

Adopted FY23 PTI Operating Plan and Budget

Public Technical Identifiers (PTI)
December 2021

TABLE OF CONTENTS

| | |
|---|-----------|
| Highlights | 3 |
| Changes Between Draft and Adopted Versions | 4 |
| Introduction | 5 |
| About PTI | 5 |
| About IANA | 5 |
| IANA Naming Function | 5 |
| IANA Numbering Function | 6 |
| IANA Protocol Parameter Function | 6 |
| Planning Process Overview | 6 |
| PTI Strategic Plan | 6 |
| PTI and IANA Operating Plans and Budget | 7 |
| FY23 PTI Planning Assumptions | 9 |
| Strategy | 9 |
| Financials | 9 |
| Operations | 10 |
| Engagement | 11 |
| Community Recommendations | 11 |
| FY23 PTI Operating Plan | 11 |
| Scope of work | 11 |
| Operations | 12 |
| Operational Excellence | 13 |
| Technical Services | 14 |
| Governance | 16 |
| FY23 PTI Budget | 17 |
| Funding | 17 |
| FY23 PTI Budget Overview | 17 |
| PTI Direct Dedicated Expenses | 17 |
| PTI Direct Shared Expenses | 18 |
| PTI Shared Support Functions with ICANN | 19 |
| PTI Total Expenses | 20 |
| PTI Budget Variance | 20 |
| Budget Variance by IANA Function | 21 |
| Appendix | 22 |
| FY23 IANA Operating Plan and Budget | 22 |

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.

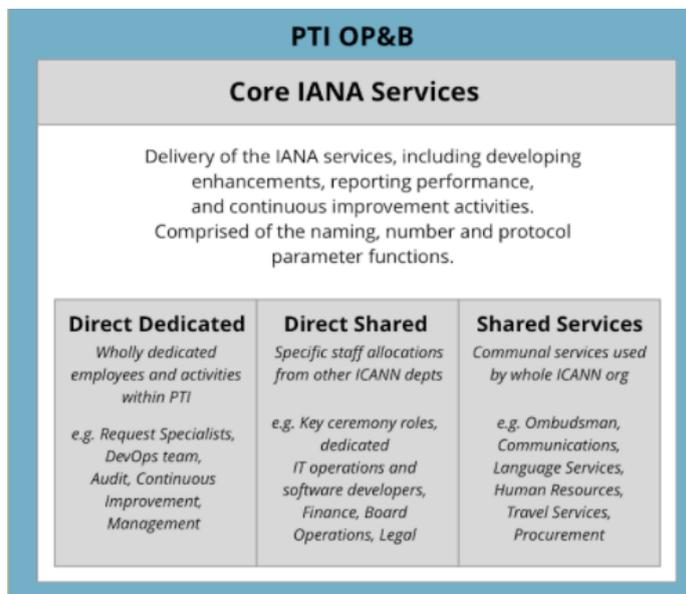


Figure 1: What is included in the PTI OP&B

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.

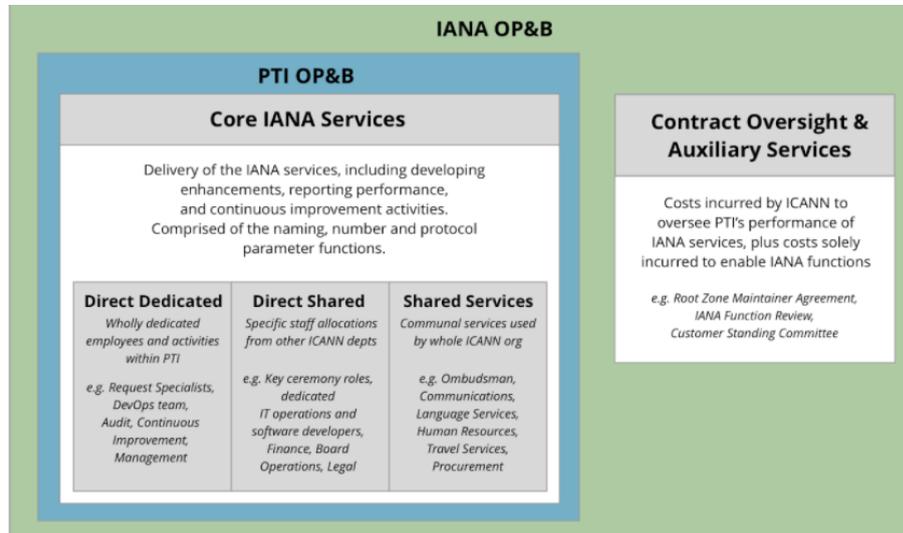


Figure 2: What is included in the IANA OP&B

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.

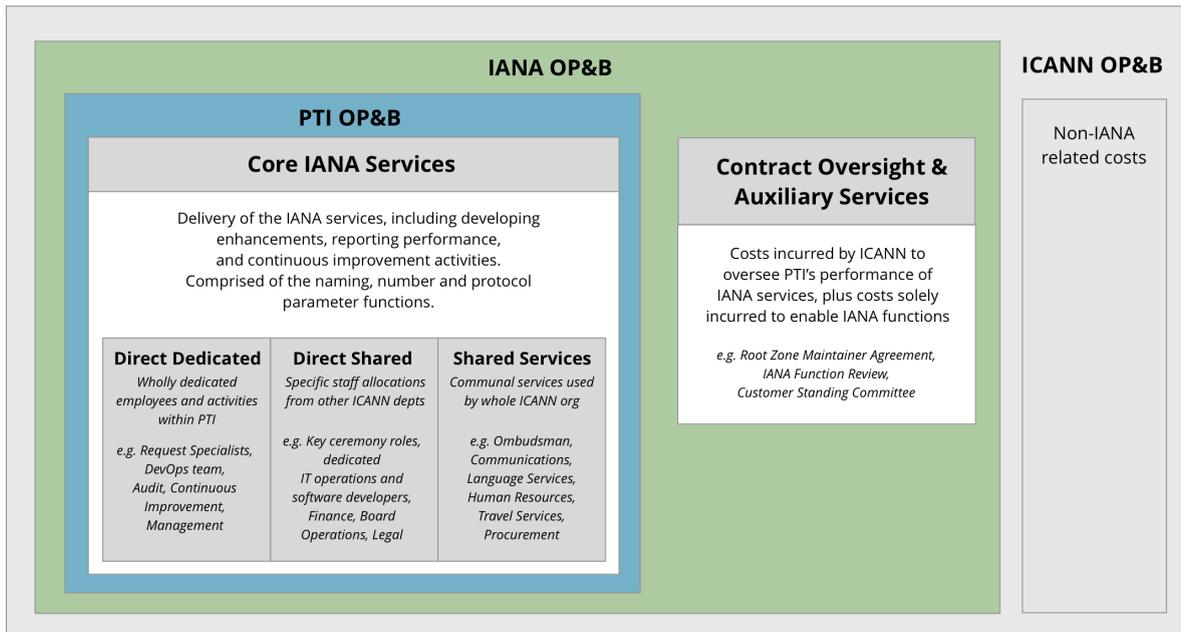


Figure 3: What is included in the ICANN OP&B

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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