The ICANN GNSO "Business Constituency"

Comment on Draft IANA FY19 Operating Plan and Budget

Status: FINAL

Version: 2

26-Nov-2017

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.

Overall Comment Draft IANA FY19 Operating Plan and Budget

Overall, we wish to endorse the draft IANA budgets as proposed, but have the following feedback about formatting, financial granularity, depreciated assets, and the types of the audits being perused in the FY19 budgets.

Comment on Budget Formatting

We believe the improvements to the formatting of the budgets will increase readability and understanding. We suggest incorporating the following changes:

1. List of Acronyms – Please consider adding a list of acronyms immediate after the table of contents, as this will help newcomers to the community understand the budget document better.

2. Executive Summary Section – Currently the content presented under the Executive Summary sections in both the PTI and IANA FY19 budgets does not actually contain an executive summary. We believe that providing an actual summation of all of the following sections will again improve the readability and accessibility of the document.

   With this in mind, we suggest the following text as a possible starting point for an Executive Summary that corresponds with our recommendation.

   Suggested Executive Summary

   The draft FY19 IANA Operating Plan & Budget provides details of IANA Function and other IANA Services for the fiscal year 2019 (FY19) from 1 July 2018 to 30 June, 2019. The budget includes input from PTI which constitutes a large sub-part.

   The draft FY19 IANA Budget is $10.9 million, an increase of $0.9 million from the $10.0 million IANA Budget for FY18. The draft FY19 IANA Budget is comprised of $10.4 million for PTI Services and $0.5 million for IANA services not performed by PTI. The increase of $ 0.8 million for PTI Services is primarily due to an increase in Personnel costs of $0.6 million, or 10.4%, due to the impact of merit awards and benefits for existing full-time employees (FTEs) and an increase in the direct shared resources due to incremental legal, technical security, and Customer Standing Committee (CSC) support by ICANN. Administration costs increased by $0.1 million, or 5.2%, due to software services support. The IANA Budget increased by $0.1 million, or 31.3%, due to the

incremental cost of ICANN's support for the policy work related to the Empowered Community process and the support for the Root Zone Evolution Review Committee (RZERC) activities.

Snap Outline and Graph of IANA Budgets

FY	Amount Budgeted	Remark
FY18	10	
FY19	10.9	

Amount Budgeted $ 'm
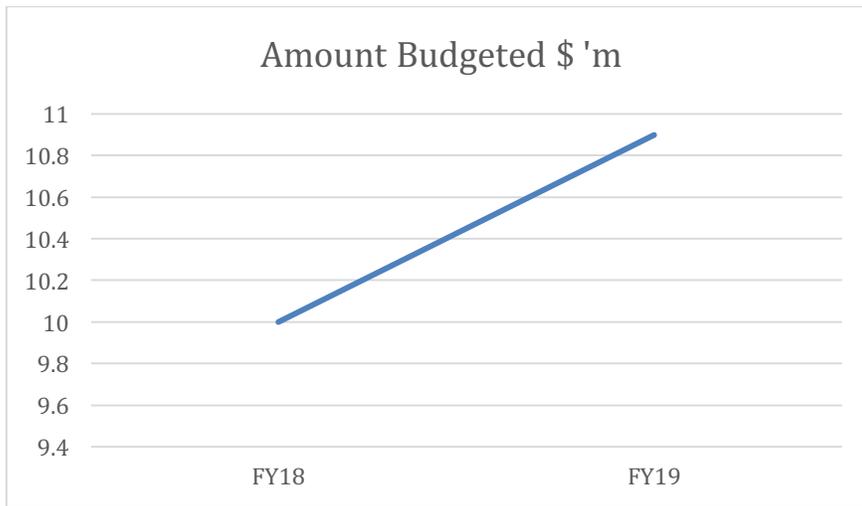
There is a potential that the IANA Budget, even if approved by the ICANN Board, will not be in full force and effect at the start of FY19. If that is the case, under the ICANN Bylaws, there is both a "Caretaker ICANN Budget" and a "Caretaker IANA Budget" (described at Annexes E and F, respectively), which are required to go into effect if the respective budget is not able to come into full force and effect at the beginning of a fiscal year.

The IANA Functions and other IANA services contributes to achieving ICANN's overarching strategic objective "Support a healthy, stable and resilient unique identifier ecosystem" and goal "Foster and coordinate a healthy, secure, stable, and resilient identifier ecosystem." The IANA Functions and other IANA services include four portfolios: two portfolios where PTI operationalizes work and two for the IANA services within ICANN. Of the two PTI portfolios one is focused on operational activities and the other is focused on systems enhancements and development. The two other IANA services portfolios include the activities that ICANN performs as the IANA Functions Operator.

Based on its bottom-up multi-stakeholder approach, ICANN provides this draft for public comments and welcomes and recognizes the engagement of stakeholders into the planning process of the draft FY19 IANA Operating Plan and Budget.

Comment on Draft IANA FY19 Budget

We also suggest increased granularity should be used when reporting the budget for IANA. Reporting on $100K intervals is problematic for such a relatively small budget. It also leads to some anomalies within the budget. For instance, the IANA Services budget is listed as increasing from $400,000 to $500,000 (a 25% increase), but the actual percentage change listed is 31.3%.

This comment was drafted by Jimson Olufuye and Jay Sudowski.

It was approved in accord with the BC Charter.