Public Comment Summary Report

Draft IANA and PTI FY24 Operations Plan and Budgets

Open for Submissions Date:
Thursday, 15 September 2022

Closed for Submissions Date:
Thursday, 17 November 2022 (Extended from Monday, 31 October 2022)

Summary Report Due Date:
Monday, 19 December 2022 (Extended from Thursday, 08 December 2022)

Category: Operations

Requester: ICANN org

ICANN org Contact(s): planning@icann.org

Open Proceeding Link: https://www.icann.org/en/public-comment/proceeding/draft-iana-and-pti-fy24-operating-plan-and-budgets-15-09-2022

Outcome:
Internet Corporation for Assigned Names and Numbers (ICANN) organization (org) and Public Technical Identifiers (PTI) (the ICANN entity set up to perform the IANA functions under ICANN's mandate) received comments from seven community groups, which consisted of 38 comments. The comments are categorized into four themes: document structure, planning assumptions, operating activities, and financials. 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 FY24 IANA and 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.

The ICANN Bylaws require ICANN to prepare and submit to the ICANN Board a proposed annual OP&B for ICANN's overarching management and support of the IANA functions. The IANA OP&B includes the PTI OP&B, ICANN activities related to contract oversight, and activities incurred by ICANN. Once the PTI OP&B is adopted by the PTI Board, it is then

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 FY24 IANA OP&B* and the *Draft FY24 PTI OP&B* on 15 September 2022 for Public Comment. This proceeding closed on 17 November 2022. We received comments from seven community members and groups.

This report includes ICANN org and PTI's responses to the comments received through this Public Comment process.
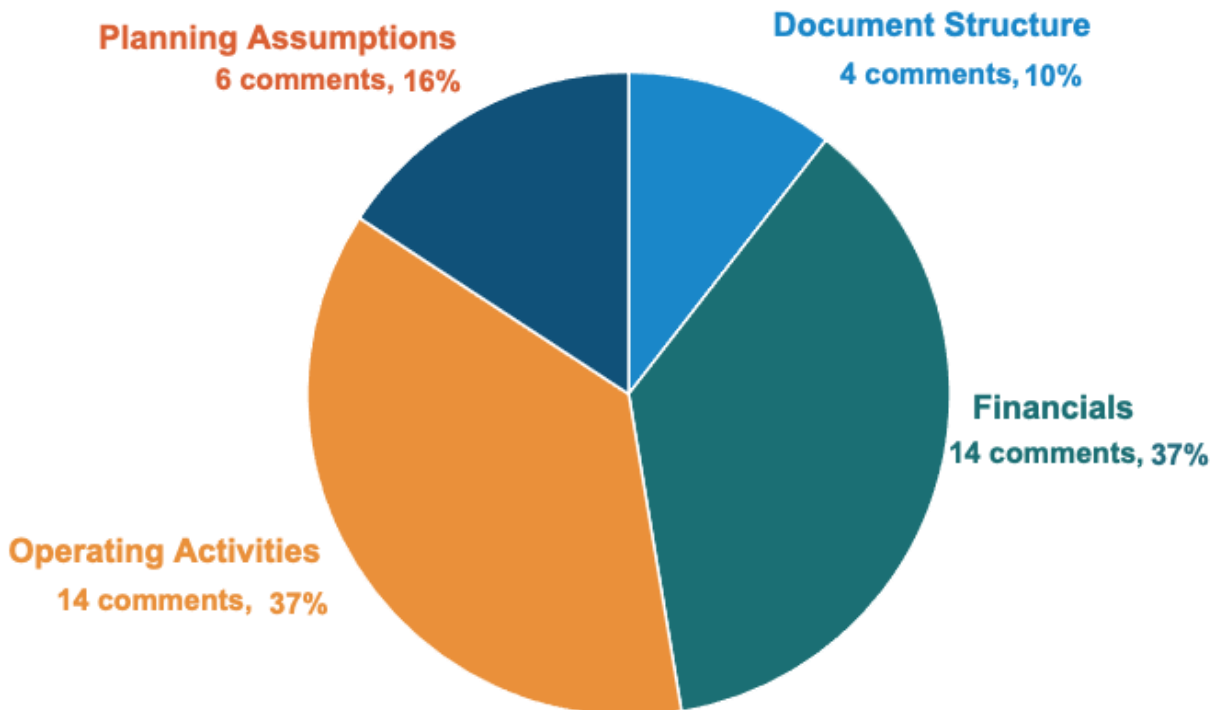
Section 2: Submissions

Organizations and Groups:

Name	Submitted by	Acronyms
Country Code Names Support Organization Strategic and Operational Planning Standing Committee	Irina Danelia	ccNSO SOPC
The Network Information Center .ukgbni.com of the United Kingdom of Great Britain and Northern Ireland	Andrew Hallfamn	UKGBNI
At-Large Advisory Committee	At-Large Advisory Committee (ALAC) Policy staff in support of the At-Large Community	ALAC
Business Constituency	Tim Smith and Lawrence Olawale-Roberts	BC
Cross-Community Working Party on ICANN and Human Rights	Ephraim Percy Kenyanito, Megan Kathure, Maryam Lee	CCWP-HR
Registries Stakeholder Group	Registries Stakeholder Group	RySG
Registrar Stakeholder Group	Zoe Bonython	RrSG

Section 3: Summary of Submissions

There were seven submissions to the Public Comment proceeding on the Draft FY24 IANA and PTI FY24 OP&B. The comments were further broken down into a total of 38 comments. To gain a better understanding of the comments, comments have been grouped into four themes.

Planning Assumptions
6 comments, 16%

Document Structure
4 comments, 10%

Financials
14 comments, 37%

Operating Activities
14 comments, 37%

The ALAC commented on document structure, planning assumptions and financials. ALAC supported the increased amount of information and transparency about the draft plans. ALAC commented on PTI budgeted headcount and professional services.

The BC commented on operating activities and financials, such as the policy development process and relevant policy implementation work for FY24, and enquired how PTI would act should additional work be approved for an implementation that exceeds the Contingency allocation of $0.5 million within the financial year.

The ccNSO SOPC commented on all four themes. The ccNSO SOPC commented on including the implementation of the ccNSO Retirement Policy and the ccNSO policy on selection and deselection of internationalized domain name (IDN) country code top-level domains (ccTLD) strings during FY24. The ccNSO SOPC suggested evaluating current locations of key management facilities given the recent experience with the COVID-19 pandemic travel restrictions. And finally, the ccNSO SOPC stressed the importance of articulating key RZMS deliverables for FY24.

The CCWG-HR had several comments regarding the human rights impact of the IANA functions, particularly with data privacy.

The RrSG appreciated the increased amount of information, explanation, and transparency about the plans. The RrSG also expressed concern that the average cost per employee is too high and will be subject to further increases with inflation.

The RySG commented on all four themes. The RySG commented that the draft plan does not emphasize improving service delivery, and expressed its concerns about investing in a significant re-evaluation and re-design of the iana.org website. The RySG also commented on

the inconsistency of the ICANN and PTI Strategic Plan duration and the related potential negative impact.

The UKGBNI commented on the draft plan document structure and policy development process, as well as the relevant policy implementation work for FY24.

Section 4: Analysis of Submissions
4.1 Document Structure

There were four comments submitted by four groups in regard to the PTI OP&B document structure. The comments were in support of the clarity of the relationship and scope of the plans between PTI and IANA. The ALAC, RySG, and the RrSG appreciated the increased amount of information, explanation, and transparency about the plans; however, the ccNSO SOPC commented the plan should be kept shorter and clearer and provide an executive summary of the most important items. ICANN org and PTI appreciate the ccNSO SOPC's comment. The draft PTI OP&B includes a highlight section, which serves as an Executive Summary.

The RySG commented on improving some of the financial tables for clarity and ease of review. ICANN org and PTI appreciate the RySG's comment and will evaluate options for improvements, where feasible, to incorporate the improvements in the next year's draft plans.

4.2 Planning Assumptions

There were six comments regarding PTI's planning assumptions.

Community Recommendations Assumption

Several comments relate to how PTI plans to address community implementation work in the context of ICANN's overall planning prioritization process.

The ccNSO SOPC commented on including the implementation of the ccNSO Retirement Policy to avoid delays, as it was approved by the ICANN Board in September 2022. ICANN org and PTI appreciated the ccNSO SOPC's comment and noted that the implementation of the Retirement Policy will start in FY23 and the work is anticipated to last until the second quarter (Q2) of fiscal year 2024 (FY24).

The ccNSO SOPC also commented on avoiding delays and including the ccNSO policy on selection and deselection of IDN ccTLD strings, as the community working group is expected to complete its work in the 2023 calendar year. ICANN org and PTI note that PTI intends to follow ICANN's structured planning and prioritization process; and therefore, any ongoing review and policy-related work that is not yet ICANN Board-approved is not included in the *FY24 PTI Operating Plan and Budget*.

The RySG commented on including commentary about the activities that are not included in the *FY24 Operating Plan and Budget*, and their likelihood of becoming eligible to prioritize during FY24, and their budgetary and operational impact on PTI. ICANN org and PTI suggest the RySG referring to Appendix A of the *Draft ICANN Operating and Financial Plan for FY24–28*, which will be published in December 2022. That appendix includes a Five-Year rolling roadmap of policy development process, reviews and cross-community working groups activities and estimated timeline of the activities.

Financial Assumption

The RySG commented on expanding the financial assumption with more details on shared support functions, as the shared support functions have the most changes in terms of resources allocations and variance percentage this year. ICANN org and PTI appreciate the RySG's comment and will evaluate if any improvements can be added.

Other
The UKGBNI suggested including a guide with the main PTI OP&B items in the plan. ICANN org and PTI acknowledge and appreciate UKGBNI's comment. The plan includes a Highlights section which serves as an Executive Summary. In addition, the bulk of PTI's activity is guided by four focus areas: operations, operational excellence, technical services, and governance; each area includes an overview of key activities planned for FY24 between page 11 to 15 on the *Draft FY24 PTI OP&B*.

4.3 Operating Activities
There were fourteen comments submitted by five groups on various aspects of PTI's operating activities.

Operations
ccNSO SOPC suggested evaluating current locations of key management facilities given the recent experience with the COVID-19 pandemic travel restrictions. ICANN org and PTI appreciate the ccNSO SOPC's comment and note the ICANN Board has recently rejected a Security, Stability, and Resiliency Review recommendation that called for establishing a key management facility outside the US.

The BC asked for a description of which components of managing and maintaining the Root Zone Management System (RZMS) fell under the direct dedicated, direct shared, and shared support function resources. ICANN org and PTI note that the direct dedicated staff is responsible for managing the DNS root zone and maintaining the associated technical and administrative details. Direct shared staff perform software development on the system, provision system access, and maintain the associated systems and underlying technical infrastructure. Shared support functions provide financial, legal, and procurement assistance as needed.

The UKGBNI, ccNSO SOPC and BC commented on policy development process and relevant policy implementation work for FY24. ICANN org and PTI note that PTI intends to follow ICANN's structured planning and prioritization process; and therefore, any ongoing review and policy-related work that is not yet ICANN Board-approved is not included in the *FY24 PTI Operating Plan and Budget*. Please refer to Appendix A of the *Draft ICANN Operating and Financial Plan for FY24–28*, which will be published in Dec 2022. That appendix includes a Five-Year rolling roadmap of policy development process, reviews and cross-community working groups activities and estimated timeline of the activities.

The CCWG-HR had several comments regarding the human rights impact of the IANA functions, particularly regarding data privacy protections. The CCWG-HR also recommended external entities such as contractors who will have access to, or build new databases for the organization be compliant with Section 27.2 of the ICANN Bylaws on Human Rights as a condition of procurement. ICANN org and PTI acknowledge the CCWG-HR's comments and note that ICANN has procedures for proper handling of personal data and is committed to respecting human rights in its daily operations. Please see the Summary report of the first Human Rights Impact Assessment for the ICANN organization for more information.

Operational Excellence
The RySG commented the plan does not emphasize improving service delivery. ICANN org and PTI note the comment and highlighted the plan's operational excellence activities include monthly performance reports to key stakeholders that cover service delivery; two third-party information security audits aimed at identifying potential improvements to our systems security, availability and processing integrity; an organizational assessment using the European Foundation for Quality Management; and customer surveys, debriefs, workshops, and other forms of individualized outreach. All of the input from the various activities are evaluated, discussed with senior management and the PTI Board, then prioritized for implementation through the annual planning cycles.

Technical Services
The ccNSO SOPC stressed the importance of articulating key RZMS deliverables for FY24. ICANN org and PTI note that once the newest generation of RZMS is launched in FY23, the team plans to subsequently add multi-factor authentication, enhance technical checks capabilities, and add a comprehensive application programming interface (API) for TLD Managers. Similarly, the BC asked how the improvements ICANN org plans to introduce to the system in FY24 would benefit commercial business users across the globe. ICANN org and PTI note that RZMS is a critical system and therefore continuously assigns resources to implement features based on customer needs, community-led review recommendations, and to support community-developed policies.

The RySG showed concerns about investing in a significant re-evaluation and re-design of the iana.org website. ICANN org and PTI note that the plan for FY24 is part of an incremental multi-year effort and will continue to be prioritized according to the available internal resources, budget, and technology needs of the organization.

Governance
The RySG commented on the inconsistency of the ICANN and PTI Strategic Plan duration and the related potential negative impact. ICANN org and PTI acknowledged the RySG's comment and noted that the *PTI Strategic Plan FY21–24* contains a strategic goal to reduce complexities between the IANA and ICANN planning processes and deliverables. ICANN org is evaluating a plan to recommend improvements to this process for better efficiency and consistency across all planning activities among ICANN's plans. We look forward to engaging with the community on this important work in 2023.

4.4 Financials

There were fourteen financial-related comments submitted by six groups. The comments focused on the structure and format of the budgeted expenses, as well as recommendations and requests for incremental information. There were comments addressing concerns over inflation and the headcount budget and process for ICANN org to fund incremental approved activities.

Financial Data
The BC noted that in the Introduction section of the *Draft IANA FY24 Operating Plan and Budget* states that the *FY24 PTI Operating Plan and Budget* is $9.8M whereas the budget is really 10.5M. ICANN org notes that the figure was incorrect and will update to reflect the correct budget of $10.5M.

The RrSG noted that some figures do not add up correctly. ICANN org notes that the discrepancy is due to rounding and that figures may not add up precisely to the totals indicated and percentages may not precisely reflect the absolute figures.

The BC and the ALAC noted that professional services increased over the last three fiscal years. The ALAC also expressed concern that critical functions of PTI should not be outsourced. ICANN org and PTI indicate that for critical functions, priority is given to the PTI headcount that is deemed necessary to complete the PTI objectives. FY24 professional services costs are $0.5M higher than the FY23 budget due to $0.2M incremental costs for legal fees, audit services, consulting fees, and contractor services. An additional $0.3M of new expenses were budgeted for an algorithm rollover study and iana.org website improvements. In addition, the FY24 budget further increased over the FY22 actuals due to lower than planned spending in FY22 for community mandated studies and professional services allocated from ICANN org.

Several groups recommended providing more detail regarding IANA support activities, and how the costs have remained relatively flat at $0.6M year over year. ICANN org and PTI note that the costs remain relatively stable since half of the IANA cost, $0.3M, is for the Root Zone Maintainer service from Verisign that is a fixed cost year over year. The remaining budget is for ICANN org staff support of 1.5 full-time equivalent (FTE), and has been mitigated from growth over the years due to shifting levels of needed support.

The BC requested clarity in understanding how PTI Direct Shared expenses differ from PTI Shared Support Functions; especially for areas such as finance that are in the two cost buckets. ICANN org and PTI indicate that Direct Shared expenses cover direct staff and/or external costs that directly support PTI objectives and that can be easily quantified and extracted. An example would be the time and effort in the Finance function to help develop the PTI and IANA budgets. The Shared Support Function costs are for general administrative support and services within ICANN org that PTI requires to operate but are not considered Direct Shared expenses. An example would be overall payroll and accounts payable processing.

The BC asked, in light of rising inflation and managing cost increases on budgeted services, should a contingency allocation of $0.5M be maintained going forward. ICANN org and PTI acknowledge that inflationary pressures on incremental Board approved items may require incremental funds. If those requirements should outpace contingency, then ICANN org will prioritize PTI activities.

The BC enquired how PTI would act should additional community recommendation implementation work be approved that exceeds the Contingency allocation of $0.5 million within the financial year. ICANN org and PTI note that resources for project-based activities will seek available funding once the project plan is approved, such as seeking for funding through the Supplemental Fund for Implementation of Community Recommendations (SFICR), which is additional resources in support of addressing activities and projects not currently included in the operating budget.

The ccNSO SOPC recommended assessing and reporting on the progress of the PTI projects and goals every half year. ICANN org and PTI note that quarterly reports on the financials and progress on the PTI and IANA budgets are published. Please see the PTI Website under the Finance section for all the current and historical reports.

Headcount

ICANN org and PTI received several comments regarding the personnel process and prioritization of new hires. ICANN org and PTI indicate that personnel costs are the largest expense in the PTI Budget, so carefully planning for resources is critical. Additional headcount may be required during FY24, although it is not budgeted specifically, in order to align with ICANN's common process for approving and budgeting of new positions. ICANN org budgets separately each year, based on turnover, 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. All additional headcount required by PTI for critical functions in FY24 will be prioritized using this budgeting and approval process.

The ccNSO SOPC commented that ICANN should consider adjusting to a level necessary to maintain the standard cost of living or average wage in the respective occupational profile due to increased inflation. ICANN org and PTI indicate that the Personnel budget reflects a standard of living increase and ICANN org will review the levels based on economic factors. Inflation and the current economic challenges have been factored into the IANA/PTI Operating Plan and Budget, which Org believes are conservative and achievable. IANA/PTI will continue to carefully manage expenses and provide diligence when evaluating new and backfill resources, and other costs such as meetings, travel and external vendors.

The RrSG is concerned that the average cost per employee is too high and will be subject to further increases with inflation. ICANN org and PTI indicated that the personnel expenses represent the expenses for all personnel inclusive of staff compensation, standard of living increases, promotions, social security contributions, retirement plan and health and benefits costs. The continuity of knowledge, environment and our mission are critical in performing the responsibilities assigned by the Board and supporting the growth and stability of our community. Therefore, ICANN must stay competitive to attract and retain talent, support staff growth and development in order to sustain our org's ability to perform the various projects and work ahead. Also, the general labor market and industries that we compete for talent are very competitive and trending hot. Furthermore, the goal of the ICANN remuneration program is to pay salaries that are competitive for comparable positions at organizations similar to ICANN in activities, scope, complexity and responsibility for the purpose of attracting and retaining the necessary talents and skills to execute ICANN's mission. Please refer to ICANN org Remuneration Practice published on icann.org for more information.

The ccNSO SOPC recommended the addition of a dedicated security manager position to support the activities laid out in the Plan. ICANN org and PTI indicate this position is currently under recruitment.

Travel

The ALAC noted that the Stakeholder Engagement is to resume to pre-pandemic levels, however; the travel and meetings budget for FY24 is less than the FY23 budget even though travel costs are rising. In addition, BC noticed a decrease in travel in FY24 and would like to know what measures are in place to compensate for a potential shortfall. ICANN org and PTI note the lower expenses in FY24 reflect that fewer trips and travelers have been planned than prior years in an effort to mitigate travel cost increases. ICANN org acknowledged that travel rates have increased significantly over the last year and will continue to monitor expenses and prioritize travel as needed. If rates continue to rise, then the contingency will be the first

mechanism for allocating incremental funds. For future planning, ICANN org will assess the travel rates and prioritize required travel as needed to be fiduciary responsible.

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 the comments into the Proposed for Adoption FY24 PTI and IANA OP&Bs.

The PTI Board will consider adoption of the Proposed for Adoption FY24 PTI OP&B in January 2023. Once that occurs, the ICANN Board Finance Committee will consider recommending to the ICANN Board the adoption of the FY24 IANA OP&B in February or March 2023.

Following the ICANN Board's adoption of the FY24 IANA OP&B, the Empowered Community may consider whether it will reject the plan as adopted. So long as no Empowered Community rejection process remains pending, the *FY24 IANA OP&B* will go into effect on 1 July 2023. The *FY24 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.

Contributor	Question / Comment By Submitters	Reference to Section of this Report
UKGBNI	ICANN uses a set of assumptions when planning and budgeting. Please review the planning assumptions used for the development of the Draft PTI FY24 Operating Plan & Budget. Do you have any comments on the FY24 Planning assumptions?	Section 4.2 Planning Assumptions - Other
UKGBNI	PTI operations are displayed in four focus areas: operations, operational excellence, technical services, and governance. Do you support the projects and activities that are planned for each of these areas as described in the Draft PTI FY24 Operating Plan? Please provide detailed reasoning for your answer.	Section 4.3: Operating Activities - Operations
UKGBNI	The Draft PTI FY24 Operating Plan & Budget continues to define and demonstrate how PTI will implement the Strategic Plan for Fiscal Years 2021–2024. Do you have	Section 4.3: Operating Activities -

	any comments on whether the activities included in the Draft PTI FY24 Operating Plan & Budget and appropriately support the achievement of the objectives stated PTI Strategic Plan for FY 21-24?	Operations
ccNSO SOPC	The SOPC suggests, to understand the document and for efficiency reasons, to create an executive summary of the most important items of the PTI OP&B and to add it to the PTI OP&B. SOPC believes that the document should be kept short and clear. However, it might be useful to reduce links to other documents and to include relevant information directly in the document where useful. For example, the brief summary of PTI vision, strategic objectives and risk assessment might be added to 'Introduction' section (See example of such summary in the < Attachment 1. Draft language on PTI vision, strategic objectives and risk assessment>).	Section 4.1: Document Structure
ccNSO SOPC	The text on the page 10 in the PTI OP&B (section 'Community Recommendations') says: '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. However, PTI intends to follow ICANN's structured planning and prioritization process; and therefore, any ongoing review and policy-related work that is not yet Board-approved will not be included in the FY24 PTI Operating Plan and Budget. Contingency is included in the FY24 PTI Operating Plan and Budget and represents an amount of budgeted expense unallocated to specific activities or departments.' SOPC urges PTI to carefully review ongoing policy development processes that are close to completion and to include the activities to implement such policies in the FY24 Operating Plan and Budget. Otherwise the implementation would be delayed for at least one year. As presented at the ccNSO meeting on Tuesday 19 September, the ccNSO PDP 3 Review Mechanism working group and ccNSO PDP4 IDN working group will complete their work in 2023 calendar year. We therefore recommend to include implementation of these policies in the PTI OP&B to avoid delays in this important project and include	Section 4.2: Planning Assumptions - Community Recommendations Assumption

	a timeline for features expected to be finalized during FY4.	
ccNSO SOPC	The text on the page 8 in the PTI OP&B (section 'Strategy' in FY24 Planning Assumption) says: '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... The PTI Board confirmed that no changes were necessary to the PTI FY21-FY24 Strategic Plan.' SOPC suggests to evaluate the influence of the travel restriction due to the pandemic and consider whether the current location of key management facilities is still optimal or there is a need to have alternative locations outside the US.	Section 4.3: Operating Activities - Operations
ccNSO SOPC	SOPC supports the projects and activities described. SOPC understands that there are major multi-year projects that ensure implementation of the PTI Strategic Plan, such as new RZM system implementation and stresses the importance to clearly articulate the key deliverables for FY 2024 in the Plan. In addition, as a recommendation of the representatives of the ccNSO Technical Working Group we would welcome the recruitment of a security manager solely for the PTI team.	Section 4.3: Operating Activities - Technical Services
ccNSO SOPC	As mentioned above, the ccNSO PDP 3 Review Mechanism working group and ccNSO PDP4 IDN working group will complete their work in 2023 calendar year. We therefore recommend to include implementation of these policies in the PTI OP&B to avoid delays in this important project and include a timeline for features expected to be finalized during FY4. SOPC also urges PTI to ensure the implementation of the ccNSO PDP3 Retirement Policy (Part 1) approved by ICANN Board on September, 22 2022. SOPC suggests to make sure that the contingency amount included in the Draft PTI FY23 Budget is enough to cover the costs associated with the implementation of the	Section 4.3: Operating Activities - Operations

	Policies mentioned above.	
ccNSO SOPC	The text on page 21 in the PTI OP&B says: 'Personnel costs are $0.4 million higher, due to incremental headcount and an ICANN standard three percent inflationary adjustment for standard of living increases, promotions and health care benefits costs.' Due to increasing inflation in the western horizon, the planning team should also take into consideration an inflation adjustment to a level that is necessary to maintain the standard of living or that corresponds to the average wage level in the respective occupational profile.	Section 4.4: Financials - Headcount
ccNSO SOPC	The text on page 9 in the PTI OP&B says: 'Personnel costs are the highest expenses in the PTI budget, so carefully planning for resources is critical. For FY24, additional headcount may be required but is not included in this budget to align with ICANN's common process for approving and budgeting for new positions. ICANN budgets a certain amount of headcount turnover and growth 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. Should PTI require additional headcount in FY24, resources will be prioritized using this budgeting and approval process.' In order to understand the allocation of staff between ICANN and PTI/IANA, SOPC recommends providing an overview of the shared resources. To achieve its objectives and in view of the staff shortage, the subgroup also proposes to budget an appropriate amount for external services (Professional Services? - see page 20). Both of these points mentioned above should be assessed qualitatively, e.g. by reporting every half year whether the goals have been achieved and how the progress in the individual projects is and which resources (PTI staff, shared resources, professional services, …) have been	Section 4.4: Financials - Headcount

	used.	
At-Large	1.1 Headcount On the Assumptions, for both Financials and Operations, there are direct and indirect requirements for an increase in the headcount. But also, in the assumptions, this needed headcount is not included in the budget until it is hired. In our view, if the resources are needed it is better to budget for them now. In this way, the cost of these resources will be taken into account. As the budget is now, if the resource is needed but not budgeted, there will be no resource for new hires. If at the end, the resources are not required, the actual figures for FY24 will be lower than expected, as it is with the contingency costs that are included in the budget, but usually are not expended. Thus the actual numbers will be less than the budget. This is the second year this assumption has been made, and we are concerned that the staff resources are in fact not hired because they are not budgeted for, or worse, that critical functions of PTI are now being passed to Professional services. Indeed, this is one of the accounts that has grown over 100% since the real figures of FY22. Critical services of the PTI, including human resources, must be well funded.	Section 4.4: Financials - Headcount
At-Large	1.2 Travel On the Stakeholder Engagement assumptions, it is said that travel and face-to-face meetings are expected to return to pre-pandemic levels, but the actual budget is for less travel than the FY23 budget, a year still under pandemic assumptions. Also, an increase in tickets is being experienced in the later months, an increase that is not expected to decrease, due to higher pandemic loans to repay, oil increase, and inflation. This might impact improvements to Stakeholder Engagement.	Section 4.3: Operating Activities - Travel
At-Large	1.3 Operating Plan We welcome that the plan is well detailed, and that it was	Section 4.1: Document

	shared with the Community prior to the release of the Budget and its comment period. Thank you for the transparency.	Structure
At-Large	1.4 Budget The professional service amount increased from $0.9 million in real FY22, to a budgeted FY23 of $1.3 million, and to a budgeted FY24 of $1.8 million. Although the explanation seems to be clear, a 100% increment (10% of the total budget) seems to be high. Another related concern is in the Headcount comment. Critical functions of the PTI should not be outsourced.	Section 4.4: Financials - Financial Data
At-Large	2. Internet Assigned Numbers Authority (IANA) FY24 Operational Plan and Budget The IANA cost for FY22 was $0.6 million and the FY23 budget is $0.6 million. The Budget for FY24 is again 0.6M. This flat budget doesn't seem to be in line with actual inflation figures. We are not sure if this is a rounding problem, but an inflation of 10% should have rounded to the next number.	Section 4.4: Financials - Financial Data
RySG	- The FY24 IANA and PTI documents have largely the same structure as the FY23 documents, this helped facilitate the review process. - Our review noted slight editorial differences in the Planning Process Overview section of the PTI OPB; these edits improve the clarity of the text, especially for readers unfamiliar with the unique structural relationship between PTI and IANA. - In the area of budget comparisons (re: section on PTI Budget Variance) the clarity would be improved if there were quantitative comparisons with the prior year budget. There are comparisons to FY22 actuals (top of p. 21) , but the chart at the top of p.20 lacks a set of columns that includes the FY22 (prior year) Budget and comparisons. - Similarly, the chart at the bottom of p. 19 ("FY24 Grant Total Including Support Functions Shared with ICANN") would be more helpful if it included a comparison to FY23. - And further, the chart at the bottom of p. 21 (Budget	Section 4.1: Document Structure

	Variance by IANA Function) lacks a comparison to the FY22 budget.	
RySG	In general, the assumptions appear both reasonable and consistent with prior years. We note that the Shared Support Functions is one of the budget areas that has the most change, both in terms of allocations and variance percentage (see chart on p. 18). Perhaps in future budget cycles, the set of assumptions needs to expand to include these Shared Support Functions.	Section 4.2 Planning Assumptions - Financials
RySG	Related to the **Community Recommendations** section of the Assumptions, the PTI FY23 document includes specific mention of several examples of work that is not yet approved for implementation, content that was not included in the FY22 document. But the list of examples in the FY24 document does not include any commentary about the likelihood of these possibilities becoming actualities during FY24 or about the budgetary/operational impact that they might have on PTI. As stakeholders of IANA, the impact of these initiatives on IANA could influence RySG input on various initiatives	Section 4.2 Planning Assumptions - Community Recommendations
RySG	In general, the RySG supports the projects and activities described in the Draft PTI FY24 Operating Plan. However, we noted the presence of a project in Technical Services: "Significant re-evaluation and redesign of the iana.org website, including mobile accessibility". While we offer that iana.org does not have the most visually stunning presence on the web, we find the site to be serviceable. Perhaps more importantly, we recognize that the "re-evaluation and redesign" would likely be both expensive and time-consuming. The current budget document does not include calendar or cost estimates for the project. And depending on when the work is started, it could easily stretch across fiscal years, making the true cost less obvious. Therefore, we question both the scale and the priority of this work, relative to other projects on the docket. If there are known areas of the site that are in need of improvement, perhaps these could be addressed without a full-site overhaul. In Governance, we noted that "Providing support to the PTI Board" no longer appears in the list of activities. This did appear in the FY23 document. Given the inclusion of "PTI Board Support" on p. 18 under "direct shared costs" is it	Section 4.3: Operating Activities - Technical Services

	correct to assume that this function has fully moved to the ICANN org?	
RySG	In general, we observe that the activities included in the Draft PTI FY24 Operating Plan & Budget appropriately support the achievement of the objectives stated in the PTI Strategic Plan for FY21-24. However, we do note that the plan does not appear to have heavy emphasis on certain areas focused on improving efficiency in delivery. For example: Operational Excellence: 4.3 – Monitoring key performance indicators to ensure performance (...) remains (…) relevant and fit-for-purpose Governance: 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 In making this comment we seek to be clear that we appreciate the overall effectiveness of the PTI organization and we seek to allow them to retain the capacity and readiness to take on future challenges. A key part of this is to help PTI avoid being overly burdened by process and metrics that do not truly benefit performance.	Section 4.3: Operating Activities - Operational Excellence
RySG	NOTE: The above text says: "Please refer to Draft PTI FY24 Operating Plan and Budget, pages 6-7"; this appears to be a typo and should say: "Draft IANA FY24…" (emphasis added) In the tables on page 7, the clarity would be improved if there were quantitative comparisons with the prior year (FY22) budget. There are comparisons to FY22 actuals , but the charts on p.7 lack a set of columns that includes the FY22 (prior year) Budget and comparisons In general, there is little information regarding the $600K allocation from IANA to ICANN org for "IANA support activities". While that amount remained constant in FY24 as compared to FY23, an area for improvement would be to provide additional detail in this area. As a model, consider the information provided in the PTI document on p. 17-18, including the FTE table.	Section 4.4: Financials - Financial Data

RySG	We would not be the first to note the oddity of ICANN having a five-year strategic planning window while PTI has a four-year cycle. It would seem to negatively impact the long-term effectiveness of PTI's strategic planning to have this inconsistency with respect to ICANN's plan. And there are likely efficiency benefits to having some coordination.	Section 4.3: Operating Activities - Operations
RySG	Summary of Submission Overall, the RySG supports the PTI FY24 Budget and Operating Plan. The RySG recognizes and appreciates the hard work by PTI to maintain a constant headcount in the budget. However, as described elsewhere in our submission, we note the following: - The RySG would like to see IANA/PTI examine opportunities for operational efficiency, especially in the area of metrics; - The FY24 plan includes a project related to a "significant re-evaluation and redesign of the iana.org website", which is an effort that could easily involve a challenging operational transition, along with significant time and expense; therefore, the RySG would like to see this effort either better explained and/or deprioritized; and - The biggest year-to-year variance in PTI costs are those related to direct charges for services delivered by ICANN org; therefore, the RySG would like to see greater clarity and transparency regarding these costs.	General
CCWP-HR	Comments on the Lack of Human Rights Impact Assessments or Data Protection Impact Assessments: A. IANA Naming Function a. 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 b. Protecting the trust anchor for the DNS, including performing key signing ceremonies to maintain community confidence in the system c. Providing oversight and management of the .INT TLDs for intergovernmental treaty organizations d. Fostering support for Internationalized Domain Names (IDNs) by maintaining a shared repository of IDN practices and label generational rulesets (LGRs) across TLDs B. IANA Numbering Function a. Allocation of Internet number resources (IP addresses	Section 4.3 Operating Activity: Operations

	and Autonomous System Numbers) to RIRs
	b. Management of returned Internet number resources
	c. Maintenance of general Internet number registries
	d. Administration of the unicast portion of the special-purpose "in-addr.arpa" and "ip6.arpa" DNS zones

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b. Management of returned Internet number resources
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In order for PTI and IANA to carry out these functions, there is a need to store data and interact with both internal and external stakeholders who would be required to collect, process, and store this data. Various IANA numbering functions include the management of returned Internet number resources and the maintenance of general Internet number registries. Although this information does not in itself constitute personal data, it can be used in combination with other data to infer the general personal data of Internet users, including their names, addresses, dates of birth, and IP addresses. IANA and PTI must ensure that robust data and privacy protection policies, mechanisms, and processes are in place to ensure that peoples' personal data is not compromised. We therefore recommend that PTI and IANA must include human rights impact assessments (HRIAs) and data protection impact assessments (DPIA) as part of their planned activities in the FY24 Operating Plan, and ensure that these activities are adequately supported in the budget. HRIAs and DPIAs are activities that include engaging in consultation with both internal and external stakeholders of an institution in order to accurately determine the potential and actual effects of their corporate policies, practices, products, and services on human rights and data protection, respectively, and take actions to lessen any negative effects. Section 27.2 of the ICANN Bylaws (on Human Rights) and the Framework of Interpretation on Human Rights (FOI-HR) recognises the HRIA as a methodology by which ICANN can comply with its obligations under the Bylaws. The United Nations Guiding Principles (UNGPs) on Business and Human Rights places the responsibility on corporations such as ICANN, IANA and PTI to respect the human rights of their customers and stakeholders. By conducting HRIAs and DPIAs, ICANN, IANA and PTI will ensure that they are in compliance with various legal requirements such as the European Union General Data Protection Regulations (GDPR), among other applicable data protection and privacy laws.

CCWP-HR	Comments on the Lack of Human Rights Impact Assessments or Data Protection Impact Assessments: The Draft FY24 IANA Budget includes an allocation of $0.6 million for IANA support activities carried out by entities other than PTI. As it is not clear which entity would perform these functions and which functions would fall under this budget line, this allocation raises questions regarding the extent and scope of third party access to IANA and PTI's databases.	Section 4.4: Financials - Financial Data
CCWP-HR	Comments on the Lack of Human Rights Impact Assessments or Data Protection Impact Assessments: We recommend that, in the instance where any external entity has access to the IANA and PTI databases or is contracted to build or maintain any new databases, ICANN, IANA and PTI should ensure that the process of procuring these services includes an evaluation to ensure that the contractor's products, policies, and practices are compliant with Section 27.2 of the ICANN Bylaws (on Human Rights) as a condition of procurement. These activities should be recognised in the FY24 Operating Plan.	Section 4.3 Operating Activity: Operations
CCWP-HR	Comments on the Lack of Human Rights Impact Assessments or Data Protection Impact Assessments: ICANN, IANA and PTI should include budgetary support for both internal and third party HRIAs and DPIAs. The UNGPs places a duty of care on corporations such as ICANN, IANA, and PTI to ensure that the third parties they contract do not violate or undermine human rights while carrying out their contractual obligations.	Section 4.3: Operating Activities - Operations
BC	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	Section 4.4: Financials - Financial Data

		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 2 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.	
BC		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 cause of the financial year, especially where board approved activities gain more traction?	Section 4.4: Financials - Financial Data
BC		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.	Section 4.3: Operating Activities - Operations

BC	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.	Section 4.3: Operating Activities - Technical Services
BC	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.*	Section 4.4: Financials - Financial Data
BC	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	Section 4.4: Financials - Financial Data

	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, asides 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.*	
BC	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.	Section 4.4: Financials - Financial Data
BC	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?*	Section 4.4: Financials - Financial Data
BC	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.	Section 4.4: Financials - Financial Data

RrSG	The Registrar Stakeholder Group (RrSG) is very pleased to again see an increase in the amount of information and explanations provided and commend ICANN on this improvement. The 'key comparisons to previous year's budget' on page 20 in particular was found to be a very useful addition to the report.	Section 4.1: Document Structure
RrSG	There do appear to be a couple of errors in the figures. The FY24 IANA budget notes the FY24 Draft Budget total as $11.0 M, but it should be $11.1M (PTI budget of $10.5 M + IANA Support Activities of $0.6 M). Secondly, the FY24 PTI budget is noted as $0.6 M million higher than the FY23 budget, but it should be $0.7 M (FY24 Draft Budget of $10.5 M - FY23 Budget of $9.8 M). The RrSG does also note with some concern that the average cost per employee for the PTI FY24 draft operating plan and budget is $205k based on 17 FTE (page 19). This is an already high salary which will be subject to further increases with inflation.	Section 4.4: Financials - Financial Data