

## **Business Constituency (BC) Comment on Draft IANA and PTI FY24 Operating Plan and Budgets**

17-Nov-2022

### **Background**

This document is the response of the ICANN Business Constituency (BC), from the perspective of business users and registrants, as defined in our Charter:

The mission of the Business Constituency is to ensure that ICANN policy positions are consistent with the development of an Internet that:

1. Promotes end-user confidence because it is a safe place to conduct business;
2. Is competitive in the supply of registry and registrar and related services; and
3. Is technically stable, secure and reliable.

### **BC Comment on DRAFT PTI and IANA FY24 Operating Plan and Budgets.**

The Business Constituency (BC) is pleased to provide this comment on the [Draft FY24 PTI and IANA 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.

The IANA operating plan and budget (IANA OP&B) provides itemized details of 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

### **Comments and Questions regarding PTI:**

#### **Community Recommendations**

It is the BC's understanding that In line with the Planning Prioritization Framework, all Board-approved activities and Cross-Community Working Group recommendations are subject to prioritization, where any ongoing review and policy-related work that is not yet Board-approved are not captured in the FY24 PTI Operating Plan and Budget.

The BC notes that "PTI will remain available for implementation of Board-approved recommendations and that it "intends to follow ICANN's structured planning and prioritization process". The Draft PTI FY24 mentions three areas of policy-related work that is not yet approved for implementation as 'examples' of work that could be undertaken during FY24 and for which the Contingency fund would be used. Specifically:

1. Subsequent phases of implementing separation of .ARPA from root zone operations as described in RFC 9120
2. Operationalizing work relating to TLD variants
3. Implementation of policies under development or design assessment, such as:
  - a. Subsequent Procedures for New gTLDs
  - b. Permanent approach to IDN ccTLD Strings to replace the current "fast track"
  - c. A new decision review mechanism for ccTLD delegations and transfers

d. A root server governance model

The BC understands that the planning and prioritization process is ongoing and that further recommendations are being considered. *We are interested to understand how PTI would act should additional work be approved for implementation that exceeds the Contingency's allocation of \$0.5 million within the financial year.*

Also in light of rising inflation and the need to manage cost increases on budgeted services, *should a Contingency's allocation of \$0.5 million be maintained going forward to manage incidentals that are not budgeted for in the course of the financial year, especially where board approved activities gain more traction?*

PTI's core operations include maintaining systems and processes for IANA infrastructure for which key functions include ensuring IANA systems are available and working with partners to facilitate the successful operation of essential infrastructure, such as the DNS root zone and managing the root zone KSK amongst other functions. *We would like to know which components of the RZMS fall within the direct dedicated, direct shared, and shared support function allocations.*

Community driven outreaches form part of technical services listed for implementation in FY24. These are in the bid to continue evolving and adapting the RZMS to support increased customer demands.

Areas of engagement specified include:

1. Evolution of underlying community-developed policies for user experience improvements,
2. Implementation of new technical checks based on community engagement and
3. Integrating feedback from the community on the next generation platform.

*The BC would like to know how these interactions and checks would be deployed to include all commercial business users across all regions of the globe.*

### **PTI Direct Shared Expenses and PTI Shared Support Functions with ICANN**

The Draft FY24 OP&B narrative provides clear explanation about these two areas of the budget, yet we note an overlap in the areas of Finance & Planning, Human Resources, and Governance Support. We would welcome understanding on how these differ between Direct Shared and Shared Support Functions.

We can see that there is staff allocation of 5.6 FTE for Direct Shared and 0.0 FTE for Shared Support Functions, however *clarity of the different expenses would be beneficial.*

### **PTI Budget Variance**

The BC is glad to see PTI's performance of IANA functions aligned with the ICANN 5 Year Operating Plan. We support its periodic review. However, we note that the FY24 OP&B is \$10.5M, up from \$9.8M for FY23. The two largest areas of increase are in Personnel and Professional Services. Combined, these represent a \$0.9M increase, though are offset by other decreases and result in a year-over-year budget increase of \$0.6M.

For FY24, the explanation of the Professional services costs of \$0.5M allocates \$0.3M of the additional new expenses for an algorithm rollover study and iana.org website improvements. By contrast, when compared to FY22 actuals, FY24 OP&B for Professional Service and Administrations costs are increased by \$1.0M higher due to incremental services such as the algorithm rollover study and iana.org website improvements.

While the draft PTI FY24 OP&B provides an explanation that this increase is due to higher costs from economic inflation, it still only has \$0.3 allocated to two specific areas - algorithm rollover study and iana.org website improvements.

We noticed a drop in the FY24 budgeted amount for Travels & Meetings to the FY23 budgeted figures and the explanation that fewer meetings are planned for FY24, hence the decrease. As projects being implemented would require outreach, besides the presumption that more countries will open up to travel in FY24 resulting to higher participation, *we would like to know what measures are in place to compensate for a potential shortfall.*

*The BC feels it would be beneficial to provide more detail of the increases represented by the remaining \$0.7M increase from FY22 to FY24.*

#### **Comments and Questions regarding IANA:**

In the Introduction section of the Draft IANA FY24 OP&B, it is stated that for FY24, the total *PTI OP&B* is \$9.8M. This is reflected in the Draft PTI and elsewhere in the Draft IANA as \$10.5M.

#### **FY24 IANA Budget**

As outlined in the Scope of Work of the Draft IANA FY24 OP&B, most activities in scope are included in the PTI OP&B. Looking at personnel, there are 24.1 FTE identified, with 22.6 allocated to PTI, leaving just 1.5 FTE for the IANA support activities performed by the IANA budget. *Is the total \$0.6M cost of IANA support activities allocated to the 1.5 FTE or is a portion allocated elsewhere?*

#### **Conclusion**

The BC supports the draft FY24 IANA Budget for PTI of \$10.5 million though it is \$0.6 million higher than the FY23 budget and IANA budget of \$0.6M (services not performed by PTI).

We support the Caretaker IANA Budget to stay in force until the IANA budget has been approved by the ICANN Board and not rejected by the Empowered Community.

---

This comment was drafted by Tim Smith and Lawrence Olawale-Roberts.  
It was approved in accord with our [charter](#).