27 November 2019

**Statement of the Non-Commercial Stakeholders Group
on the Draft PTI and IANA FY21 Operational Plans and Budgets[1]**

1. The Non-Commercial Stakeholders Group (NCSG) welcomes the opportunity to comment on the proposed Public Technical Identifiers (PTI) Operating Plan and Budget, and the proposed IANA Operating Plan and Budget, for the coming fiscal year 2021.

2. The NCSG is the most diverse body in the Generic Names Supporting Organization, with individual and organisational members from 128 countries. As a network of individual and organisational academics, Internet end-users, and civil society actors representing the interests of non-commercial registrants, we represent a broad cross-section of the global Internet community. As a constituency made up of members of the civil society, we are concerned with the rights of non-commercial internet users and the policy development regarding gTLDs.

3. NCSG strongly supports the continued maintenance of the PTI budget to ensure continuity of service in the IANA functions. The flat year on year approach of the FY21 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 FY21 budget.

4. 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 millions USD would in our view require rounding up to no more than the closest 10 000. We formulated a similar comment last year and it appears it was not taken into consideration in the preparation of the FY21 budgets.

5. 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 more technical nature, like in the case of accounting or quantitative information. This is not about simply finding the right amount of details to include in disclosure documents, but also about presentation, which is paramount when it comes to quantitative information.

6. In our comment on last year's operating plans and budgets, we made similar comments on the importance of presentation and definitions. No visible improvements were made. In addition, new obfuscating elements have found their way in this year's budget documents, decreasing further their intelligibility and in doing so the capacity of the community to engage.

7. More specifically, we are referring to the following:
   a. 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 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.
   b. 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. Moreover, under section 4 of the IANA budget, it is mentioned that PTI is divided in "two groups of thematically aligned activities". However, what follows is a list of four elements, which is found nowhere else the tables or in the text of the document. NCSG would strongly recommend an individual explanatory section, which would contain both a visual and text, both using the standardized vocabulary recommended above.
   c. 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 as well as the numbering of Section 5.1 in the IANA Budget. 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.

8. Moreover, it also appears that this year's draft budget tables (e.g. Appendix A and B of the draft IANA budget) were changed in two ways. First, the replacement of the terms "increase" and "(decrease)" by "under" and "(over)" respectively, as well as the addition of an extra under/over column on the right of FY19 actuals. NCSG deplores both of these changes and would suggest reverting to what was done in the FY20 documents.

9. Even for those familiar with the accounting parenthetical notation, the terms "over" and "under" most likely remain equivocal. It is possible to make sense of them, but it does require knowledge of accounting. Without that knowledge, 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" 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.