27 November 2019

Xavier Calvez

ICANN Chief Financial Officer

**Draft FY21 PTI-IANA Operating Plan and Budget**

Dear Xavier,

The GNSO Council welcomes the opportunity to comment on the draft fiscal year 2021 (FY21) Public Technical Identifiers (PTI) Operating Plan and Budget, and the draft FY21 Internet Assigned Numbers Authority (IANA) Operating Plan and Budget, both of which were published 14 October 2019.

At the request of the GNSO Council, a Standing Committee of Councilors and GNSO subject matter experts thoroughly reviewed these documents and examined the proposed budget allocations, focusing particularly on aspects that directly relate to the GNSO Council’s activities and priorities. This statement is submitted by the GNSO Council in the absence of objection.

These comments are intended to complement any input that may be provided on the FY21 PTI-IANA Budget by GNSO Stakeholder Groups (SGs) and Constituencies (Cs).

Based on our review, the GNSO Council would like to provide the following feedback:

**General Comments:**

* The GNSO Council notes that one of our current policy development activities does potentially intersect with the operations of the IANA Functions by PTI. The 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*](https://gnso.icann.org/en/issues/new-gtlds/pdp-dec05-fr-parta-08aug07.htm) policy recommendations from 8 August 2007 as well as the final [Applicant Guidebook](https://newgtlds.icann.org/en/applicants/agb) dated June 2012. This may ultimately lead to ICANN instructing PTI to place new gTLDs into the root. However, it is not anticipated that delegations would occur in FY21.
* The GNSO, as a Decisional Participant within the Empowered Community, recognizes that arms-length separation of ICANN and PTI is important and that should any of its constituent parts have issue with the IANA/PTI budget, it is the PTI-IANA Operating Plan and Budget that would be subject to possible rejection petition should that occur.
* The GNSO Council has no objection to the proposed PTI-IANA budgets published on 14 October 2019 and will defer any specific comments to its SGs/Cs. However, the GNSO Council would request PTI to note the following:
	+ The 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. This is a welcome development and it is GNSO Council’s expectation that PTI will continue to focus on service improvement as a culture.
	+ As an improvement, the GNSO Council would recommend that PTI provide more details on such improvements and could also indicate the expected end date 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 what is called “business as usual”.
	+ While it was noted that the PTI Budget of US$10m is an increase of only 1% of the preceding year’s budget (US$9.9m) due to inflation with respect to personnel compensation, for transparency purposes, it would be appropriate to indicate the comparative inflationary rate utilized.
* The budget as presented is lacking in underlying detail and any apparent linkage to a strategic plan and this makes it difficult to comment in substantial detail on any of the key areas of expenditure. Given that the process necessitates that this budget is for a reasonably long time ahead and it is clearly challenging to provide some of the underlying details but, recognizing this, alternatives to the current presentation should be considered.

The GNSO Council looks forward to submitting future comments as they relate to ICANN’s finances and budget-related proceedings.

Yours sincerely,

Keith Drazek Rafik Dammak Pam Little

GNSO Council Chair GNSO Council Vice Chair GNSO Council Vice Chair

Non-Contracted Parties House Contracted Parties House