assumptions.
- The RySG commented on operating activities and planning assumptions.
- RrSG only had one comment on financials.

Section 4: Analysis of Submissions

4.1 Document Structure

ALAC commented they were in support of the improved amount of detailed information, explanation, and transparency about the plans. ALAC noted the document's improved readability for those not familiar with all the duties of PTI. ICANN org and PTI appreciate the comment and will continue to provide the same level of detail in future plans as well as continue to evaluate opportunities for improvements.

4.2 Planning Assumptions

There were three comments by two groups related to PTI's planning assumptions.

General Assumptions

The RySG commented in support of the planning assumptions included in the draft. It was noted that the assumptions appear reasonable and consistent with prior years. RySG also submitted a comment in approval of the activities outlined in the Draft Operating Plan. ICANN and PTI would like to thank RySG for their support.

Financial Assumption

ALAC commented in support of PTI's assumption that funding for IANA functions and the activities laid out in the PTI FY25 Operating Plan and Budget are prioritized by ICANN. PTI

notes that it will continue to exercise careful cost control in its operations to support activities planned for FY25.

4.3 Operating Activities

There were six comments submitted by three groups on various aspects of PTI's operating activities.

Operations

The ccNSO SOPC submitted two comments related to community recommendations. One comment requested prioritization for implementation of the ccNSO Retirement Policy to avoid delays, as it was approved by the ICANN Board in September 2022. ICANN org and PTI appreciate the ccNSO SOPC's comment. In October 2022, policy development process (PDP) 3 Part 1 was flagged for prioritization by the Planning Prioritization Group and the implementation design plans were then started by org. All material implementation for the ccTLD Retirement Policy for future cases was conducted and concluded in 2023. PTI is operationally ready when the next triggering event causes the ccTLD Retirement Policy to be invoked. While there is still some ongoing work to formally close out the implementation activity, it only relates to the applicability of the policy to previous cases, which the policy directed for staff action. For these reasons, this item was not included in the FY25 draft plans as we do not expect further impact from this project in FY25.

The SOPC also commented on the general PDP and relevant policy implementation work for FY25. ICANN org and PTI note that PTI follows ICANN's structured planning and prioritization process. Therefore, any ongoing review and policy-related work that is not yet ICANN Board-approved is not included in the FY25 PTI Operating Plan and Budget. A [five-year rolling roadmap](#) of PDP, reviews, and cross-community working groups activities and estimated timeline of the activities has been created to provide visible progress updates to the community. We also recommend reviewing the work of the [Planning Prioritization Group](#).

The RySG requested updates on their previous comment in FY24 regarding PTI examining opportunities for operational efficiency, especially as it relates to metrics. PTI thanks RySG for its comments. The current system of metrics is driven by requirements that are set by the multistakeholder community and are established as obligations for PTI/IANA in the contracts it performs. PTI/IANA is not empowered to change them unilaterally, however for various contracts there are review processes. Specifically, we note that the second IANA Naming Functions Review is underway. It conducts a periodic overall assessment to ascertain whether the naming functions contract needs to evolve, and of the Customer Standing Committee's enduring role in reviewing performance metrics month to month. We encourage the RySG to involve itself in those processes through the GNSO's appointed representatives.

IANA maintains a strong culture of operational excellence with dedicated staff focused on continuously assessing key performance indicators and evaluating business processes for increased efficiency of our service delivery. Highlights of the efforts in this area include:

- Augmenting PTI's quality assurance and project management expertise by hiring two additional positions: one Project Manager and one Continuous Improvement Specialist.
- Collaboration with the Customer Standing Committee to develop a framework that could be used to conduct regular reviews of the IANA Naming Service Level Agreement metrics.
- Enhancements to the external information security audit program.

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- Additional information on PTI's performance can be found here: <https://www.iana.org/performance>

Operational Excellence

ICANN org and PTI acknowledge the BC's comment on PTI's role as performing the core IANA Functions and that the IANA budget encompasses those IANA functions performed by ICANN org and not performed by PTI.

ICANN org and PTI also acknowledge the BCs note regarding expectations for FY25 to deliver a comprehensive set of systems and tools to support protocol parameter assignment workflows following a multi-year development effort. PTI will continue to focus on finding potential service improvements.

4.4 Financials

Nine finance-related comments were submitted by four groups. The comments focused on the structure and format of the budgeted expenses, as well as recommendations and requests for clarification and incremental information. Comments also addressed concerns over inflation and the headcount budget.

Financial Data

The BC noted that the Draft FY25 PTI Budget of \$10.9 million is an increase of 3.8 percent compared to the FY24 Budget (\$10.5 million). The BC commented that this was due to inflation with respect to personnel compensation, but ICANN org and PTI note that personnel expense is also higher in the FY25 Budget due to having 1.1 more full-time equivalents (FTEs) versus the FY24 Budget. Personnel expenses are impacted by inflation which ranges from 3-5% and is reflected in the FY25 Budget.

The BC also requested clarification of the expenses for Professional Services, which differ in the PTI Total Expenses table from the PTI Budget Variance table by \$0.1m. The BC surmised that the table folds contingency into these categories. Regarding this variance, ICANN org and PTI would like to note that after the launch of an upgraded Root Zone Management System (RZMS) in FY23, and the next incremental release to offer multi-factor authentication planned for launch in FY24, that it is assumed for FY25 that additional incremental features will be delivered without significant reliance on third-party contractors. This results in a lower cost for Professional Services. Contingency is budgeted separately and remains in line with FY24 Budget levels.

The SOPC suggested whether a PTI reserve/contingency fund should be established independently to mitigate risk of funding by ICANN and ensuring PTI operations for several years. We would like to clarify that the PTI budget has its own contingency expense which is included in the ICANN Operations contingency but reserved for matters specific to PTI.

Headcount

The SOPC requested clarity in understanding whether adequate resourcing of PTI is ensured. This concern was raised in question to the following statement included in the plans: "The greatest risk is the possible loss of development resources that are prioritized to other

objectives.” ICANN and PTI account for any possible risks in the planning and budgeting process. PTI relies on direct shared resources from ICANN’s E&IT department to develop and maintain the RZMS. These resources are not fully dedicated to this system. Because PTI cannot control how engineering resources outside of PTI staff are allocated, this continues to be a risk when it comes to resource allocation for RZMS development. We would like to highlight ongoing work related to ICANN [CEO Goal #9 IANA Services](#) as a reassurance that there is an identified need to enhance our approach on this topic.

The ALAC recommended that it would be more prudent to provide in the PTI FY25 Budget a forecast for additional headcount rather than excluding it to align with ICANN’s process for approving and budgeting new positions. It was noted that a forecast could aid in offering better planning of resources as it would include budgeted funds earmarked for the potential expense of new hires. The SOPC had similar concerns regarding budgeting for headcount. It was questioned whether with the current process ICANN would prioritize PTI resources if additional staff was required in FY25.

ICANN org and PTI note that it is ICANN org’s adopted practice to centralize the funds for incremental headcount within the ICANN budget. If PTI requires additional headcount, it will be prioritized using the approval process noted in the Operating Plan and Budget. ICANN org budgets additional headcount separately each year, based on personnel turnover, organizational growth, and planned activities for an increase in headcount. New positions will be allocated to the function when they are hired. This process allows for a strategic evaluation of each new hire, controlling headcount growth, and ensuring proper allocation of resources. For any unplanned activity that arises during the fiscal year, resources will be funded by contingency to absorb these unexpected costs.

ALAC commended the increase in PTI personnel and decrease in Professional Services outlined in the FY25 plans.

4.3 Other

The BC commended the recent PTI Bylaw amendment that has allowed the PTI Strategic Planning cycle to move from a four-year to a five-year cycle. They recognize that this further ensures that PTI’s performance of IANA functions remains aligned with the ICANN Five-Year Operating Plan. This PTI Bylaw amendment has helped to improve unnecessary complexity and duplication on what is in scope for IANA and ICANN. ICANN org and PTI will continually look for ways to improve the planning process so that resources can be utilized most effectively.

Section 5: Next Steps

Following the publication of this summary report, ICANN org and PTI will take into consideration the Public Comments, and where appropriate and feasible, incorporate them into the Proposed for Adoption FY25 PTI OP&B.

The PTI Board will consider adoption of the Proposed for Adoption FY25 PTI OP&B at least 90 days before the fiscal year starts. The FY25 PTI OP&B is not subject to the Empowered Community process.

Section 6: Appendix

The tables below contain all comments received. Follow these steps to find responses to submitted comments:

- Locate community groups or individuals' names in the left-hand column (the Contributor column) of the Appendix.
- View the comments submitted by groups or individuals in the center column marked with the heading "Question/Comment." Multiple comments by the same group or individual are located sequentially in the center column.
- View the reference column, which displays the section of this document containing the response to the submitted comment.

6.1 Public Comments Received and Available on the Public Comment Page

The table below includes all Public Comments received by ICANN org and PTI in the Public Comment window. These comments are listed on the [PTI Public Comments page](#). The reference to direct responses for each comment are included in the "Reference to the Section of this Report" column.

Contributor	Questions/Comment By Submitters	Reference to the Section of this Report
ALAC	Firstly, we appreciate the improvement year to year in the detailing of the Public Technical Identifiers (PTI) Planning, the Operating Plan and the Budget, especially in the Operating Plan area. We found the text very readable, even for people not entirely familiar with all the duties of the PTI.	See section 4.1 Document Structure
ALAC	A key assumption in developing the PTI FY25 Operating Plan and Budget and corresponding IANA FY25 Operating Plan and Budget, is that funding for the IANA functions and the activities laid out in the PTI FY25 Operating Plan and Budget are prioritized by ICANN. PTI is expected to exercise careful cost controls in its operations. We fully support this assumption from PTI in its Financials given that running IANA is the core function of ICANN.	See section 4.2 Planning Assumptions
ALAC	"Personnel costs are the highest expense in the PTI FY25 Budget, so carefully planning for resources is critical. For FY25, additional headcount may be required; but is not included in this budget in order to align with ICANN's common process for approving and budgeting for new positions. ICANN plans for a certain amount of	See section 4.4 Financials

	<p>headcount turnover and growth each year, but costs for new positions are not allocated nor budgeted to PTI until they are hired. This process allows ICANN to strategically evaluate each new hire, controlling headcount growth and ensuring proper allocation of resources. Should PTI require additional headcount in FY25, resources will be prioritized by ICANN using this budgeting and approval process."</p> <p>We believe that it would be more prudent to provide in the PTI FY25 Budget a forecast for this additional headcount, in order to have budgeted funds earmarked for this potential expense. We think that this approach offers better planning of resources which may be needed, especially given the critical function that PTI carries.</p>	
ALAC	<p>We are, however, pleased to see an increase in personnel and a decrease in Professional Services, as this aligns with the accepted practice of having core functions performed by their ICANN-PTI staff, and not third-party contractors.</p>	<p>See section 4.4 Financials</p>
ccNSO SOPC	<p>The SOPC believes that adequate resourcing of PTI's operations and development work needs to be ensured now and in the years to come. In this context we like to draw your attention to our comment on ICANN's FY 25 Operating plan and budget.</p> <p>There is a general consensus across the ccTLD community that the evolution and strengthening of root zone management is at the core of ICANN's mission. This includes the evolution and strengthening of the IANA naming Services as performed by PTI. Therefore the SOPC was surprised to find the following in the planning documents relating to the evolution and strengthening of root zone management: " The greatest risk is the possible loss of development resources that are prioritized to other objectives."</p> <p>The SPOC would like to understand whether adequate resourcing of PTI is ensured, taking the aforementioned risk into account.</p>	<p>See section 4.4 Financials</p>

ccNSO SOPC	<p>In the Draft PTI FY25 Operating Plan and Budget it is stated (page 10): “ICANN plans for a certain amount of headcount turnover and growth in FTEs each year, but costs for new positions are not allocated nor budgeted to PTI until they are hired. This process allows ICANN to strategically evaluate each new hire, controlling headcount growth and ensuring proper allocation of resources.” The SOPC would like to understand, when PTI requires additional staff in FY25 or in subsequent years, PTI resources will be prioritized by ICANN using this budgeting and approval process. The SOPC believes that as the PTI is responsible to perform the IANA Naming Functions, the hiring of new staff should be part of the PTI budget and not part of the general ICANN budget.</p>	See section 4.4 Financials
ccNSO SOPC	<p>In the Draft PTI FY25 Operating Plan and Budget it is also stated (page 17): “PTI is the affiliate of ICANN that is responsible for the operations of the IANA functions. PTI invoices ICANN every quarter for performing those functions. ICANN, in accordance with its Bylaws and The IANA Naming Services Contract 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 \$148 million per year, which allows ICANN org to confidently commit to the funding of PTI.”</p> <p>Given the criticality of the IANA naming services for the ccTLD and broader community, the SOPC suggests to consider whether a PTI reserve/contingency fund should be established, ensuring the funding of the PTI operations for a number of years, independent of and mitigating risks of funding by ICANN.</p>	See section 4.4 Financials
ccNSO SOPC	<p>The SOPC noted that Draft PTI FY25 Operating Plan and Budget does not cover ongoing review and policy-related work that is not yet Board-</p>	See section 4.3 Operating Activities

	<p>approved. Commenting on the draft PTI FY24 Operating Plan and Budget, the SOPC suggested that implementation of the recommendations of ccNSO PDP 3 Review Mechanism working group and ccNSO PDP4 IDN working group are included in the PTI OP&B to avoid delays in this important project.</p>	
ccNSO SOPC	<p>The SOPC also urged PTI to ensure the implementation of the ccNSO PDP3 Retirement Policy (Part 1) approved by ICANN Board on September, 22 2022. The SOPC re-iterates these comments and suggests PTI considers them. It is our understanding (based on ICANN org’s answers to Clarifying Questions in FY24 budgeting process) that Contingency amount may be used to fund such a work.</p>	<p>See section 4.3 Operating Activities</p>
GNSO BC	<p>The Business Constituency (BC) is pleased to provide this comment on the Draft FY25 PTI Operating Plan and Budgets. We note that the Public Technical Identifier (PTI) performs the core Internet Assigned Numbers Authority (IANA) functions while the IANA Budget encompasses the IANA functions performed by ICANN Org which are not performed by PTI.</p>	<p>See section 4.3 Operating Activities</p>
GNSO BC	<p>The BC notes PTI’s expectation in Fiscal Year (FY) 25 to deliver a comprehensive set of systems and tools to support protocol parameter assignment workflows following a multi-year development effort. This is a welcome development and it is BC’s expectation that PTI will continue to focus on service improvement as a culture.</p>	<p>See section 4.3 Operating Activities</p>
GNSO BC	<p>The BC notes that a PTI bylaws amendment has effectively allowed for the PTI Strategic Planning cycle to move from a four-year to a five-year cycle, and as such the PTI’s FY21-24 Strategic Plan will now remain in force through the end of fiscal year 2025. We believe that this further consolidates and ensures that the PTI’s performance of IANA functions remain aligned with the ICANN 5 Year Operating Plan.</p>	<p>See section 4.5 Other</p>

GNSO BC	While it was noted that the PTI Budget of \$10.9m is an increase of 3.8% over the preceding year budget (\$10.5m) due to inflation with respect to personnel compensation, the BC for transparency purposes requests that the comparative inflation rate in view should be indicated.	See section 4.4 Financials
GNSO BC	Comparing the table above (PTI Total Expenses) with the one below (PTI Budget Variance), the BC requests clarification of the expenses for Professional Services, which differ. We surmise that the table folds Contingency into these categories. However, we still note a \$0.1m difference.	See section 4.4 Financials
GNSO BC	The BC notes that the FY25 OP&B is \$10.9M, up from \$10.5M for FY23. The most significant increase is in Personnel, with some marginal increases in Administration and Capital. Combined, these represent a \$0.7M increase, though are offset by a substantial decrease of \$0.3M in Professional Services resulting in a year-over-year budget increase of \$0.4M.	See section 4.4 Financials
RySG	The Registries Stakeholder Group (RySG) welcomes the opportunity to comment on the Draft PTI FY25 Operating Plan and Budget. The assumptions appear reasonable and consistent with prior years.	See section 4.2 Planning Assumptions
RySG	In addition, activities outlined in the Draft Operating Plan seem reasonable for the scope of PTI operations.	See section 4.3 Operating Activities
RySG	In our previous comments on the FY24 Operating Plan and Budget the RySG noted it would like to see PTI examine opportunities for operational efficiency, especially in the area of metrics. We are curious if that effort has been undertaken.	See section 4.3 Operating Activities
RySG	In general, the RySG is supportive of the FY25 Operating Plan and Budget and appreciates this opportunity to review and comment along with PTI's efforts to address previous questions and	See section 4.2 Operating Activities

	comments.	
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6.2 Public Comments Submitted After the Public Comment Period Deadline

The table below includes all public comments received by ICANN org and PTI after the Public Comment window. These comments are not listed on the Public Comments page. Where applicable ICANN org will reference responses for similar comments received before the deadline in the “Reference to the Section of this Report” column.

Submitter Organization	Question/Comment	Reference to the Section of this Report
RrSG	<p>The Registrar Stakeholder Group (RrSG) appreciates the opportunity to comment on the Draft PTI FY25 Operating Plan and Budget. Overall there are no significant concerns and generally the information and level of detail provided is good. The RrSG would, however, like to highlight that it is stated no budget has been included for additional headcount due to the ICANN process for approving/budgeting new positions (page 10), but the ‘Average Headcount FTE’ (page 21) it is noted as 23.7 in FY25 compared to 22.6 in FY24 and 20.7 Actual in FY23. This is confusing as it’s not clear whether ICANN is budgeting for increased staff in FY25 or not. This may be an allocation from Direct Shared or Shared Services but there are no details, which would be useful and we request to be included for clarity. The RrSG further notes that the average cost per headcount is very high and suggests some more context or rationale be included.</p>	See section 4.4 Financials

RrSG response to Draft PTI FY25 Operating Plan and Budget

The Registrar Stakeholder Group (RrSG) appreciates the opportunity to comment on the [Draft PTI FY25 Operating Plan and Budget](#). Overall there are no significant concerns and generally the information and level of detail provided is good.

The RrSG would, however, like to highlight that it is stated no budget has been included for additional headcount due to the ICANN process for approving/budgeting new positions (page 10), but the 'Average Headcount FTE' (page 21) it is noted as 23.7 in FY25 compared to 22.6 in FY24 and 20.7 Actual in FY23. This is confusing as it's not clear whether ICANN is budgeting for increased staff in FY25 or not. This may be an allocation from Direct Shared or Shared Services but there are no details, which would be useful and we request to be included for clarity. The RrSG further notes that the average cost per headcount is very high and suggests some more context or rationale be included.