
PTI Draft FY21 Operating Plan and Budget

Public Technical Identifiers (PTI)

14 October 2019

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PTI Operating Plan & Budget

1 Introduction

CONTENTS OF THE DOCUMENT

This document contains the Draft Budget for Public Technical Identifiers (PTI) for fiscal year 2021(FY21) from 1 July 2020 through 30 June 2021, which is posted for public comment as required by PTI's Bylaws, and in accordance with ICANN's public comment process.

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 year's Draft PTI Operating Plan & Budget includes data on activities to be carried out during FY21 and displays all cost categories for each service.

YOUR PARTICIPATION

ICANN seeks community input and feedback on the Draft FY21 IANA Operating Plan and Budget through the public comment process. Your feedback and participation is an important part of ICANN's planning process and the multistakeholder model. The public comment process enhances the understanding and transparency of PTI's activities, and ultimately its accountability in managing its public funds.

2 Executive Summary

In July and August 2019, PTI conducted preliminary consultations with stakeholders on FY21 priorities, 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

The PTI Budget is distinct from 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

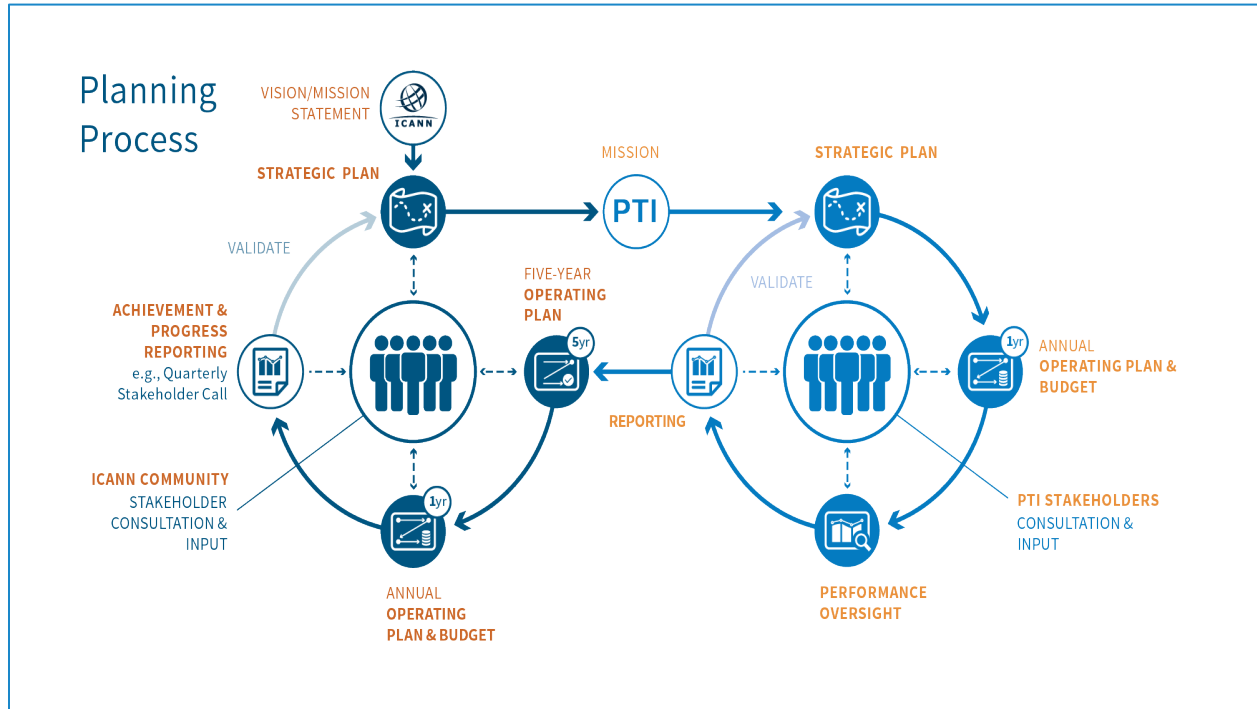
Activities in the Operational category are the day-to-day delivery of the naming, numbering, and protocol parameter functions. Delivery of these functions includes handling requests from customer groups, updating the related registries, and attending relevant meetings to engage with the customer groups.

PTI strives to continuously improve the delivery of its services to enhance customer service. PTI invests in regular activities such as customer service surveys, quality management assessments, and third-party audits. These activities enable PTI to identify strengths and opportunities for improvement.

In FY21, PTI expects to deliver a comprehensive set of systems and tools to support protocol parameter assignment workflows following a multi-year development effort. This investment will enhance the way service is delivered to the Internet standards community by providing modern interfaces and request management. Other areas of activity include continued evolution of the Root Zone Management System (RZMS) to cater for customer demand, as well as ongoing enhancement to the IANA website and continuous iteration on the root zone key management software and facilities. ICANN initiatives and their timing will inform aspects of this work that contain a significant IANA component, such as variant top level domains (TLDs) and the subsequent procedures for new generic TLD (gTLD) delegations.

3 Planning and Budget Overview

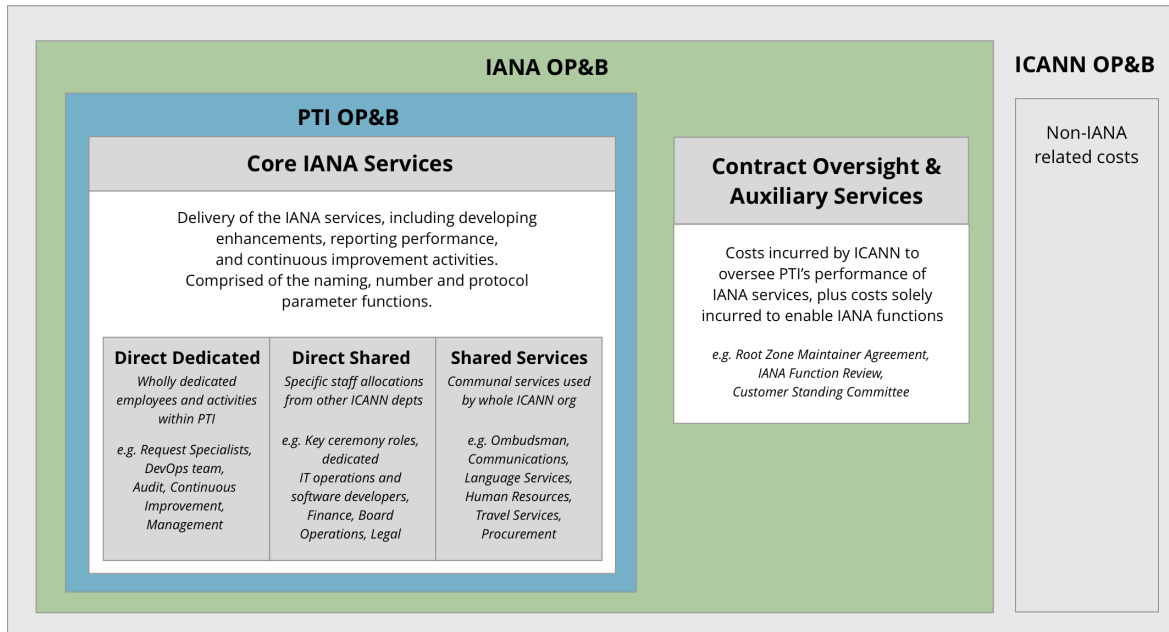
This graphic below shows the PTI planning process and the encompassing ICANN planning process. PTI's multi-year plans are a part of ICANN's Five-Year Operating Plan. The Draft version of this PTI Operating Plan and Budget will become a component of ICANN's FY21 Operating Plan and Budget.



4 PTI Services Financial Overview

4.1 Budget Overview

PTI develops an Annual Operating Plan and Budget each year for inclusion into ICANN's Operating Plan and Budget. The Draft PTI Operating Plan and Budget first is published for public comment, using ICANN's Public Comment process. When that process ends, PTI, supported by ICANN organization, develops a Draft PTI Operating Plan and Budget for the PTI Board to review and adopt. It is then submitted to the ICANN Board for adoption. The Draft PTI Operating Plan and Budget forms the basis for ICANN's funding of PTI Services.



4.1.1 FY21 PTI Budget

The Draft FY21 PTI Services budget is \$10.0M, which is an increase of \$0.1M to the FY20 Forecast. The variances to FY20 Forecast are:

- ⦿ Personnel costs, which increased \$0.3M driven by inflationary adjustments.
- ⦿ Travel and Meetings, including travel and venue costs for outreach, meetings, and PTI Board activities, which is flat compared to FY20 Forecast.
- ⦿ Professional Services, including contractor services, legal fees and audit services, which is flat compared to FY20 Forecast.
- ⦿ Administration, including rent and other facilities costs, software, and general office expenses, which decreased \$0.2M from the prior year driven by reducing general Comms and E&IT activities in Direct Shared services.
- ⦿ Contingency for unforeseen and unallocated costs remain flat compared to FY20 Forecast.
- ⦿ Capital costs remain flat compared to FY20 Forecast.

FY21 PTI Budget in Millions, USD	PTI Services FY21 Budget	PTI Services FY20 Forecast	Under/(Over)		PTI Services FY19 Actuals	Under/(Over)	
			Total	%		Total	%
FUNDING	\$10.0	\$9.9	(\$0.1)	-1.2%	\$7.9	(\$2.1)	-26.8%
Personnel	\$6.3	\$6.0	(\$0.3)	-5.6%	\$4.9	(\$1.4)	-29.0%
Travel & Meetings	\$0.5	\$0.5	\$0.0	1.5%	\$0.5	(\$0.0)	-3.4%
Professional Services	\$1.4	\$1.4	\$0.0	0.1%	\$1.2	(\$0.2)	-12.7%
Administration	\$0.9	\$1.1	\$0.2	18.3%	\$0.9	(\$0.0)	-4.7%
Contingency	\$0.5	\$0.5	\$0.0	0.0%	\$0.0	(\$0.5)	0.0%
Capital	\$0.1	\$0.1	\$0.0	0.0%	\$0.3	\$0.2	64.0%
Depreciation (a)	\$0.3	\$0.3	\$0.0	0.0%	\$0.1	(\$0.2)	-425.4%
TOTAL CASH EXPENSES	\$10.0	\$9.9	(\$0.1)	-1.2%	\$7.9	(\$2.1)	-26.8%
EXCESS/(DEFICIT)	\$0.0	\$0.0	\$0.0	0.0%	\$0.0	\$0.0	0.0%
Average Headcount (FTE) (b)	23.0	23.0	0.0	0.2%	21.0	(2.0)	-9.5%

(a) Depreciation is treated as a cash expense for PTI since it will be reimbursed to ICANN

(b) FTE: Full-time staff equivalent

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 any expenditure is shown with a dash.

4.2 Funding

PTI performs the IANA Functions that are outlined in Section 6 below on behalf of ICANN. PTI invoices ICANN every quarter for performing those functions. ICANN organization, in accordance with its Bylaws, subcontracts with PTI to perform the IANA functions. ICANN is committed to providing the funding of PTI for the IANA functions. ICANN has a sustainable model of funding expected to generate approximately \$140M per year which allows ICANN organization to confidently commit to the funding of PTI.

5 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.

5.1 IANA Naming Function

The IANA Naming Function principally consists of:

- ⦿ Oversight and management of the Root Zone of the domain name system (DNS).
- ⦿ Oversight and management of the .INT top-level domain.
- ⦿ Provision of other services related to the oversight of .INT top-level domain.
- ⦿ Maintaining a repository of Internationalized Domain Name tables and Label Generation Rulesets.
- ⦿ Delivery of the IANA Naming Function, as detailed in the contract between ICANN and PTI, can be found here: <https://pti.icann.org/agreements>.
- ⦿ For more information, please visit: <https://iana.org/domains>.

5.2 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.
- ⦿ For more information, please visit: <https://iana.org/numbers>.
- ⦿ Service subcontract between ICANN and PTI can be found at: <https://pti.icann.org/agreements>.

5.3 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 the RFCs, including:

- ⦿ Proposed, Draft and full Internet Standards.
 - ⦿ Best Current Practice documents.
 - ⦿ Any other RFC or Internet standards document that calls for IANA assignment.
 - ⦿ Assigning and registering Internet Protocol Parameters procedures and criteria directed by Supplemental Agreements agreed to between the Internet Engineering Task Force (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, online and free of charge, information about each current assignment, including contact details for the assignee.
- ⦿ For more information, please visit: <https://iana.org/protocols>.
- ⦿ Service subcontract between ICANN and PTI can be found at: <https://pti.icann.org/agreements>.

6 PTI Services Operating Plan and Budget

The work performed to deliver the IANA Functions, which are outlined in Section 5 above, is described below in Sections 6.1 and 6.2. This work contributes to achieving ICANN’s overarching strategic objectives. The IANA Functions sit within ICANN’s 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 6.3.

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

- ⊙ Contractual Agreements between ICANN and PTI
- ⊙ Executive
- ⊙ Governance
- ⊙ IANA Functions Operations
- ⊙ General Operations
- ⊙ Oversight Committees (Customer Standing Committee, Review Committee as defined by the RIRs)
- ⊙ PTI Board
- ⊙ Root Zone DNSSEC Operations
- ⊙ Service Level Agreement Reporting
- ⊙ System Engineering
- ⊙ System Maintenance
- ⊙ Systems Audits
- ⊙ Technical Enhancements and Development
- ⊙ Website Administration

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

- ⊙ Accounting and Finance
 - Annual Operating Plan and Budget
 - Financial Audit and Tax Processes
- ⊙ Administration and Rent for Los Angeles
- ⊙ Board Management
 - PTI Board Support
- ⊙ Communications
- ⊙ Contractual Compliance and Safeguards
- ⊙ CSC Support
- ⊙ DNS Industry Engagement
- ⊙ Global Stakeholder Engagement
- ⊙ SO & AC Engagement
- ⊙ Governance Support
 - Legal
- ⊙ IT and Engineering
- ⊙ IT Operations
- ⊙ Key Signing Ceremony Support
- ⊙ Software Development

PTI relies upon the baseline security capabilities of ICANN 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.

6.1 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 6.1.1 and Operational improvement activities are described in 6.1.2.

6.1.1 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 inquiries, 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 key management facility (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.

6.1.2 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 internal quality management assessment (such as with the EFQM Excellence Model) to identify strengths and areas for improvement.
 - More information: iana.org/about/audits
- ⦿ Training and developing staff on planning, scheduling and completing training activities related to audit, security, and business excellence as well as other relevant training programs.

6.2 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 four focus areas for system enhancements 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 with incremental releases continuing in FY21.

-
- ⦿ Continuing to evolve and adapt the RZMS to support increased customer demands and evolution of underlying community-developed policies.
 - ⦿ Delivering updates to the IANA website to effectively deliver registry information and associated procedures and documentation. This is a multi-phase project scheduled to run for at least two years. Key deliverables 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
 - ⦿ Root Zone DNSSEC Management Enhancements
 - Asset inventory control system for KSK management
 - Next generation KSR/SKR exchange platform

PTI's software development work program is calibrated to maintain steady improvements in-line with the current level of development activity. While more resources could be applied to speed up development or expand the number of areas of active work, customer feedback to date has indicated high levels of satisfaction with the current rate of work and does not suggest we alter the level of resources available for our software development projects.

6.3 PTI Grand Total Including Support Functions Shared with ICANN

ICANN support functions support the work to perform the PTI Operations (Section 6.1) and Technical Systems Enhancement (Section 6.2) activities. This means that a portion of the costs incurred by ICANN for these support functions is allocated to PTI. ICANN organization determined the allocated 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. This percentage for support functions was then applied to the FY21 PTI Services costs (dedicated and shared) to determine the support function allocation for PTI.

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

- ⦿ Administrative support
- ⦿ Board Operations
- ⦿ Communications
- ⦿ Complaints
- ⦿ Cybersecurity
- ⦿ Data Center Operations & End User Support
- ⦿ Executive
- ⦿ Finance
- ⦿ Human Resources
- ⦿ Language services
- ⦿ Legal
- ⦿ Network Engineering & Security
- ⦿ Nominating Committee
- ⦿ Ombudsman
- ⦿ Operations Executive
- ⦿ Security Operations

Grand Total Including Support Functions Shared with ICANN								
	FTE	Personnel	T&M	Prof Svcs	Admin	Capital	Total	
Direct costs / Dedicated resources	18.0	\$ 3.5	\$ 0.3	\$ 0.9	\$ 0.1	\$ 0.1	\$ 4.9	
Direct costs / Shared resources	5.0	\$ 1.2	\$ 0.1	\$ 0.3	\$ 0.8	\$ -	\$ 2.3	
Support Services Allocations		\$ 1.7	\$ 0.1	\$ 0.6	\$ 0.4	\$ -	\$ 2.7	
Total	23.0	\$ 6.3	\$ 0.5	\$ 1.9	\$ 1.2	\$ 0.1	\$ 10.0	

Appendix

A — Budget Overview of PTI Services

These three tables show the variance in the costs incurred to provide the PTI Services between FY20 Forecast and FY21 Budget.

PTI Services FY21 Budget				
In Millions, USD	Names	Numbers	Protocol Parameters	FY21 Budget
Direct costs / Dedicated resources	2.7	0.8	1.4	4.9
Direct costs / Shared resources	1.4	0.4	0.6	2.3
Support Services Allocations	1.5	0.4	0.8	2.7
Total	\$5.7	\$1.6	\$2.8	\$10.0

PTI Services FY20 Forecast				
In Millions, USD	Names	Numbers	Protocol Parameters	FY20 Budget
Direct costs / Dedicated resources	2.7	0.8	1.3	4.7
Direct costs / Shared resources	1.5	0.4	0.6	2.5
Support Services Allocations	1.5	0.4	0.7	2.7
Total	\$5.6	\$1.6	\$2.7	\$9.9

Variance FY21 vs FY20				
In Millions, USD	Names	Numbers	Protocol Parameters	Variance
Direct costs / Dedicated resources	0.1	0.0	0.1	0.2
Direct costs / Shared resources	(0.1)	(0.0)	(0.0)	(0.1)
Support Services Allocations	0.0	0.0	0.0	0.0
Total	\$0.0	\$0.0	\$0.1	\$0.1

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 any expenditure is shown with a dash.

B — Acronymns

ACRONYM	DESCRIPTION
Admin	Administration
AC	Advisory Committee
CSC	Customer Standing Committee
DNS	Domain Name System
DNSSEC	Domain Name System Security Extensions
EFQM	European Foundation for Quality Management
FTE	Full Time Staff Equivalent
IANA	Internet Assigned Numbers Authority
IETF	Internet Engineering Task Force
KMF	Key Management Facility
KSK	Key Signing Key
Prof Svcs	Professional Services
PTI	Public Technical Identifiers
RAMS	Registry Assignment and Maintenance Systems
RFC	Request for Comments
RIRs	Regional Internet Registries
SO	Support Organization
T&M	Travel and Meetings

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