

Draft PTI FY25 Operating Plan and Budget

Public Technical Identifiers (PTI)
December 2023

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Highlights

During the Annual Budget development process, and prior to approval of the Annual Budget by the PTI Board, the Corporation shall consult with the Supporting Organizations and Advisory Committees, as well as the Registries Stakeholder Group, IAB and RIRs (all as defined in the ICANN Bylaws. In October and November of 2023, consultations were conducted with key stakeholder groups on FY25 priorities for Public Technical Identifiers (PTI).

This engagement with stakeholders resulted in support for the priorities listed in the draft plan. This Operating Plan and Budget 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 as set forth in its Bylaws and the [PTI Strategic Plan](#), which has now been extended through FY25.

The activities laid out in the FY25 Operating Plan are divided into four areas of focus: operations, operational excellence, governance, and technical services. The first three areas are stable as they involve day-to-day operational and administrative work, contractual deliverables, customer surveys, quality assurance, organizational assessments, information security audits, staff management, and Board support. The technical services focus area, however, includes distinct projects aimed at evolving systems and processes used to deliver the IANA functions.

For FY25, the team will continue its efforts to improve the Root Zone Management System (RZMS) and the registry workflow system used for protocol parameter assignments (internally referred to as Opal). The team also plans to complete further enhancements to the iana.org website and its key management facilities, and to modernize the Reverse DNS API. Multi-year projects that start in FY24 will remain a priority. These include work on modified procedures that will be required due to new hardware security modules and defining a plan to implement the recommendations resulting from the algorithm rollover study project that will be finalized in FY24.

It is important to note the distinction between the *PTI Operating Plan and Budget* (this document), and the *IANA Operating Plan and Budget*. This document represents the work to be conducted by PTI to deliver IANA services, whereas the *IANA Operating Plan and Budget*

includes the work conducted by PTI, plus the plans and costs for overseeing and enabling performance of the IANA functions by ICANN. The [Planning Process Overview section](#) explains further the differences between these two plans.

Introduction

About PTI

[Public Technical Identifiers \(PTI\)](#) is an affiliate of ICANN and, through [contracts and subcontracts](#) with ICANN, is responsible for providing the IANA functions. PTI's Bylaws require the organization to develop its own annual 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. 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, IANA Numbering Services, and IANA Protocol Parameter Function.

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 TLD for intergovernmental treaty organizations.

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- 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 Services

The IANA numbering services consist 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. These include:

- Allocation of Internet number resources (IP addresses and Autonomous System Numbers) to RIRs.
- 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 services 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 IETF.

Protocol parameters are a broad set of unique identifiers used in a multitude of applications, each with unique allocation criteria and administrative procedures. The 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, which pertain to the successful delivery of the IANA functions.

PTI Strategic Plan

The PTI Board worked closely with 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. As part of the PTI Bylaws [amendments](#) made effective in September 2023, the PTI Strategic Planning cycle will move from a four-year to a five-year cycle, and the amended Bylaws specify that PTI's FY21-24 Strategic Plan will now remain in force through the end of fiscal year 2025.

The requirement for a dedicated strategic plan comes from [PTI's Bylaws](#). This mandate provides an opportunity to explore the objectives related to IANA 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 ICANN Bylaw requirements, each year a distinct Operating Plan and Budget (Operating Plan and Budget) is developed for PTI. This includes all costs directly related to the delivery of the IANA services, including developing enhancements, reporting performance, and continuous improvement activities. The Operating Plan and Budget is submitted to both the PTI Board and ICANN Board at least 90 days before the fiscal year begins (PTI Bylaws, Article 9, §9.2(a)). The PTI Operating Plan and Budget is a document that is reviewed and approved by the PTI Board.

Additionally, ICANN's Bylaws require an IANA Operating Plan and Budget (IANA Operating Plan and Budget) that is inclusive of the PTI Operating Plan and Budget, 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 Operating Plan and Budget is illustrated in Figure 1.

PTI OP&B		
Core IANA Services		
<p>The delivery of IANA services includes developing enhancements, reporting performance, and continuous improvement activities. The IANA function consists of the naming, number, and protocol parameter functions.</p>		
Direct Dedicated	Direct Shared	Shared Services
<p><i>Wholly dedicated employees and activities within PTI</i></p> <p><i>e.g., request Specialist, DevOps team, Audit, Continuous Improvement, Management.</i></p>	<p><i>Specific staff allocations from other ICANN depts</i></p> <p><i>e.g., Key ceremony roles, dedicated IT operations and software developers, Finance, Board Operations, Legal.</i></p>	<p><i>Communal services used by whole ICANN org</i></p> <p><i>e.g., Ombudsman, Communications, Language Services, Human Resources, Travel Services, Procurement.</i></p>

Figure 1: Elements of the PTI Operating Plan and Budget.

The PTI Operating Plan and Budget is included in the IANA Operating Plan and Budget which, in addition to direct costs, also includes 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.

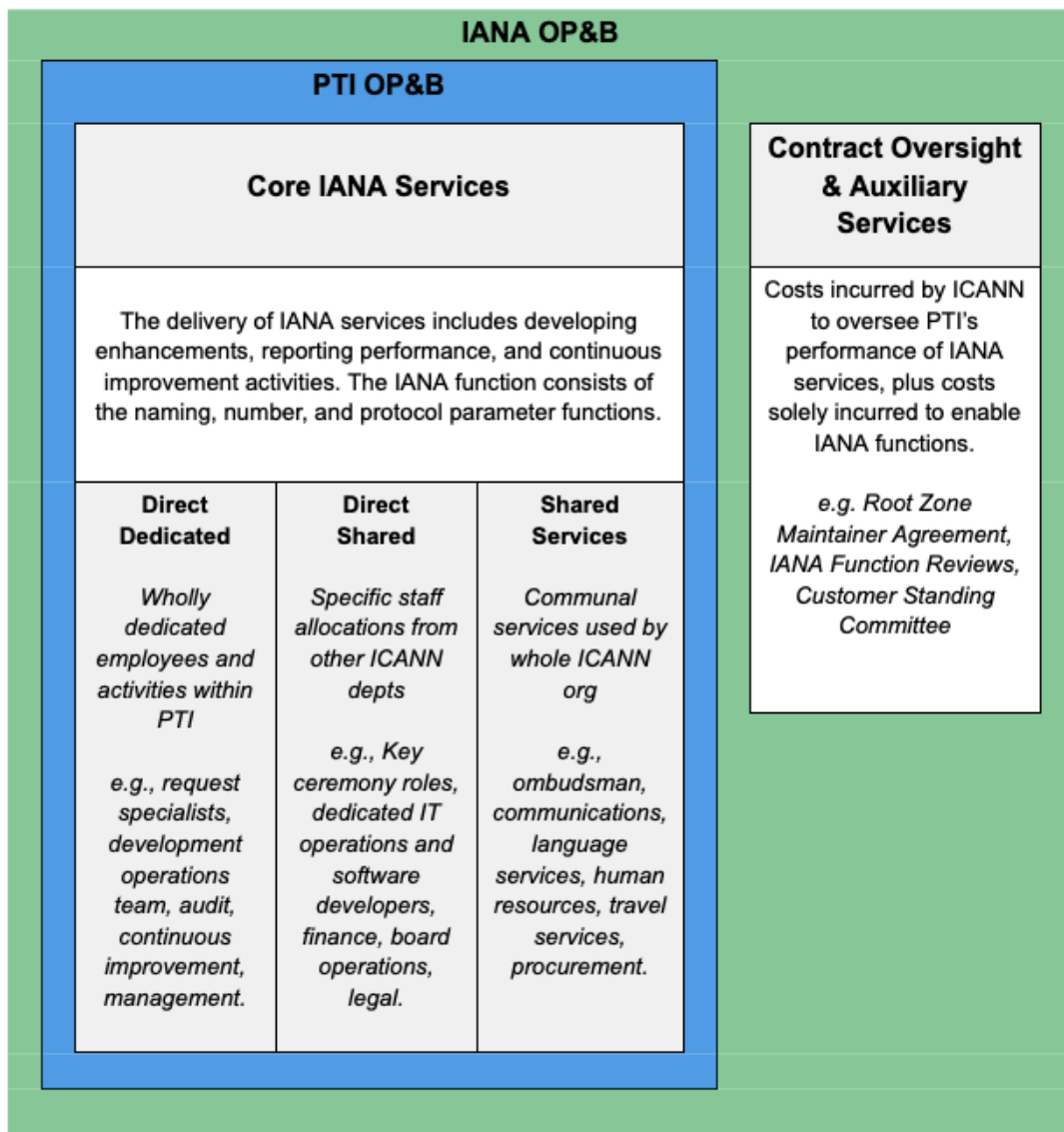


Figure 2: What is included in the IANA Operating Plan and Budget.

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 forward for Board adoption. The PTI Board specifically reviews and approves the PTI Operating Plan and Budget, whereas the ICANN Board reviews and approves the IANA Operating Plan and Budget as a component of the broader ICANN Operating Plan and Budget, for the [ICANN FY25-29 Operating and Financial Plan](#), [ICANN FY25 Operating Plan](#), and [ICANN FY25 Budget](#), as illustrated in Figure 3.

ICANN funds the entirety of the PTI Operating Plan and Budget. The PTI FY25 Operating Plan and Budget includes activities to be carried out during FY25 and displays all resources in cost categories for each service.

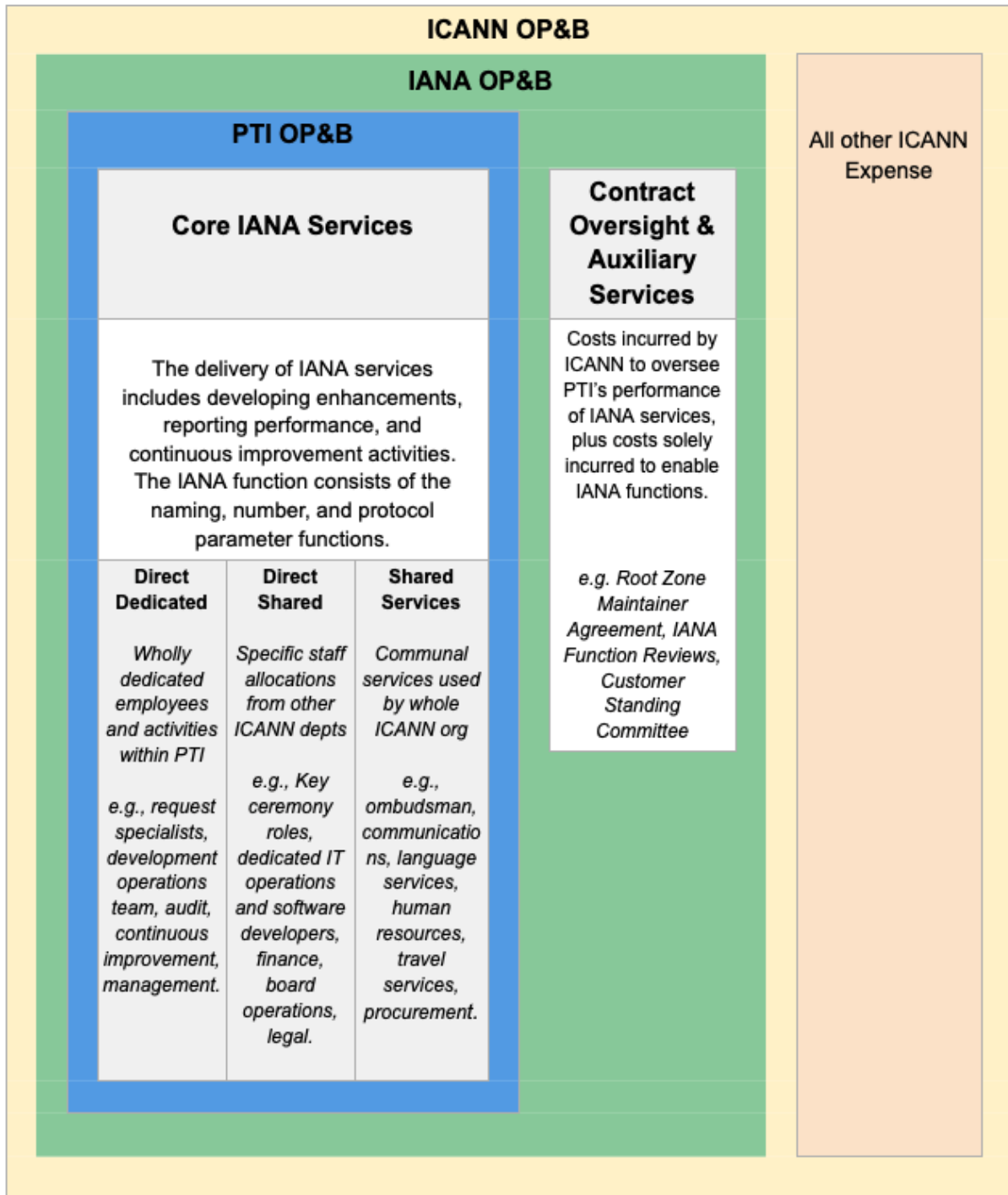


Figure 3: What is included in the ICANN Operating Plan and Budget

PTI FY25 Planning Assumptions

Strategy

To ensure the PTI FY25 objectives are correctly captured in its now five-year strategic plan, PTI considers the IANA operating initiatives and functional activities identified in the *Five-Year ICANN Operating Plan*. In addition, ICANN conducts the [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. On the basis of the analysis of the data collected from the trend identification sessions, some ongoing activities will continue to be emphasized and reflected in this document, and the Strategic Plan shall remain in force and unchanged, with no restatement needed at this time.

Financials

A key assumption in developing the *PTI FY25 Operating Plan and Budget* and corresponding *IANA FY25 Operating Plan and Budget*, is that funding for the IANA functions and the activities laid out in the *PTI FY25 Operating Plan and Budget* are prioritized by ICANN. PTI is expected to exercise careful cost controls in its operations.

Personnel costs are the highest expense in the *PTI FY25 Budget*, so carefully planning for resources is critical. For FY25, additional headcount may be required; but is not included in this budget in order to align with ICANN's common process for approving and budgeting for new positions. ICANN plans for a certain amount of headcount turnover and growth each year, but costs for new positions are not allocated nor budgeted to PTI until they are hired. This process allows ICANN to strategically evaluate each new hire, controlling headcount growth and ensuring proper allocation of resources. Should PTI require additional headcount in FY25, resources will be prioritized by ICANN using this budgeting and approval process.

Operations

The volume of transactions performed across the IANA functions typically shows a modest year-on-year increase; this is expected to continue for the scope of the existing services. Historically, this organic growth has been partially offset through efficiencies realized by improving internal processes, training, and systems. In the past 12 months, the IANA functions have comprehensively met service level agreements (SLAs) with 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; however, customers are still requesting that systems be enhanced to meet technological advancements and mitigate security threats.

PTI continues to evolve and enhance its operation of the DNS Root Zone Key Signing Key (KSK). Significant work includes ongoing renewal of the Trusted Community Representatives, and implementing next generation hardware security modules and associated procedural amendments throughout FY25.

PTI will strive to sustain high customer satisfaction and meet increasing operational needs in FY25, while serving as subject matter experts to various system improvements and balancing competing operational, contractual and technological demands.

Stakeholder Engagement

Engagement activities are expected to modestly increase in FY25. *The PTI FY25 Operating Plan and Budget* includes engagement activities with stakeholders such as with top-level domain managers, the Regional Internet Registries (RIRs), Trusted Community Representatives (TCRs), and the Internet Engineering Task Force (IETF), in addition to travel to ICANN public meetings and other regional meetings. With increased costs of travel, PTI will also complement travel with virtual sessions to engage with its stakeholders. PTI assumes there will be ongoing support from ICANN's regional engagement teams to augment its capabilities to save on travel costs.

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. 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 *PTI FY25 Operating Plan and Budget*. Contingency is included in the *PTI FY25 Operating Plan and Budget* and represents an amount of budgeted expense unallocated to specific activities or departments.

Examples of review and policy-related work that is not yet approved for implementation by the requisite parties, and thus are not included in these plans are:

1. Subsequent phases of implementing separation of .ARPA from root zone operations as described in RFC 9120
2. Operationalizing work related to TLD variants
3. Permanent approach to IDN ccTLD strings to replace the current “fast track”
4. A root server governance model

PTI FY25 Operating Plan

In 2020, PTI published its first dedicated strategic plan covering fiscal years 2021–2024, which is now effective through fiscal year 2025. The plan includes strategic goals that help ICANN achieve its 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 Operating Plan and Budget* details how the organization will operationalize the work each fiscal year to achieve the targeted outcomes of both organizations’ 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 the *PTI FY21-24 Strategic Plan* as described in this section. When combined, the scope listed below will form the direct dedicated cost portion of the *PTI Operating Plan and Budget*. [The PTI FY25 Budget Section](#) will further explain direct dedicated and direct shared costs.

Operations

PTI’s core operations include both enduring and specific 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 contractual requirements such as:
 - Processing root zone, protocol parameter, and number-related requests.
 - Responding to general inquiries.

¹ ICANN Strategic Plan. PDF file. June 24, 2019.
<https://www.icann.org/en/system/files/files/strategic-plan-2021-2025-24jun19-en.pdf>

- 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 high availability of IANA critical Internet infrastructure, including:
 - 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-FY25 Strategic Plan Strategic Objectives	PTI FY21-FY25 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>1.2 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

PTI has an established practice of continuous improvement. The team regularly evaluates overall capabilities, assesses its strengths, and identifies opportunities to enhance delivery of the IANA functions. The work done to execute such evaluations and assessments as well as to prioritize, plan, and monitor the identified improvement areas are part of PTI's focus on operational excellence. In FY25 the team plans to include enhancements that align with the maturity level of PTI and further validate its commitment to continuous improvement. These include:

- 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.
- Implement recommendations from an internal assessment done in FY24 to improve PTI's information security audit practices.
- 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.
- Ensuring operational excellence by engaging an independent assessor to validate PTI's processes and procedures.
- Monitoring and reporting of performance and customer satisfaction.
- Monitoring and controlling schedule, risks, budget, and quality of ongoing projects.

These activities support the PTI strategic plan as follows:

PTI FY21-FY25 Strategic Plan Strategic Objectives	PTI FY21-FY25 Strategic Plan 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</p>

PTI FY21-FY25 Strategic Plan Strategic Objectives	PTI FY21-FY25 Strategic Plan Strategic Goals
	<p>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 FY25 the focus areas are:

- Ongoing significant operational improvements to the iana.org website.
- Registry Workflow System (Opal) project:
 - Improve application forms.
 - Provide mechanisms for assignee privacy.
 - Validate authenticity of registry data through digital signatures.
- Continuing to evolve and adapt the RZMS to support increased customer demands and the evolution of underlying community-developed policies, including:
 - Identify new types of technical issues with top-level domains, and allow low severity issues to be self-dismissed by the customer without the need for IANA staff intervention.
 - Implement passwordless authentication using new web authentication standards (e.g. passkeys), that provide faster, easier, and more secure sign-ins to websites and apps across a user's devices. Unlike passwords, passkeys are always strong and phishing-resistant.
- Providing Root Zone DNSSEC management enhancements.
 - Review the recommendations from the algorithm rollover study, planned for publication in FY24, and coordinate implementation with the multistakeholder communities.
 - Key Rollover: Recommence the procedure for the next Key Rollover using next generation hardware security modules.
 - Evaluating, planning, and implementing enhancements to IANA Key Management Facilities
 - Rotation of TCRs with new volunteers.

These activities support the PTI strategic plan as follows:

PTI FY21-FY25 Strategic Plan Strategic Objectives	PTI FY21-FY25 Strategic Plan Strategic Goals
<p>SECURITY</p> <p>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 PTI’s performance of the IANA functions properly fulfill their mandate to enable global interoperability of the Internet 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.

- Development and publication of the next PTI Strategic Plan covering FY26-FY30.
- 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.
- Engaging with IANA stakeholders and broader community groups through active participation in customer-related activities such as conferences, meetings, and other community events.
- Monitoring compliance with regulatory requirements.
- Conducting risk management activities.
- Performing budget management activities.

These activities support the PTI strategic plan as follows:

PTI FY21-FY25 Strategic Plan Strategic Objectives	PTI FY21-FY25 Strategic Plan Strategic Goals
<p>TRUST</p> <p>Maintain stakeholders’ trust that IANA is the proper home for enabling global Internet 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 improve openness, inclusivity, accountability and transparency.</p>	<p>5.1 Supporting the various review processes conducted by the community that pertain to the IANA function.</p> <p>5.2 Reducing unnecessary complexity and duplication between what is in scope for IANA and ICANN.</p> <p>5.3 Identifying opportunities to streamline oversight agreements and contracts.</p>

PTI FY25 Budget

Funding

PTI is the affiliate of ICANN that is responsible for the operations of the IANA functions. PTI invoices ICANN 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 \$148 million per year, which allows ICANN org to confidently commit to the funding of PTI.

PTI FY25 Budget Overview

The *PTI Operating Plan and Budget* covers three types of costs: direct dedicated, direct shared, and shared services 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 [PTI FY25 Operating Plan Section](#) of this document. The total cost of the activities listed is \$5.9 million.

PTI currently has 19 direct dedicated Full-Time Equivalent (FTE) employees.

Focus Area	FY25 FTE Direct Dedicated
Operations	6.4
Operational Excellence	4.5
Technical Services	6.1
Governance	2.0
Total	19.0

PTI Direct Shared Expenses

PTI relies upon staff within ICANN org who 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 personnel from 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. Direct shared expenses total \$2.3 million.

The functions and activities included in the direct shared costs are:

- Finance and Planning
 - Annual operating plan and budget
 - Financial audit and tax processes
- HR and Facilities
 - Administration and rent for Los Angeles office
- Engagement with
 - Supporting Organizations and Advisory Committees

- DNS industry
- Costs that ICANN org incurs to do outward engagement on behalf of IANA/PTI
- Governance Support
 - Legal
 - PTI Board support
- Engineering and IT
 - Key Signing Key Ceremony support
 - Software development
 - Security

ICANN plans to allocate 4.7 direct shared FTE to support PTI in FY25.

Focus Area	FTE Direct Shared
Operations	1.2
Operational Excellence	1.0
Technical Services	1.7
Governance	0.8
Total	4.7

PTI Shared Services Functions with ICANN

ICANN support functions provide a baseline set of services in common with the rest of ICANN org, which help the PTI team 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 FY25 PTI costs (dedicated and shared) to determine the support function allocation for PTI. For FY25, the total cost for these support functions shared with ICANN is \$2.8 million.

The Shared Services Functions with ICANN are:

- Global Human Resources and Administrative Services

- Board Operations
- Global Communications and Language Services
- Complaints Office
- Engineering and Information Technology
- Security Operations
- Governance Support
- Global Support Center
- Ombudsman
- Finance and Planning
- Nominating Committee Support
- Office of the President and CEO

PTI Total Expenses

FY25 Grand Total Including Support Functions Shared with ICANN							
	FTE (a)	Personnel	T&M (b)	Prof Svcs	Admin	Capital	Total
Direct Dedicated	19.0	\$4.0	\$0.3	\$1.4	\$0.1	\$0.2	\$5.9
Direct Shared	4.7	\$1.3	\$0.1	\$0.3	\$0.6	\$0	\$2.3
Shared Services	0.0	\$2.0	\$0.1	\$0.4	\$0.3	\$0	\$2.8
Total	23.7	\$7.2	\$0.5	\$2.1	\$1.0	\$0.2	\$10.9

(a) FTE: Full-Time Equivalent
(b) T&M: Travel and Meetings

Due to rounding, numbers presented may not precisely add up to the totals indicated.

PTI Budget Variance

The Draft *FY25 PTI Budget* is \$10.9 million, which is \$0.4 million higher than the FY24 budget.

FY25 PTI Budget in Millions, USD	FY25 Budget	FY24 Budget	Under/(Over)		FY23 Actuals	Under/(Over)	
			Total	%		Total	%
FUNDING	\$10.9	\$10.5	(\$0.4)	-3.8%	\$9.0	(\$1.9)	-21.2%
Personnel	\$7.2	\$6.7	(\$0.5)	-7.4%	\$6.3	(\$0.9)	-14.2%

FY25 PTI Budget in Millions, USD	FY25 Budget	FY24 Budget	Under/(Over)		FY23 Actuals	Under/(Over)	
			Total	%		Total	%
Travel and Meetings	\$0.5	\$0.5	\$0.0	2.1%	\$0.5	\$0.0	5.9%
Professional Services	\$1.5	\$1.8	\$0.3	16.6%	\$1.0	(\$0.5)	-50.0%
Administration	\$1.0	\$0.9	(\$0.1)	-10.9%	\$0.9	(\$0.1)	-16.3%
Contingency (a)	\$0.5	\$0.5	(\$0.1)	-16.0%	\$0.0	(\$0.5)	0.0%
Capital	\$0.2	\$0.1	(\$0.1)	-60.0%	\$0.3	\$0.1	45.9%
TOTAL CASH EXPENSES	\$10.9	\$10.5	(\$0.4)	-3.8%	\$9.0	(\$1.9)	-21.2%
EXCESS/(DEFICIT)	\$0.0	\$0.0	\$0.0	0.0%	\$0.0	\$0.0	0.0%
Average Headcount (FTE) (b)	23.7	22.6	(1.1)	-4.8%	20.7	(3.1)	-14.8%
(a) Contingency is an amount included in the budget but not allocated to specific activities; it can be used for unforeseen costs or to cover the difference between budgeted and actual costs. (b) FTE: Full-Time Equivalent							

Due to rounding, numbers presented may not precisely add up to the totals indicated.

Key comparisons to the previous year's budget are:

- Personnel costs are \$0.5 million higher, due to additional staff, ICANN's standard three percent annual inflationary adjustment for cost of living increases, promotions, and health care benefits costs.
- Travel and meetings, including travel and venue costs for outreach, meetings, and PTI Board activities is flat compared to FY24.
- Professional services costs are \$0.3M lower than FY24 budget. After the launch of an upgraded RZMS in FY23, and the next major release –multi-factor authentication – planned for launch in FY24, the assumption for FY25 is to continue to release minor, incremental features that can be delivered without significant reliance on third-party contractors.
- Administration costs are slightly higher than FY24 budget due to incremental costs for rent and other facility costs, software, and general office expenses.
- Capital costs are slightly higher than the FY24 budget due to planned expenses relating to the hardware security module vendor changes and other activities needed to prepare for the next Key Signing Key Rollover.

Contingency is an amount included in the FY25 budget that is not allocated to specific activities and can be used for unforeseen costs. If economic pressures cause incremental

inflation over past trends, the contingency amount will be used to cover these hard-to-predict cost increases.

Key comparisons to the FY23 actuals are:

- Personnel costs are \$0.9 million higher, due to incremental headcount and ICANN's standard three percent annual inflationary adjustment for standard of living increases, promotions, and health care benefits costs.
- Travel and meetings, including travel and venue costs for outreach and PTI Board activities are flat compared to FY23 actuals.
- Professional services and administration costs are \$0.6M higher than FY23 due to incremental services, such as the algorithm rollover study and iana.org website improvements, as well as higher costs from economic inflation.
- Contingency expenses of \$0.5M are included in the FY25 budget, although no contingency was used in FY23.

PTI Budget Variance by IANA Function

PTI performs the IANA functions through [contracts and subcontracts](#) with ICANN. The tables below allocates expenses and funding to these three functions, namely: Names, Numbers, and Protocol Parameters.

PTI Services <small>In Millions, USD</small>	FY25 Budget				FY24 Budget				FY25 Budget vs FY24 Budget			
	Names	Numbers	Protocol Parameters	Total	Names	Numbers	Protocol Parameters	Total	Names	Numbers	Protocol Parameters	Total Variance
Direct Dedicated	2.7	1.0	2.2	5.9	2.4	1.2	1.6	5.2	0.3	(0.2)	0.5	0.7
Direct Shared	1.0	0.4	0.8	2.3	1.4	0.5	0.7	2.7	(0.4)	(0.1)	0.1	(0.4)
Shared Services	1.3	0.5	1.0	2.8	1.2	0.6	0.8	2.6	0.1	(0.1)	0.2	0.2
Total	\$5.0	\$1.9	\$4.0	\$10.9	\$5.0	\$2.3	\$3.2	\$10.5	\$0.0	(\$0.4)	\$0.8	\$0.5

The expenses by IANA function vary slightly from the FY24 Budget distribution due to a realignment of personnel support and professional services. With the work to implement new SLAs for reverse DNS scheduled for FY24, the cost allocated to the Numbers function is expected to decrease in FY25. In addition, a greater portion of the professional services has been allocated to Protocol Parameters to account for the continued development of the Registry Workflow System (Opal).

For both the PTI total expenses and FY25 PTI budget variance charts shown above, the dollar figures are in millions of U.S. dollars with a granularity of \$100,000. Due to rounding, numbers presented may not precisely add up to the totals indicated and percentages may not precisely reflect the absolute figures. An absence of an expenditure is shown with a dash.

Appendix

IANA FY25 Operating Plan and Budget

The Draft *IANA FY25 Operating Plan and Budget* comprises the full Draft *PTI FY25 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 IANA FY25 Operating Plan and Budget* can be reviewed [here](#).

It's important to note that there are currently two separate public comments proceedings running. The first proceeding includes drafts of the ICANN FY25-29 Operating & Financial Plan, the ICANN FY25 Operating Plan & Budget, and the IANA FY25 Operating Plan and Budget. The second proceeding exclusively covers the Draft PTI FY25 Operating Plan and Budget.



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