ICANN Organization's Report of Public Comment Proceeding

Draft PTI and IANA FY22 Operating Plans and Budgets	
Publication Date:	18 December 2020
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Public Comment Proceeding		Important Information Links
Open Date:	08 October 2020	Announcement
Close Date:	30 November 2020	Public Comment Proceeding
Staff Report Due Date:	18 December 2020	View Comments Submitted

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Section I: General Overview and Next Steps

PTI (Public Technical Identifiers) was incorporated in August 2016 and became operational in October 2016. Under PTI's Bylaws, draft Operating Plans and Budgets for PTI must be submitted to the PTI Board nine months before the start of each fiscal year. A draft Operating Plan and Budget for PTI for FY22 were presented to the PTI Board and ICANN Board Finance Committee for review and published for public comment on 08 October 2020.

The FY22 PTI Operating Plan and Budget will be proposed for adoption by the PTI Board in early January 2020. As required under the PTI Bylaws, the PTI Operating Plan and Budget will also be presented to the ICANN Board as an input into ICANN org's budget process and will also be the basis for the required IANA Budget. The FY22 IANA Operating Plan and Budget will be proposed for adoption by the ICANN Board at the end of January 2020.

ICANN org and PTI use comments on draft planning documents to identify areas of strength and areas for improvement. Comments provided in this public comment proceeding will help identify specific changes that may be incorporated into the final budget documents and/or implemented in the next planning process. This analysis is part of our commitment to continuous improvement.

Monetary references are in U.S. dollars unless otherwise stated. All references to suggested changes in the FY22 Operating Plan and Budget are subject to approval by the Board.

Section II: Contributors

At the time this report was prepared, 6 communities and one individual posted comments to the forum. The following table lists these contributors in alphabetical order. Any quotations taken from contributor comments will reference the contributor's initials.

Organizations and Groups:

Name	Submitted by	Initials
ICANN At Large Advisory Committee	ICANN At-Large Staff on behalf of ALAC	ALAC
Article 19	Ephraim Percy Kenyanito	Article 19
ICANN Business Constituency	Steve DelBianco	BC
Country Code Names Supporting Organization — Strategic and Operational Planning Committee	Giovanni Seppia	ccNSO-SOPC
Generic Names Supporting Organization Council	Berry Cobb on behalf of the GNSO Council	GNSO
Non-Commercial Stakeholders Group	Tomslin Samme-Nlar	NCSG
Registrar Stakeholder Group	Zoe Bonython	RrSG
gTLD Registries Stakeholder Group	Elizabeth Bacon	RySG

Section III: Summary of Comments

General Disclaimer: This section intends to summarize broadly and comprehensively the comments submitted to this public comment proceeding but does not address every specific position stated by each contributor. The preparer recommends that readers interested in specific aspects of any of the summarized comments, or the full context of others, refer directly to the specific contributions at the link referenced above (View Comments Submitted).

There were eight submissions to the public comment forum on the Draft FY22 PTI and IANA Operating Plans and Budgets. The comments were further broken down into a total of 41 individual comments and segmented by theme. Further analysis follows in the section below.

Many comments pertained to financial management or document structure on both the PTI and IANA documents. These comments provided suggestions for changes to improve readability and understanding. Other comments included those pertaining to general comment, level of detail provided in the documents, and strategic planning.

Comments have been separated thematically, and not based on the group submitting them, to gain a better understanding of the comments. The comment themes are listed here and the analysis section provides a high-level assessment of the observations, questions, and requests. Responses to individual comments are provided in the appendix.

Themes

Financial Data and Format (17 Comments)
PTI Structure and Information (6 Comments)
Public Comment Process (2 Comments)
Glossary of Terms (4 Comments)
General Feedback and Comments (12 Comments)

Section IV: Analysis of Comments

General Disclaimer: *This section provides a brief description of the comments submitted within each theme.*

Financial Data and Format
There were 17 comments submitted by six groups on various aspects of ICANN org's and PTI's expenses and data format.

PTI Structure and Information
There were 6 comments submitted by three groups on various aspects of PTI Strategy and supporting details.

Public Comment Process
Two comments were submitted in regard to the public comment process and format.

Glossary of Terms
Four comments were submitted regarding clarity of the terminology utilized throughout the PTI and IANA budget documents.

General Feedback and Comments
12 comments were received giving general feedback, observations, or statements of comment

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1 Introduction

ICANN org and PTI published the Draft FY22 PTI and FY22 IANA Operating Plan and Budgets on 08 October 2020 for public comment. We received 41 specific comments from eight community groups.

This document provides ICANN org and PTI's responses to the 41 comments submitted through the public comment process. These responses were organized into four relevant themes, which constitute the four sections that follow this Introduction and precede the Appendix. To more effectively address the comments, this document presents a narrative of ICANN org's responses and all of the comment are located in the Appendix noted with relevant response section.

To find responses to submitted questions:
- Community organizations and individuals should first locate their organization name (or individual name) in the left-hand column (the Contributor column) of the Appendix.
- The middle column (the Question/Comment column) displays the comment submitted by the organization or individual. If an organization or individual submitted more than one comment, these are located sequentially in the middle column adjacent to the name of the organization or individual.
- The right-hand column (the Reference column) displays the section of this document that contains the response to the submitted comment.

ICANN org and PTI welcome and recognize the diverse participation from stakeholders as ICANN org and PTI's planning processes continue to evolve, including ICANN org's Strategic Plan, Operating Plan, Budget, and on-going operational and financial updates.

2 Financial Data and Format

2.1 Financial Data

In future publications, a brief synopsis of the overall financials will be incorporated into the Executive Summary sections of both the PTI and IANA Operating Plan and Budget documents.

ICANN org and PTI acknowledge that changing the verbiage of the charts to indicate the change from one year to the other has been confusing. These changes were made in order to keep the PTI and IANA documents consistent across l ICANN org documents. ICANN org and PTI will work to make the verbiage clear and concise in future publications. In reference to the Appendices in the Operating Plan and Budgets, ICANN org and PTI will revise footnotes for more clarity and insight for community members. Section 5 of this document includes a brief glossary and overview of terms to help clarify meanings and usage. This glossary will also be incorporated into the PTI and IANA Operating Plan and Budget documents.

Figures are shown in millions in order to maintain consistency with financial best practices across the ICANN org. ICANN org and PTI will also consider showing more cost details and granularity in future publications.

IANA customers and the core maintenance of the Root Zone Maintainer System, as well as other IANA functions, are well accounted for in the budget and remain a priority. The FY22 PTI and IANA Operating Plan and Budgets represent the appropriate support for the PTI and IANA services. Therefore, a need for a base and an investment budget is not applicable.

ICANN org and PTI continually strive to provide more information in the published documents to enhance transparency and accountability. ICANN org and PTI will implement further controls and align formatting and style for future operating and budget plans. ICANN org and PTI encourage input from the community for improvements to future iterations.

2.2 Covid-19 Global Pandemic

Shortly after the publication of the FY21 Adopted PTI and IANA Operating Plans and Budgets, the world started to be affected by the Covid-19 global pandemic. PTI and ICANN org has conducted almost all of its work remotely since March 2020. The organization has managed operations during this economic crisis by being even more cost conscious, working remotely, and holding all meetings virtually, including three ICANN Public Meetings. Fortunately, ICANN org's funding has remained relatively stable thus far.

While many factors of the pandemic and its economic impact remain to be seen, PTI and ICANN org have developed a set of projections and assumptions to help guide the FY22 Draft Budget.

- o Funding for PTI Operations and IANA Services remain a priority and will continue to support all expected expenses
- o Travel & Meetings assume three face-to-face ICANN Public Meetings and otherwise unrestricted travel.
- o Key signing activities are planned to be fully operational, with contingency plans in place to allow their successful operation despite the COVID-19 pandemic. The associated changes are anticipated to have no material fiscal impact beyond typical operational costs.
- o Other cost categories are aligned with trends and operational activities

ICANN org and PTI understand that their roles remain crucial to maintain the effective operation of the Internet. PTI and ICANN org's technical coordination of the Internet's unique identifier systems plays a critical role in the security, stability, and resiliency of the Internet, and ICANN org will continue to oversee this endeavor. Throughout the pandemic, the organization, community, and ICANN Board have performed their work successfully without face-to-face interaction. Although ICANN org plans for FY22 to have stable funding and expenses based on historical levels, the organization is prepared to resume conducting its work remotely and reevaluate costs if necessary. Organizational activities will continue to be carried out under principles of increased prudence, frugality, and with heightened attention to necessity.

2.3 Year over Year Variances

In response to comments regarding PTI's FY20 expenses, FY20 expenses were lower than budget by $2.5M driven by lower than planned Personnel of 2.6 headcount or ($1.0M), Travel & Meetings ($0.4M), and Professional Services ($0.6M). Travel & Meetings expenses were lower than budget due to travel restrictions resulting from the Covid-19 pandemic. Professional Services expenses were lower than budget due shared services expenses across ICANN org. The FY22 budget includes 2.1 additional headcount versus FY20 and assumes Travel is back to pre-pandemic levels.

Capital expenses have increased over FY21 due to budgeting methodology. For FY20, the capital expenses were $0.3M, of which $0.2M was for software development costs for the root zone. During the budgeting process capital labor was previously not captured. For FY22, this oversight has been corrected and the appropriate amount of $0.2M of capital labor for root zone software development has been captured.

In reference to the variances of figures for PTI Services by Names, Numbers, and Protocol Parameters, a steady decline is shown in all three groups versus the FY21 budget and a comparable increase across the three services versus the FY20 actuals.

2.4 Personnel Expenses

The FY22 PTI Operating Plan and Budget shows a reduction in headcount of 1 personnel in the direct dedicated cost pool. In alignment with the ICANN org new hire process, requests to create new positions or fill existing vacant positions must be approved by the ICANN President and CEO, CFO, and the Senior Vice President of Human Resources. This rigorous process allows ICANN org to strategically evaluate each new hire, controlling headcount growth and ensuring proper allocation of resources. At the time of the FY22 budget publication, the one personnel request still open from FY20 and FY21 budget had not yet been officially approved. Therefore, the cost was not reflected in the FY22 budget. PTI is a priority for ICANN org and new hires will be assessed accordingly. Current staff will maintain their responsibilities and roles and as requirements increase, new hires will be evaluated and given priority.

The incremental personnel expense growth from FY20 to FY22 is comprised of both merit/fringe increases and additional headcount:
- o Merit and fringe increase of 3% for current staff to occur in both FY21 and FY22. The merit/fringe expenses refer to standard of living increases as well as overall corporation health and benefits costs.
- o 2.3 additional headcount.

3 PTI Structure and Information

3.1 Strategic Planning

PTI's work resides under one of ICANN's strategic goals in ICANN's FY22-FY26 Strategic Plan, to "Continue to deliver and enhance the IANA functions with operational excellence." The PTI Strategic Plan outlines multi-year development plans that have achievements and milestones reached year. Many of the activities are inter-dependent of each other and rely heavily on personnel staff time and therefore definitive timelines difficult to predict. ICANN org and PTI will assess adding more texture and possible time frames in future publications.

Workstream 2 is a policy driven recommendation that ICANN org is currently working on implementation. As such, PTI will receive and follow guidance from ICANN org on workstream 2 policy guidelines.

ICANN org and PTI acknowledge that the GNSO council New gTLD Subsequent Procedures Policy Development Process Working Group is currently developing policy that may lead to changes to the existing Introduction of New Generic Top-Level Domains policy recommendations from 8 August 2007 as well as the Applicant Guidebook dated June 2012.

3.2 PTI and IANA Structure

ICANN org is committed to funding all IANA Functions per the ICANN bylaws "To maintain ongoing operational excellence and financial stability of the IANA functions (so long as they are performed by ICANN or pursuant to contract with ICANN) and PTI, ICANN shall be required to plan for and allocate funds to ICANN's performance of the IANA functions and to PTI, as applicable, that are sufficient to cover future expenses and contingencies to ensure that the performance of those IANA functions and PTI in the future are not interrupted due to lack of funding".

ICANN org acknowledges that the relationships between ICANN, IANA and PTI can be confusing at times. ICANN is continually working to better communicate how each group fits together and the roles and responsibilities of each function. Enhancements will be considered for both the visual and written explanation to better communicate the relationships.

4 Public Comment Process

ICANN org and PTI are continually revising and assessing how best to utilize the public comment process. ICANN org and PTI acknowledge that a more interactive question format may be more beneficial to the community and will review the feasibility of adding this functionality to future public comments.

5 Glossary of Terms

Terminology used in the operating plan and budget is derived from the various contracts and documents that govern the business activities of PTI. ICANN org and PTI work to adhere to this terminology accurately to be faithful to these community agreed documents, which may come at the expense of clarity. In addition, the term "IANA" has limited allowable usages under the Intellectual Property Rights (IPR) agreements that govern its use. ICANN welcomes identifying ways of adding clarity to the presentation that does not contradict these governing documents.

In reference to financial charts, please see explanations of terminology below:

Finance Terms	Meaning
Over	Over on financial charts means that the current FY22 is higher or an increase versus prior year
Under	Under on financial charts means that the current FY22 is lower or a decrease versus prior year

6 Appendix – Contributor Question/Comment and Reference to Response

6.1 List of Public Comments Received

Contributor	Question / Comment	Document Section Reference
Country Code Names Supporting Organization — Strategic and Operational Planning Committee (ccNSO)	The ccNSO SOPC is grateful for the opportunity to review and comment on the draft PTI and IANA FY22 Operating Plan and Budgets. After a careful assessment, we believe that the Plans are relevant and coherent and meet the community's expectations. We would also like to commend the team for making them concise and easy to read. We appreciate the clarification about the increase of certain budget lines (e.g. for the PTI Budget, the cost for "Travel and Meetings" is expected to grow in FY22 "due to additional needed trips for Key Signing Ceremonies further"). We want to commend PTI for continuous efforts and investments to assess and improve existing procedures and management. As ever, the SOPC remains available to support the shaping of any further plan.	Thank you for your comment and ICANN appreciates your feedback.
ICANN At Large Advisory Committee (ALAC)	The budget - especially the operating plans - are an improvement on both PTI and IANA functions, as well as a transparent initiative to show the community "Operational Improvements Activities and System Enhancements" in advance. Although there is a 30% increase in the budget from the last real results (FY20), the ALAC is glad to see that ICANN org is dedicating more resources to its core function.	Section 2: Financial Data and Format
Non-Commercial Stakeholders Group (NCSG)	NCSG strongly supports the continued maintenance of the PTI budget to ensure continuity of service in the IANA functions. The relatively flat year on-year approach of the FY22 budget is acceptable to NCSG as long as the IANA customers and the core maintenance of the RZMS and the other IANA functions are sufficiently accounted for in the FY22 budget	Section 2: Financial Data and Format
Non-Commercial Stakeholders Group (NCSG)	As we stated in our two previous comments on PTI and/or IANA budgets, NCSG would look favourably on increasing the precision of the numbers presented in future budgetary documents. Indeed, irrespective of accounting standards, a comparatively small budget of 10 million USD (or 600 000 USD for IANA alone) would in our view require rounding up to no more than the closest 10 000	Section 2: Financial Data and Format

Contributor	Question / Comment	Document Section Reference
Non-Commercial Stakeholders Group (NCSG)	In addition, several elements of the two documents under comment here are presented without definitions, explanations or in a generally obtuse way. As a not-for-profit organization accountable to its community, it is paramount that ICANN deploys the required efforts in order to properly enable that community to inform itself, produce comments and generally engage the organization on issues it deems important. This is especially important when such information is of a quantitative character. Proper communication of quantitative information requires dedicated efforts. This is not about simply finding the right amount of details to include in disclosure documents, but also about presentation choices.	Section 5: Glossary of Terms
Non-Commercial Stakeholders Group (NCSG)	In our two previous comments, we made similar remarks on the importance of presentation and definitions. While we observe certain improvements in explaining the roles and relationships between ICANN, IANA and PTI, there remains several lacunae, which we have outlined previously. We restate them below. Naming conventions - there is no standard usage of terms, and it appears several terms overlap each other, at least partially or completely ("Core IANA Services", "IANA Services", "PTI Services", "PTI Operations", "IANA Operations", "PTI O&B", "Contract Oversight and Auxiliary Services") This makes reading and understanding difficult, if not outright guesswork. NCSG would strongly recommend the usage of defined terms, with one single term per item or concept, as is common practice in the professional services industry, with an appendix giving a list of definitions.	Section 5: Glossary of Terms
Non-Commercial Stakeholders Group (NCSG)	Relationship between ICANN, IANA and PTI - these are three different entities (or group of "functions," as far as IANA is concerned) which are easily confused. While the boxes visual is a helpful aid, the variation in language across the document undermines the usefulness of that aid. NCSG would strongly recommend an individual explanatory section, which would contain both a visual and text, both using the standardized vocabulary recommended above.	Section 5: Glossary of Terms
Non-Commercial Stakeholders Group (NCSG)	Footnote (a) of Appendix A and B cannot be understood without precise knowledge of the context of the transition of IANA from ICANN to PTI. NCSG is happy to work further with the relevant persons and departments of ICANN org to find ways to improve the accessibility of future budgetary documents while meeting ICANN org's objectives of uniform presentation.	Section 2: Financial Data and Format

Contributor	Question / Comment	Document Section Reference
Non-Commercial Stakeholders Group (NCSG)	Moreover, it also appears that this year's draft budget tables (e.g. Appendix A and B of the draft IANA budget) still make use of the terms "under" and "(over)", as well as of the additional extra under/over column on the right of FY20 actuals. NCSG maintains the language used in FY20 and prior documents was clearer and continues to believe that reverting to such language would be preferable. Irrespective of knowledge of accounting practices, one may not understand that it is the budget numbers which are understood to be "over" or "under" either the forecast or actuals. This issue is compounded by the fact that the basis for the over/under comparison for actual is not even given. Usage of "increase" and "decrease," as was the case in the FY20 documents and before, more directly implied that what is planned (next FY budget) is an increase or a decrease over the more certain numbers (the current FY forecast or the actuals for the previous FY). It does not suffice that one may understand the meaning of "over" and "under" by looking at the numbers and reasoning by induction. The meaning of these two terms should be obvious without looking at the numbers, and for now it is not.	Section 2: Financial Data and Format & Section 5: Glossary of Terms
Non-Commercial Stakeholders Group (NCSG)	Generally speaking, there are no statements regarding how the impacts of the COVID-19 pandemic were factored in the budget, if at all. While we may presume that they have, we believe a note to that effect would be in order, providing certain details as to how such impacts were considered.	Section 2: Financial Data and Format
gTLD Registries Stakeholder Group (RySG)	Overarching Points - The FY22 budget is fiscally prudent in that it is forecast to be in line with the prior year (FY21) forecast. This prudence is welcomed by the RySG. - The PTI budget as presented improves on the prior year by providing additional narrative detail and linkage to the strategic plan - The format is a statement of the budget as planned and proposed. Community input and comment may be better facilitated or complemented by the authors providing specific questions around key expenditure for community input and comment.	Section 4: Public Comment Process
gTLD Registries Stakeholder Group (RySG)	We note that this PTI Operating Plan and Budget is published following the September 2020 publication of the first ever PTI Strategic Plan. We welcomed the prior production of the PTI Strategic Plan and are pleased to review the PTI Operating Plan and Budget in this context.	Thank you for your comment and ICANN appreciates your feedback.

Contributor	Question / Comment	Document Section Reference
gTLD Registries Stakeholder Group (RySG)	The FY22 budget as presented represents a (US$0.3m) small decrease on FY21 forecast and therefore appears to be fiscally prudent; this is generally welcomed by the RySG. That said, the FY21 IANA forecast of US$10.6m represents a significant uplift on the FY20 actuals (US$8.0m) so the apparent prudence of FY21 and 22 needs to be seen in that context. Further detailed explanation on the underspend in 2020 and why this will not follow through would be helpful. The major items are clearly staff and travel. In the light of the COVID-19 situation, the FY20 Actual underspend on travel is self-explanatory but the underspend on hiring is less obvious. The frame of reference for FY22 is almost entirely the FY21 forecast, whereas it would be useful to reference equally the "reality" of FY20 actuals, and therefore to ground the FY22 budget in both the FY21 forecast and the FY20 actuals.	Section 2: Financial Data and Format
gTLD Registries Stakeholder Group (RySG)	The document as prepared provides helpful narrative context regarding the Operational Activities and System Enhancements and this is appreciated. But, as we indicated in our prior year comment, we would find it useful to have specific questions posed for our commentary response. Questions could be posed to anyone commenting or, at least, indications of the choices or compromises being made. As commenters, we are not familiar with the detail choices or compromises being made. Therefore, absent such information, it is challenging for a commenter to provide substantial or material input.	Section 4: Public Comment Process
gTLD Registries Stakeholder Group (RySG)	We welcome the development of the previously published Strategic Plan and the opportunity we had to comment on it at the time. More comprehensive, explicit linkage of the Operating Plan and Budget to the Strategic Plan will be a welcome development.	Thank you for your comment and ICANN appreciates your feedback.
gTLD Registries Stakeholder Group (RySG)	Fiscal prudence is only one key parameter and, should the IANA services require investment or critical investment decisions, the RySG would welcome the opportunity to understand and comment on what investment may be required. To this extent, the RySG welcomes interaction with the IANA staff and, potentially, a more interactive style of budget. For example, the budget as presented could offer more than one option for investment. Such an approach could offer two or even three options along the lines of a base budget, a development budget and an investment budget that the community could comment on. We anticipate that users of the IANA services may find such an	Section 2: Financial Data and Format

Contributor	Question / Comment	Document Section Reference
	approach particularly helpful in facilitating more detailed and interactive community comment and input.	
gTLD Registries Stakeholder Group (RySG)	Finally, given the overarching COVID-19 situation at present, a statement specifically dealing with this would be welcome. This could cover any additional risks or issues arising from the COVID-19 pandemic and the prospective variations in the budget arising from the pandemic. For example, what is the range of scenarios for the travel budget and is there adequate practical and financial coverage for key-signing activities?	Section 2: Financial Data and Format
ICANN Business Constituency (BC)	The BC identified that a vital information is missing in the Executive Summary (ES) and that is the total Budget value. The purpose of ES is to have the high-level information on any document and the without having to read the entire document, readers can be acquainted with the key budget data. It was thus recommended that the budget total value be added to Executive Summary.	Section 2: Financial Data and Format
ICANN Business Constituency (BC)	The BC noted PTI's expectation in Fiscal Year (FY) 22 to continue to deliver a comprehensive set of systems and tools to support protocol parameter assignment workflows following a multi-year development effort. As enquired last year, BC wished for PTI to indicate the expected end of this multi-year development effort. Projects and Programmes should have start dates and proposed end dates which are subject to change based on management approval. The idea behind this is to avoid unending/unpredictable multi-year efforts. Once the project/Programme is completed, it can be absorbed into the general day-to-day activity as part of "business as usual".	Section 3: PTI Structure and Information
ICANN Business Constituency (BC)	Overall, the BC is satisfied with the draft FY22 PTI services budget of USD9.7m which is $0.3m lower than the FY21 Budget due to reduction in one Personnel headcount and decreases in direct shared and shared services allocations; partially offset by incremental direct costs for capital.	Thank you for your comment and ICANN appreciates your feedback.
ICANN Business Constituency (BC)	While the outcome of ICANN org comprehensive hiring process has led to reduction in Personnel cost by one headcount, it is our expectation that no role will suffer as a result. To assist us in understanding where the reduction occurred, please clarify whether the change is in direct dedicated or direct shared resources, and how responsibilities are being adjusted or re-assigned.	Section 2: Financial Data and Format

Contributor	Question / Comment	Document Section Reference
ICANN Business Constituency (BC)	We guess on page 11 that the word "Office" is missing at the end of the Direct Shared Cost line item of "Administration and Rent for Los Angeles (Office)". "	Thank you for your feedback. The budget document has been revised.
ICANN Business Constituency (BC)	The BC notes that variances in FY22 PTI services budget to that of the budget estimates for FY21 under Administration, including rent and other facilities costs, software, and general office expenses, decreased by $0.1 million from the prior year driven by a reduction in shared services allocations but noticed this expense head was flat in the chart below. (Comment include chart from the budget document) The decrease of $0.1 million on administration estimates compared to the previous year is consistent with the last two budget estimates and it suggests that the organisation is stable in its operations due to its shared services allocations with ICANN.	Thank you for your comment and ICANN appreciates your feedback.
ICANN Business Constituency (BC)	The BC is concerned that the Capital costs estimates for FY22 went up by 174% over that of the previous year to incorporate software development costs for the root zone. This concern is borne out of the fact that the details of the software's development scope, budgeted for in this estimate is not defined. It is hoped that the development and annual maintenance cost would not cause a spike in the budget Year-on-Year going forward.	Section 2: Financial Data and Format
ICANN Business Constituency (BC)	The BC also notes from the data provided, that the budget estimates for PTI Services in FY2022 for Names, Protocol Parameters and PTI Budget showed a steady decline, whilst estimates for Numbers increased by some margin, when compared to the previous year. There were however no footnotes or explanations in the FY2022 estimates on the Numbers side to help determine if the increase in budget estimates was organically induced or momentary.	Section 2: Financial Data and Format
ICANN Business Constituency (BC)	The BC supports that for the purposes of FY22, the "Caretaker IANA Budget" defined in the FY20 IANA Operating Plan and Budget as approved by the ICANN Board in May 2019 be maintained.	Thank you for your comment and ICANN appreciates your feedback.

Contributor	Question / Comment	Document Section Reference
ICANN Business Constituency (BC)	IANA: The BC noted that a vital information is missing in the Executive Summary (ES) and that is the total Budget value. The purpose of ES is to have the high-level information on any document and the total budget value is a very important information that should be incorporated into the ES so that without having to read the entire document, readers can be acquainted with the key budget data. The thus recommend that the budget total value be added to Executive Summary.	Section 2: Financial Data and Format
ICANN Business Constituency (BC)	IANA: On the last line of the last paragraph of page 4, it appears one of the two of "carried out", "borne" may need to be struck-out.	Thank you for your feedback. The budget document has been revised.
ICANN Business Constituency (BC)	IANA: The BC noted that the FY22 IANA Services Budget sum of US$600,000 is flat compared to that of FY20 & FY21. Therefore, prudence is the stated optimization of the services cost is commended.	Thank you for your comment and ICANN appreciates your feedback.
ICANN Business Constituency (BC)	Conclusion It is pertinent to note that ICANN continues to fulfill the PTI Bylaws regulation requiring "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 an annual operating plan and budget for the Corporation's next fiscal year." This is commendable in the face of all the disruptions that came with the global pandemic and outbreak of COVID-19. The BC supports the FY22 IANA Budget of $10.3 million, of which $9.7 million is for PTI services and $0.6 million is for IANA services (not performed by PTI).	Thank you for your comment and ICANN appreciates your feedback.
Registrar Stakeholder Group (RrSG)	Overall the RrSG is mostly supportive of the FY22 Operating Plan and budgets, but sees one common issue for both PTI and IANA. We note that when looking at the FY20 actuals alongside FY22, there is only a small headcount increase (2.1 for PTI and 2.3 for IANA), but the increase in personnel costs are significant ($1.2 million for PTI and $1.3 million for IANA). Even if the FY22 personnel costs are budgeted $200,000 lower than FY21, in keeping with a small headcount reduction in this period, the overall increase is notable with so few additional staff. The RrSG assumes a portion of these personnel costs must be allocated to salary increases for existing staff. This is not an issue in itself and is no doubt deserved by many hardworking	Section 2: Financial Data and Format

Contributor	Question / Comment	Document Section Reference
	ICANN staff. However, the lack of transparency around what amount of the personnel costs are going to new vs existing staff, or what amount of salary increases are going to executive vs non-executive staff weakens the credibility of these budgets. The RrSG further notes that similar concerns about ICANN personnel cost transparency have been previously raised, most recently in our response to the Draft FY21-25 Operating & Financial Plan and Draft FY21 Operating Plan & Budget. To be fully supportive of the budgets, the RrSG would therefore like to see what percentage of the personnel costs were allocated to new/existing staff and what percentage of any salary increases were awarded to executive/non-executive staff. Depending on this information, the RrSG may have further comments to make	
Generic Names Supporting Organization (GNSO) Council	The GNSO Council notes that one of its current policy development activities potentially intersects with the operations of the IANA Functions by PTI. The New gTLD Subsequent Procedures Policy Development Process Working Group is expected to conclude its policy deliberations at the end of 2020 that will likely lead to substantial changes to the existing Introduction of New Generic Top-Level Domains policy recommendations from 8 August 2007 as well as the final Applicant Guidebook dated June 2012. This may ultimately lead to ICANN instructing PTI to place new gTLDs into the Root Zone. However, it is not anticipated that delegations would occur in FY22.	Section 3: PTI Structure and Information
Generic Names Supporting Organization (GNSO) Council	Last year's GNSO Council noted PTI's expectation in FY21 to deliver a comprehensive set of systems and tools to support protocol parameter assignment workflows following a multi-year development effort and that was a welcome development and it is the GNSO Council's expectation that PTI will continue to focus on service improvement as a culture. The GNSO notes this year (FY22) that PTI will continue to invest in incremental improvements to its service delivery platforms. The cost of such improvements appears to be USD $600,0000, and reportedly includes modern tooling to improve the customer experience, provides new self-service capabilities, reduces the risk of error, and improves operational workflows within the processing teams.	Thank you for your comment and ICANN appreciates your feedback.
Generic Names Supporting Organization (GNSO) Council	In its comments on the FY21 PTI-IANA Budget GNSO Council recommended that PTI provided more details on such improvements and could also indicate the expected end date of similar projects going forward. The GNSO Council still looks	Section 3: PTI Structure and Information

Contributor	Question / Comment	Document Section Reference
	forward to such improvement. The GNSO Council appreciates that Section 5.3 includes descriptions of operational improvements and systems enhancements. There are no clearly stated start dates and proposed end dates as requested by the GNSO Council, although it is recognized that many of the projects are referred to as being continuous.	
Generic Names Supporting Organization (GNSO) Council	The PTI FY22 budget is US$9.7M, which is $0.3M less than FY21. The GNSO Council appreciates the explanation provided in Section 5.4.1 concerning such budget reductions. The Council would also appreciate if the high-level summary budget values are incorporated in the Executive Summary going forward.	Section 2: Financial Data and Format
Generic Names Supporting Organization (GNSO) Council	The GNSO, as a Decisional Participant within the Empowered Community, recognizes that arms-length separation of ICANN and PTI is important. The GNSO is informed that PTI invoices ICANN every quarter for performing the IANA functions. In Section 5.4.4., PTI asserts that "ICANN 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. Of concern to the GNSO Council is the omission in the PTI-IANA Budget regarding the impact or risk analysis of the COVID-19 pandemic on the PTI-IANA Budget. For instance, the GNSO Council understood that during fiscal year 2021, one of the key signing ceremonies was subsequently delayed due to travel restrictions and ultimately conducted remotely. The GNSO Council requests that PTI provide a risk analysis and possible implications to their operations and budget should the pandemic continue into FY2022. In addition, the PTI-IANA Budget does not contain details concerning COVID-19's impacts to one of the important IANA functions, namely, key signing ceremonies. The PTIIANA Budget should take into account and provide some level of detail concerning the additional measures and costs that COVID-19 travel restrictions will have on this important function. For instance, setting forth expenses for the second site (the other coast), operating securely in a remote mode (i.e., no face-to-face meetings for the crypto officers), and other additional costs associated with travel restrictions.	Section 2: Financial Data and Format
Generic Names Supporting Organization (GNSO) Council	The GNSO Council appreciates that the PTI-IANA Budget contains more detail but the budget is lacking linkage to the PTI Strategic Plan FY21-24 and this makes it difficult to comment in substantial detail on any of the key areas of expenditure. The PTI Strategic Plan FY21-24 contains five (5) strategic objectives each with enumerated objectives and a	Section 3: PTI Structure and Information

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	list of targeted outcomes. Similar to the ICANN Five Year Operating Plan, it would be useful to correlate the Objectives or Target Outcomes from the PTI Strategic Plan FY21-24 with PTI-IANA Budget's expenditures	
Article 19	In our review of the ICANN Draft PTI and IANA FY22, ARTICLE 19 has found two major issues of concern: the lack of clarity of key terms in the budget and the failure to address Workstream 2 implementation goals in the operating plan. We urge ICANN to consider the recommendations below, which would improve transparency and openness and better align the Draft PTI and IANA FY22 Operating Plan and Budgets more closely with ICANN's bylaws and Workstream 2 implementation goals	Section 3: PTI Structure and Information
Article 19	1.Lack of clarity of key terms While we welcome publication of the budget, it appears that numerous key terms are used interchangeably, creating confusion. Some of these key terms include: "Core IANA Services", "IANA Services", "PTI Services", "PTI Operations", "IANA Operations", "PTI O&B", "Contract Oversight and Auxiliary Services". This confusion makes it difficult to provide detailed feedback that would be helpful for the work of PTI and IANA. More fundamentally, it creates the risk of duplicating resources that could be used for other activities, while limiting the ability of others to evaluate how ICANN prioritises resources to carry out its Strategic Plan and key projects, including relevant Workstream 2 implementation sections. We recommend that drafters review and deconflict these inconsistencies in terms. Additionally, we recommend the provision of an appendix that provides a list of definitions, as is common practice in the professional services industry. This will assist both ICANN community members and internet users to fully understand the use of these financial resources.	Section 5: Glossary of Terms
Article 19	2.Failure to address Workstream 2 implementation goals Additionally, the operating plan fails to mention any Workstream 2 implementation goals, despite the fact that they have been anticipated in ICANN's Strategic Plan for Fiscal Years 2021-2025 and the Strategic Plan For Public Technical Identifiers (PTI) (FY21-24). We note that both strategic plans envisage PTI's role to include supporting ICANN in its governance efforts to sustain and improve openness, inclusivity, accountability, and	Section 3: PTI Structure and Information

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	transparency. The Workstream 2 recommendations provide the necessary cornerstone for ensuring that these efforts are successful. Therefore, the failure to explicitly include or address Workstream 2 implementation goals creates a gap in the improvement of governance efforts, and represents an oversight in setting out the full range of responsibilities that PTI's operations seek to meet.	
Article 19	Conclusion ARTICLE 19 is grateful for the opportunity to engage with ICANN in this process in light of the five objectives under ICANN's Strategic Plan for Fiscal Years 2021-2025. We look forward to continued collaboration to strengthen human rights considerations in the Domain Name System and particularly in ICANN's policies and procedures. We welcome further engagement opportunities and avail ourselves in case of any questions or concerns.	Thank you for your comment and ICANN appreciates your feedback.