



Comment on Draft FY21 PTI and IANA Budgets

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Business Constituency Submission

GNSO//CSG//BC

Background

This document is the response of the ICANN Business Constituency (BC), from the perspective of business users and registrants, as defined in our Charter:

The mission of the Business Constituency is to ensure that ICANN policy positions are consistent with the development of an Internet that:

1. promotes end-user confidence because it is a safe place to conduct business
2. is competitive in the supply of registry and registrar and related services
3. is technically stable, secure and reliable.

Business Constituency (BC) Comment on the Draft FY21 PTI and IANA Budgets

The Business Constituency (BC) is pleased to provide this comment on the Draft FY21 PTI and IANA Budget¹.

We note that Public Technical Identifier (PTI) performs core Internet Assigned Numbers Authority (IANA) functions while the IANA Budget encompasses IANA functions performed by ICANN Org which are not performed by PTI.

PTI:

The BC notes PTI's expectation in Fiscal Year (FY) 21 to deliver a comprehensive set of systems and tools to support protocol parameter assignment workflows following **a multi-year development** effort. This is a welcome development and it is BC's expectation that PTI will continue to focus on service improvement as a culture.

As an improvement, the BC would like PTI to indicate the expected end of similar projects going forward. Projects and Programs 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/Program is completed, it can be absorbed into the general day-to-day activity as part of "business as usual".

While it was noted that the PTI Budget of \$10m is an increase of only 1% of the preceding year's budget (\$9.9m) due to inflation with respect to personnel compensation, the BC for transparency purposes requests that the comparative inflationary rate in view should be indicated.

¹ ICANN Public Comment page at <https://www.icann.org/public-comments/draft-pti-iana-fy21-op-budget-2019-10-14-en>

Furthermore, looking at the table below in “Funding” row and “Under/(Over)” column:

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

The BC desires clarity on whether an increase of \$100,000 over the FY20 budget for FY21 Budget should be classified as a decrease rather than an increase.

The BC also seeks clarification on the use of the Contingency funds identified in this table. We note that while there is no increase anticipated from FY20 to FY21, FY19 provided no funding in this area. Since it represents \$500,000 of the PTI budget, we request details on how the Contingency was used in FY20 that warrants continued allocation for the coming year.

Comparing the above table to the one provided in Section 6.3 below, BC also requests clarification of expenses for Professional Services and for Admin, which differ. We surmise that the table folds Contingency and Depreciation into these categories, but it would be helpful to have this identified so that the two tables do not conflict.

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

Aside from the above clarification requested, the BC supports the draft PTI Budget.

IANA:

The BC noted that the IANA FY21 Budget sum of \$600,000 is flat compared to that of FY20. We ask why is there no inflationary effect on that cost, noting that personnel are also involved?

Nevertheless, the BC supports the draft PTI Budget.

Conclusion

As a general note, the BC would like to compute the budgets to arrive at the percentage values indicated and would therefore like to have access to the raw data from which computations were made. Or as an alternative, base data could be provided up to 2 or 3 decimal points. Based on the data provided, we should also be able to verify the computational results indicated without any assumptions.

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This comment was drafted by Jimson Olufuye and Tim Smith.

It was approved in accord with the BC Charter.