
PTI Draft FY19 Operating Plan and Budget

Public Technical Identifiers (PTI)

9 October 2017

TABLE OF CONTENTS

1	CHANGES BETWEEN DRAFT AND ADOPTED VERSIONS	3
2	INTRODUCTION	4
3	EXECUTIVE SUMMARY	5
4	PLANNING AND BUDGET OVERVIEW	6
5	PTI SERVICES FINANCIAL OVERVIEW	7
5.1	Budget Overview	7
5.2	Funding	8
6	PTI SERVICES OVERVIEW	8
6.1	IANA Naming Function	8
6.2	IANA Numbering Function	8
6.3	IANA Protocol Parameters Function	9
7	PTI SERVICES OPERATING PLAN AND BUDGET	9
7.1	PTI Operations	10
7.1.1	Operational Activities	10
7.1.2	Operational Improvement Activities	11
7.2	PTI Technical Systems Enhancements	12
7.3	PTI Grand Total Including Support Functions Shared with ICANN	12
	APPENDIX	14
A	— Budget Overview by PTI Service	14

PTI Operating Plan & Budget

1 Changes Between Draft and Adopted Versions

This section will show changes made to the final budget based on input received from the Public Comment period.

Section Number	Change Type	Change Description

2 Introduction

CONTENTS OF THE DOCUMENT

This document contains the Public Technical Identifiers (PTI) draft FY19 Operating Plan and Budget, which is submitted for public comment as required by PTI's Bylaws, and in accordance with ICANN's public comment policy.

This document provides the details of the PTI activities for its fiscal year 2019 (FY19) from 1 July 2018 to 30 June 2019.

Section 6 of this document describes the Services delivered by PTI under its contracts with ICANN.

TIMELINE AND PTI

As indicated in Section 9.2(a) of the PTI Bylaws: "At least nine months prior to the commencement of each fiscal year, the Corporation shall submit to the PTI Board and the Board of Directors of ICANN (the "ICANN Board") a proposed annual operating plan and budget for the Corporation's next fiscal year ("Annual Budget"). This timing is intended to further enhance the understanding and transparency of its activities, and ultimately its accountability in the management of funds in the public interest.

This year's Operating Plan & Budget includes data on projects to be carried out during FY19, and displays all cost categories for each service. Each project is also mapped to one of the five objectives of the ICANN Strategic Plan for fiscal years 2016-2020, through the hierarchy of portfolios and goals, making the rationale for each project and activity clear and transparent.

MULTISTAKEHOLDER PARTICIPATION

The multistakeholder model enables the engagement of stakeholders in the planning process through accessible information and effective interaction. The draft plan is required to be posted for comment under Section 9.2(c) of the PTI Bylaws.

Enabling the engagement of stakeholders in a feedback loop through a public comment period is a fundamental part of the multistakeholder model. The publishing of this draft Operating Plan and Budget for public comment is a key element of the transparency and community engagement in the planning process.

PTI welcomes and recognizes the engagement of stakeholders into the planning process of PTI's FY19 Operating Plan and Budget.

3 Executive Summary

PTI consulted with stakeholders in May and June 2017, during which the stakeholders confirmed the need for continuity and continued stability in delivering the IANA Functions.

Please see section 6 to learn more about PTI's role to deliver the IANA Functions.

SEPARATION OF PTI AND IANA BUDGETS

In the FY18 Operating Plan and Budget, the PTI budget included details of the IANA Budget (as one of the departmental budgets within ICANN's FY18 overall budget). This is being handled differently in planning for FY19. The PTI Budget is separate to the IANA Budget, which you can find published at this link: <https://pti.icann.org>

STRUCTURE OF WORK

PTI's work is structured into two groups of thematically aligned activities:

- PTI Operational Activities
- PTI Technical Systems Enhancements

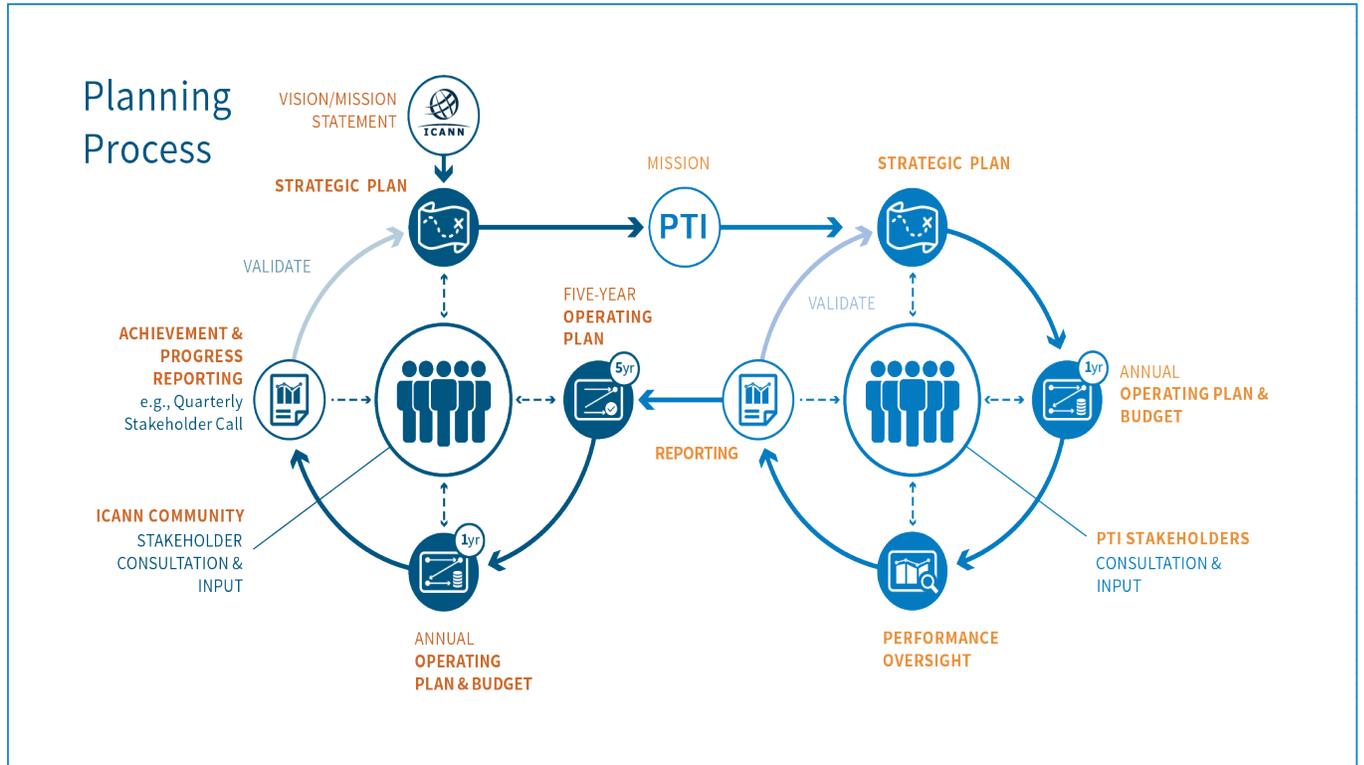
Activities in the Operational category are the day-to-day delivery of the naming, numbering, and protocol parameter functions. Delivery of these functions includes handling requests from the customer groups, updating the related registries, and attending the relevant meetings to engage with the customer groups.

PTI strives to improve the delivery of services to enhance the ease and clarity with which customers engage with PTI. To improve on delivery of services, PTI invests in continuous improvement with activities such as customer service surveys, EFQM Assessments, and Third-party audits. These activities enable PTI to identify strengths and opportunities for improvement.

In planning for FY17 and FY18, PTI updated processes and measurements to reflect governance changes. In FY19, in addition to its continuing effort to streamline and enhance its business processes, a key project will focus on continuing a multi-year effort to develop systems to support protocol parameter assignments. These systems will enhance the way service is delivered to the Internet standards community. Other areas of activity include evolution of the Root Zone Management System, enhancements to the IANA.org website and associated tools to modernize and make information more accessible, and updates to the root zone key management software and facilities.

4 Planning and Budget Overview

This graphic shows the PTI planning process and the encompassing ICANN planning process. PTI's strategic goals are a part of ICANN's strategic goals. PTI's multiyear plans are a part of ICANN's Five-Year Operating Plan. The adopted version of this Operating Plan and Budget will become a component of ICANN's FY19 Operating Plan and Budget.



5 PTI Services Financial Overview

5.1 Budget Overview

PTI develops an Operating Plan and Budget each year for submission for inclusion in ICANN's Operating Plan and Budget. The draft Operating Plan and Budget is presented for Public Comment, using ICANN's Public Comment process. When that process ends, ICANN organization develops a proposed Operating Plan and Budget for the PTI Board to review and adopt. The adopted Operating Plan and Budget forms the basis for ICANN's funding of PTI Services, and is submitted to the ICANN Board after adoption by the PTI Board.

FY 19 PTI Budget in Millions, USD	PTI Services FY 19 Budget	PTI Services FY 18 Budget	Increase/(Decrease)	
			Total	%
FUNDING	\$10.4	\$9.6	\$0.8	8.3%
Personnel	\$6.4	\$5.8	\$0.6	10.4%
Travel & Meetings	\$0.7	\$0.6	\$0.1	8.6%
Professional Services	\$1.1	\$1.1	\$0.0	1.7%
Administration	\$1.3	\$1.2	\$0.1	5.2%
Contingency	\$0.5	\$0.5	(\$0.0)	-0.9%
Capital	\$0.2	\$0.1	\$0.1	157.6%
Depreciation (a)	\$0.3	\$0.4	(\$0.1)	-17.7%
TOTAL CASH EXPENSES	\$10.4	\$9.6	\$0.8	8.3%
EXCESS/(DEFICIT)	\$0.0	\$0.0	\$0.0	0.0%
AVERAGE HEADCOUNT (FTE) (b)	23.8	22.6	1.2	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

The PTI Services budget is \$10.4 million, an increase of \$0.8 million from \$9.6 million in FY19. The variances to FY18 budget are:

1. Personnel costs increase \$0.6 million or 10.4% due to the impact of:
 - Merit awards and benefits for existing FTE's, an increase of \$0.2 million
 - Direct Shared Resources: an increase of \$0.4 million due to incremental legal, technical security, and CSC support.
2. Travel and Meetings, which includes travel and venue costs for outreach, meetings, and PTI Board activities, shows an increase of \$0.1 million or 8.6% due to:
 - Incremental travel to Africa for AFRINIC meetings.
 - Additional ICANN and constituent travelers to ICANN meetings.
3. Professional Services include contractor services, legal fees and audit services.
 - Professional Services costs remain relatively flat to FY19.
4. Administration, which includes rent and other facilities costs, software, and general office expenses, shows an increase of \$0.1 million or 5.2% due software services support.
5. Contingency remains relatively flat to prior year and is for potential insurance, communication and unforeseen costs.

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6. Capital costs increase \$0.1 million or 157.6% due to Key management facility (KMF) upgrades for biometric and card readers, and the rewrite of Key Signing Key (KSK) signer software.
 7. Depreciation represents the cost associated with the use of ICANN's assets in carrying out PTI Services.
 - The estimated depreciation cost decreases by \$0.1 million or 17.7% due to KMF assets that have fully depreciated by end of FY18.

5.2 Funding

PTI performs the IANA Functions, outlined in Section 6 on behalf of ICANN. PTI invoices ICANN every quarter for providing the services. As PTI and ICANN are both not for profit organizations, the invoices and payments are for the actual costs of providing the IANA Functions.

6 PTI Services Overview

The PTI Services include the oversight of protocol parameters, Internet Number Resources and domain names. PTI, an ICANN affiliate, performs these functions on behalf of the global Internet community.

6.1 IANA Naming Function

The IANA Naming Function consists of:

- ⦿ Oversight of the domain name system (DNS) Root Zone.
 - ⦿ Oversight of the .INT top-level domain.
 - ⦿ Maintenance of a repository of Internationalized Domain Name tables and Label Generation Rule sets.
 - ⦿ The contract between ICANN and PTI for delivery of the IANA Naming Function can be found at this website: <https://pti.icann.org/agreements>
 - ⦿ Providing of other services related to the oversight of .INT top-level domain.
- More information: iana.org/domains/root
 - More information: iana.org/domains/arpa
 - More information: iana.org/domains/int

6.2 IANA Numbering Function

The IANA Numbers Function consists of administration of the Internet Number Registries in accordance with Global Policies established by the Regional Internet Registries (RIRs) and any applicable and mutually acceptable and agreed upon guidelines and procedures, including:

- ⦿ Allocation of Internet Number Resources to Regional Internet Registries.
 - ⦿ Handling of returned Internet Number Resources.
 - ⦿ General Internet Number Registries maintenance.
 - ⦿ Administration of the unicast portion of the special- purpose "IN-ADDR.ARPA" and "IP6.ARPA" DNS zones.
- More information: iana.org/numbers
 - Service subcontract between ICANN and PTI can be found at: <https://pti.icann.org/agreements>

6.3 IANA Protocol Parameters Function

- ⊙ The IANA Protocol Parameters Function consists of:
 - Assigning and registering Internet Protocol Parameters as directed by the criteria and procedures specified in RFCs, including:
 - Proposed, Draft and full Internet Standards.
 - Best Current Practice documents.
 - Any other RFC that calls for IANA assignment.
 - Assigning and registering Internet Protocol Parameters procedures and criteria directed by Supplemental Agreements agreed to between the IETF and ICANN.
 - Registering Protocol Parameters of interest to the Internet community upon agreement with other parties.
 - Providing on-line facilities for the public to request Internet Protocol Parameters assignments.
 - Making available to the public, on-line and free of charge, information about each current assignment, including contact details for the assignee.
 - More information: iana.org/protocols
 - Service subcontract between ICANN and PTI can be found at: <https://pti.icann.org/agreements>

7 PTI Services Operating Plan and Budget

The work performed to deliver the IANA Functions, which are outlined in Section 6 above, is described below in Sections 7.1 and 7.2. This work contributes to achieving ICANN's overarching strategic objectives. The IANA Functions sit within the objective "Support a healthy, stable and resilient unique identifier ecosystem" and goal "Foster and coordinate a healthy, secure, stable, and resilient identifier ecosystem."

Within that strategic structure, PTI operationalizes work using two portfolios of projects: one is focused on operational activities and the other is focused on systems enhancements and development. To help readers understand the management structure, the PTI Operations portfolio has been subdivided into groups of similarly themed projects: operational activities and operational improvement activities.

The tables in this section show two types of costs. Direct dedicated costs are shown for resources fully dedicated to delivering the IANA Functions. Direct shared costs are shown for resources directly contributing to delivery of the IANA Functions and shared with ICANN. The costs of support functions shared with ICANN are shown in the table in Section 7.3.

The list of functions included in the direct dedicated costs are:

- ⊙ Executive
- ⊙ Governance
 - PTI Board
 - Contractual Agreements between ICANN and PTI
 - Oversight Committees (Customer Standing Committee, Review Committee as defined by the RIRs)
- ⊙ Operations
 - IANA Functions Operations
 - Root Zone DNSSEC Operations
 - Systems Audits

- Service Level Agreement Reporting
- Finance
 - Annual Operating Plan and Budget
 - Financial Audit Review
- Technical Enhancements and Development
 - System Engineering
 - System Maintenance
 - Website Administration

The list of functions included in the direct shared costs are:

- Communications
- Global Stakeholder Engagement
 - Administration
- SO & AC Engagement
 - CSC Support
- Governance Support
 - Legal
- Finance
 - Accounting and Finance
- IT and Engineering
 - Operations
 - Development
- Key Signing Ceremonies
 - DNS Industry Engagement
 - Technical Functions
 - Contractual Compliance and Safeguards
- Board Management

Costs are shown in millions of US dollars with a granularity of \$100,000. An absence of any expenditure is shown with a dash. The cost tables use abbreviations in some column headers and these are explained in this table.

Abbreviation	Meaning
T&M	Travel and Meetings
Prof Svcs	Professional Services
Admin	Administration
FTE	Full Time Staff Equivalent

7.1 PTI Operations

Within the PTI Operations portfolio there are two categories of projects: those which are purely operational and those for continuous improvement of the service delivery. Operational Activities are described in 7.1.1 and Operational improvement activities are described in 7.1.2.

7.1.1 Operational Activities

Operational Activities include project and non-project based work dedicated towards the delivery of the IANA Functions. It includes:

- ⊙ Ongoing daily activities required to provide the IANA Functions, such as processing requests, responding to correspondence, and other recurring activities.
- ⊙ Customer-related activities in which PTI participates, such as conferences, meetings and other community events.
- ⊙ Evaluating, planning and implementing enhancements to the KMF and the related security system setup for DNSSEC of the root zone.
 - Performing four key signing ceremonies per year. This work includes:
 - Reviewing and revising the policy and procedures documents.
 - Selecting Trusted Community Representatives for each of the ceremonies.
 - Updating ceremony scripts, and other administrative tasks related to signing of the root zone.

Operational Activities							
Cost Category	FTE	Personnel	T&M	Prof Svcs	Admin	Capital	Total
Direct costs / Dedicated resources	10.7	\$1.9	\$0.4	\$0.4	\$0.1	\$0.2	\$3.0
Direct costs / Shared resources	5.4	\$1.2	\$0.2	\$0.3	\$0.6	-	\$2.2
Total	16.0	\$3.1	\$0.6	\$0.7	\$0.7	\$0.2	\$5.2

7.1.2 Operational Improvement Activities

Operational improvement activities contain project work dedicated towards continuous improvement in the delivery of the IANA Functions. It includes:

- ⊙ Engaging a third-party auditor to audit the IANA Registry Assignment and Maintenance Systems (RAMS) using the SOC2 Framework and the DNSSEC systems and processes using the SOC3 Framework.
- ⊙ Conducting an annual customer service survey about customer satisfaction with the performance of the IANA Functions.
- ⊙ Planning and executing a table-top exercise to test the Contingency and Continuity of Operations Plan and identify strengths and areas for improvement.
- ⊙ Conducting an annual internal EFQM Excellence Model assessment to identify strengths and areas for improvement.
 - More information: iana.org/about/audits
 - More information: efqm.org/the-efqm-excellence-model
- ⊙ Training and developing staff on planning, scheduling and completing training activities related to audit, security, and the EFQM Excellence Model as well as other relevant training programs.

Operational Improvement Activities							
	FTE	Personnel	T&M	Prof Svcs	Admin	Capital	Total
Direct costs / Dedicated resources	5.9	\$1.0	\$0.0	\$0.5	\$0.0	-	\$1.6
Direct costs / Shared resources	0.2	\$0.1	-	-	-	-	\$0.1
Total	6.0	\$1.1	\$0.0	\$0.5	\$0.0	-	\$1.6

7.2 PTI Technical Systems Enhancements

This portfolio of projects is focused on software enhancements, tool development, and other discrete development projects to improve delivery of the IANA Functions. The three focus areas for FY19 are:

- ⦿ Developing and deploying automation systems to support the common registry workflow used for protocol parameter assignments and other IANA registries. This is a multi-phase project scheduled to run for at least two years.
- ⦿ Delivering an overarching design update for the iana.org website. This is a multi-phase project scheduled to run for at least two years. Key deliverables include:
 - ⦿ Improved search functionality
 - ⦿ General notification service
 - ⦿ Customer API
 - ⦿ Registry change tracking
- ⦿ Root Zone DNSSEC Management Enhancements
 - ⦿ Asset inventory control system for KSK management
 - ⦿ Next generation KSR/SKR exchange platform

PTI Technical System Enhancements							
	FTE	Personnel	T&M	Prof Svcs	Admin	Capital	Total
Direct costs / Dedicated resources	1.5	\$0.4	-	\$0.1	\$0.0	-	\$0.6
Direct costs / Shared resources	0.3	\$0.1	\$0.0	-	-	-	\$0.1
Total	1.8	\$0.5	\$0.0	\$0.1	\$0.0	-	\$0.7

7.3 PTI Grand Total Including Support Functions Shared with ICANN

ICANN support functions support the work to perform the PTI Operations (Section 7.1) and Technical Systems Enhancement (Section 7.2) activities. This means that a portion of the costs for these support functions is allocated to PTI. ICANN organization determined the amount by calculating the total support functions expense as a percentage of total ICANN operations costs, excluding the cost of dedicated direct shared costs noted above. That amount resulted in a percentage of support functions costs for ICANN operations and for PTI which is a component of ICANN operating costs. This percentage for support functions was then applied to the FY19 PTI services costs (dedicated and shared) to determine the support function allocation for PTI.

The list of ICANN functions included in the allocated support costs are:

- ⦿ Communications
- ⦿ Governance support
 - ⦿ Legal
 - ⦿ Nominating Committee
- ⦿ Human Resources
 - ⦿ Administration and Real Estate
- ⦿ IT and Engineering
 - ⦿ Administration
 - ⦿ Cyber-Security
 - ⦿ Infrastructure
 - ⦿ Project Management Office

- Internal-Facing Solutions
- Finance
 - Accounting and Finance
 - Enterprise Risk Management
 - Procurement
- Operations
 - Executive
 - Board Operations
 - Global Operations

Grand Total Including Support Functions Shared with ICANN							
	FTE	Personnel	T&M	Prof Svcs	Admin	Capital	Total
Direct costs / Dedicated resources	18.0	\$3.4	\$0.4	\$1.0	\$0.1	\$0.2	\$5.1
Direct costs / Shared resources	5.8	\$1.3	\$0.2	\$0.3	\$0.6	-	\$2.4
Support Services Allocations		\$1.7	\$0.1	\$0.3	\$0.9	-	\$2.9
Total	23.8	\$6.4	\$0.7	\$1.6	\$1.6	\$0.2	\$10.4

Appendix

A — Budget Overview by PTI Service

These three tables show the variance in the budgeted costs incurred to provide the IANA Naming, Numbering, and Protocol Parameters Functions between FY18 and FY19.

PTI Operations FY19 Budget				
In Millions, USD	Names	Numbers	Protocol Parameters	FY 19 Budget
Direct costs / Dedicated resources	3.0	0.8	1.4	5.1
Direct costs / Shared resources	1.4	0.3	0.6	2.4
Support Services Allocations	1.7	0.5	0.8	2.9
Total	\$6.1	\$1.6	\$2.7	\$10.4

PTI Operations FY18 Budget				
In Millions, USD	Names	Numbers	Protocol Parameters	FY 18 Budget
Direct costs / Dedicated resources	2.7	0.7	1.2	4.6
Direct costs / Shared resources	1.4	0.3	0.5	2.2
Support Services Allocations	1.7	0.4	0.7	2.8
Total	\$5.7	\$1.4	\$2.4	\$9.6

Variance FY19 vs FY18				
In Millions, USD	Names	Numbers	Protocol Parameters	Variance
Direct costs / Dedicated resources	0.3	0.1	0.2	0.5
Direct costs / Shared resources	0.1	0.0	0.1	0.2
Support Services Allocations	0.0	0.0	0.0	0.1
Total	\$0.4	\$0.2	\$0.3	\$0.8

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One World, One Internet

IANA.ORG
