

SOPC comments on Draft PTI FY27–31 Operating and Financial Plan and Draft ICANN FY27 Operating Plan

SOPC welcomes an opportunity to provide comments on Draft PTI FY27 Operating Plan and Budget. The Strategic and Operational Standing Committee (SOPC) coordinates and strengthens ccTLD participation in ICANN and PTI's strategic, operational, and budgetary processes. The Committee may submit comments on its own behalf, not reflecting the view of the ccNSO, not of individual ccTLD managers and is mandated to submit Rejection Action Petitions on ICANN and IANA budgets and plans.

The SOPC notes that the PTI FY27 budget states that a considerable amount of work is expected for the 2026 round of ngTLDs. We would like to point out that this should not endanger the core systems of PTI and the other relevant Projects planned for FY 27. Any additional efforts from the upcoming new gTLD round that may affect other important outlined priorities should be addressed in due course.

It is the understanding of the SOPC that the PTI budget is part of the IANA budget which is part of the overall ICANN budget. SOPC appreciates the explanation provided by ICANN the PTI budget has its own contingency expense which is included in the ICANN Operations contingency but reserved for matters specific to PTI. However, given the criticality of the IANA Naming Function for ccTLDs and others, the SOPC reiterates this year again its suggestion to consider whether the PTI as a separate legal entity should maintain its own reserve fund, earmarked to ensure continuity of the Naming Function.

We are pleased to read that as part of the operational excellence efforts, employee development continues to be a high priority, including staff training, development, and knowledge transfer. (page 6.)

The SOPC welcomes and appreciates the section "PTI Budget Variance by Function" in the "Draft PTI FY27 Operating Plan & Budget" including the breakdown of expenses across the three core IANA functions. (page 13)

Upcoming activities, including the next gTLD round and ccPDP3-RM implementation, will significantly increase workload. These activities will place additional pressure on staffing and operational capacity. It is important to ensure adequate and sustainable resourcing to support these demands. On p 14 (Section PTI FY27 Planning Assumptions subsection Operations) we read: *"Resourcing analyses conducted as part of delivering a road map for the provision of long-term, sustainable IANA functions indicated that the IANA team size and management structure is no longer sufficient to meet community requirements."* As FY27 budget does not foresee any increase in IANA team size, will this increase happen in FY28?

PTI expense amounts are small relative to the overall ICANN budget but they are essential for effective and reliable IANA services.

SOPC recommends:

- Provide greater clarity on cost allocation, explain the allocation methodology for Direct Shared and Shared Services costs (page 12)
- Improve transparency around shared services
- Identify and address potential risks related to budgetary dependencies