Introduction to PTI’s First Year

Elise Gerich

ICANN 60
October 2017
IANA Stewardship Transition High-level Overview
The U.S. Government’s Announcement

14 March 2014: U.S. Government announces intent to transition its stewardship of the IANA functions to the global multistakeholder community

Why now?

The U.S. Government’s announcement:
- Marked the final phase of the privatization of the DNS
- Further supports and enhances the multistakeholder model of Internet policy making and governance

ICANN was asked to serve as a facilitator, based on its role as the IANA functions administrator and global coordinator for the Internet’s Domain Name System (DNS)

30 September 2016: After more than 2 years of work by the ICANN multistakeholder community, the IANA stewardship transition was completed.
Request for Transition Proposal Structure

Proposals combined by IANA Stewardship Transition Coordination Group (ICG)
Combined Proposal Overview

Operational interactions between the communities and the IANA functions operator are not pictured.
Combined Proposal Overview

Operational interactions between the communities and the IANA functions operator are not pictured.
Implementation of PTI
Establishment of PTI

Public Technical Identifiers (PTI) is an affiliate of ICANN that is responsible for performing the IANA functions and delivering the IANA Services, on behalf of ICANN.

PTI implements agreed policies and principles developed by the ICANN multistakeholder community.
PTI Mission Statement

• PTI is responsible for the operational aspects of coordinating the Internet’s unique identifiers and maintaining the trust of the community to provide these services in an unbiased, responsible and effective manner.
PTI Overview

**Legal**
- Nonprofit public benefit corporation
- ICANN is sole Member
- Domiciled in California
- 501(c)(3) tax status

**Organization**
- Annual budget developed in consultation with the community
- 4-year strategic plan updated annually
- Annual independent financial audit of PTI financials

**Operations**
- Perform name, protocol parameters, and number services via contract and subcontract with ICANN
- All resources required to perform services will be provided by ICANN

**Board**
- 5 directors appointed by ICANN
- 3 from ICANN/PTI staff
- 2 elected by ICANN NomCom process

**Officers**
- President – Elise Gerich
- Treasurer – Becky Nash
- Secretary – Samantha Eisner

**Staff**
- No change in personnel performing the IANA functions
- Existing IANA department staff seconded from ICANN to PTI
## What Stays the Same?

<table>
<thead>
<tr>
<th>The definition of the IANA functions</th>
<th>Domain Names, Numbering Resources, and Protocol Parameters</th>
</tr>
</thead>
<tbody>
<tr>
<td>The registries related to names, numbers and protocol parameters</td>
<td></td>
</tr>
<tr>
<td>Individuals performing the work</td>
<td>IANA Department staff are seconded to PTI</td>
</tr>
<tr>
<td>Location of the operational information</td>
<td>The operational reports of the IANA services remain on iana.org</td>
</tr>
<tr>
<td>Methods for submitting changes or updates to the registries</td>
<td></td>
</tr>
</tbody>
</table>
There is a Services subcontracting agreement between ICANN and PTI that specifies the services (HR, IT, etc.) ICANN will provide to PTI in order for it to perform the IANA functions.
Copy Services in Annex A – ICANN to PTI

**Schedule A**

**Schedule of Services**

<table>
<thead>
<tr>
<th>Service</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounting</td>
<td>Accounting services as needed, including support for general accounting, expense Report processing, cash management, intercompany allocations, payroll banking/reconciliations, and accounts payable support.</td>
</tr>
<tr>
<td>Financial Audit</td>
<td>Management of the annual independent audit and internal audit services, including auditing, oversight, and special projects as needed.</td>
</tr>
<tr>
<td>Communications</td>
<td>Corporate communications services, including internal and external public affairs, public communications, and employee communications.</td>
</tr>
<tr>
<td>Compensation</td>
<td>Compensation services, including development and administration of employee compensation plans and programs, including long-term incentive plans, design and administration of compensation studies and surveys, and design of compensation related communications.</td>
</tr>
<tr>
<td>Executive and</td>
<td>ICANN shall assign a Treasurer and Secretary to PTI and shall provide PTI with reasonable administrative support, including as it relates to PTI’s Board of Directors and PTI’s interactions with the Customer Standing Committee (as such term is used in ICANN’s Bylaws).</td>
</tr>
<tr>
<td>Administrative</td>
<td></td>
</tr>
</tbody>
</table>

Full list of Services is available at: [https://www.icann.org/iana_pti_docs/153-services-agreement-v-30sep16](https://www.icann.org/iana_pti_docs/153-services-agreement-v-30sep16)
ICANN Ecosystem with PTI

<table>
<thead>
<tr>
<th>Domain Names</th>
<th>Numbering Resources</th>
<th>Protocol Parameters</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oversight</td>
<td>ICANN/CSC</td>
<td>Review Committee</td>
</tr>
<tr>
<td>Policy</td>
<td>ICANN</td>
<td>ASO</td>
</tr>
<tr>
<td>Operations</td>
<td>PTI</td>
<td>ICANN (subcontracted to PTI)</td>
</tr>
</tbody>
</table>

ICANN (subcontracted to PTI)
Relationship between IETF and PTI

ICANN

PTI
(Affiliate of ICANN)

IETF

IETF Trust

RiRs

Verisign

Oversight
Contract
Bylaws

Existing structure
New structure
The 2000 Memorandum of Understanding between ICANN and IETF remains in place for the performance of the protocol parameters services. Every year, ICANN and IETF negotiate a Supplemental Agreement. The 2016 version was signed at ICANN56.
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As proposed by the ICG proposal, ICANN subcontracted the performance of the protocol parameters services to PTI.

ICANN continues to be accountable for the performance of the protocol parameters services to the IETF.
<table>
<thead>
<tr>
<th>Deliverables - IANA Protocol Parameter function</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Monthly Service Level Agreement Reports</strong></td>
</tr>
<tr>
<td><strong>No Change in Documented Procedures</strong></td>
</tr>
<tr>
<td><strong>Liaison to IAB</strong></td>
</tr>
<tr>
<td><strong>Location of the operational information</strong></td>
</tr>
<tr>
<td><strong>Submission of 3rd Party SOC2 to IETF leadership</strong></td>
</tr>
</tbody>
</table>
Relationship between RIRs and PTI

PTI (Affiliate of ICANN)

ICANN
All Other Departments
IANA Department

RIRs

ICANN
IANA Department

PTI Board

CSC
EC
ICANN Board
RZERC

Verisign

Oversight
Contract
Bylaws

Existing structure
New structure
ICANN entered into a Service Level Agreement with the RIRs for the performance of the IANA number services.
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As proposed by the ICG proposal, ICANN subcontracted the performance of the IANA number services to PTI.

Relationship between RIRs and PTI

PTI
(Affiliate of ICANN)

ICANN

All Other Departments

IANA Department

RIRs

Oversight

Contract

Bylaws

Existing structure

New structure
Relationship between RIRs and PTI

As proposed by the ICG proposal, ICANN subcontracted the performance of the IANA number services to PTI.

ICANN entered into a Service Level Agreement with the RIRs for the performance of the IANA number services.

ICANN continues to be accountable for the performance of the IANA number services to the RIRs.
## Deliverables - IANA Numbering function

<table>
<thead>
<tr>
<th>Deliverable</th>
<th>Status/Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly Service Level Agreement Reports</td>
<td>PTI met all SLAs from Mar 2017 – Sept 2017</td>
</tr>
<tr>
<td>No Change in Documented Procedures</td>
<td>Documentation on the iana.org website</td>
</tr>
<tr>
<td>In-person reports at RIR meetings</td>
<td>Physically attend at least one of each RIR meetings per year</td>
</tr>
<tr>
<td>Location of the operational information</td>
<td>The SLA reports are found on iana.org website</td>
</tr>
<tr>
<td>Submission of 3rd Party SOC2 to Numbering Review Committee</td>
<td>January 31st 2018</td>
</tr>
</tbody>
</table>
Relationship between TLD community and PTI

PTI (Affiliate of ICANN)

ICANN

All Other Departments

IANA Department

- Oversight
- Contract
- Bylaws

Existing structure

New structure

CSC

EC

ICANN Board

RZERC

Verisign

RiRs

IETF

IETF Trust

NomCo

Ombudsman

ACs

SOS
ICANN contracted with PTI for the performance of the IANA naming services.

**ICANN**

- All Other Departments
- IANA Department

**PTI** (Affiliate of ICANN)

- PTI Board

**Existing structure**

**New structure**

- Oversight
- Contract
- Bylaws

- NomCo
- Ombudsman
- ACs
- SOs
The Customer Standing Committee (CSC) provides oversight of the performance of the IANA naming services.

ICANN contracted with PTI for the performance of the IANA naming services.
## Deliverables - IANA Naming function

<table>
<thead>
<tr>
<th>Deliverable</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly Service Level Agreement Reports</td>
<td>Satisfactory Oct 2016 – Sept 2017</td>
</tr>
<tr>
<td>Real-time Service Level Dashboard</td>
<td><a href="https://www.sle-dashboard.iana.org">https://www.sle-dashboard.iana.org</a></td>
</tr>
<tr>
<td>Customer Standing Committee</td>
<td>Active as of Oct 2016</td>
</tr>
<tr>
<td>Location of the operational information</td>
<td>The SLA reports found on iana.org website</td>
</tr>
<tr>
<td>Submission of 3rd Party SOC2 to ICANN leadership</td>
<td>January 31st 2018</td>
</tr>
<tr>
<td>Deliverables – FOI recommendations</td>
<td></td>
</tr>
<tr>
<td>------------------------------------</td>
<td></td>
</tr>
<tr>
<td><strong>Terminology changes</strong></td>
<td>Example: Redelegation ➔ Transfer</td>
</tr>
<tr>
<td></td>
<td>Sponsoring organization ➔ Manager</td>
</tr>
<tr>
<td><strong>Updated documentation</strong></td>
<td>Documentation on iana.org website</td>
</tr>
<tr>
<td>**Updated procedure to obtain</td>
<td></td>
</tr>
<tr>
<td>incumbent consent for transfer</td>
<td></td>
</tr>
<tr>
<td>**Terminology changes reflected in</td>
<td>Example: RZMS User Interface,</td>
</tr>
<tr>
<td>systems**</td>
<td>lana.org</td>
</tr>
</tbody>
</table>
Relationship between Verisign and PTI

Verisign

ICANN

PTI

(Affiliate of ICANN)

IETF

Trust

IETF

RiRs

Oversight

Contract

Bylaws

Existing structure

New structure

Bylaws

NomCo

Ombudsman

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SOS

CSC

EC

ICANN Board

RZERC

Ombudsman

IANA Department

All Other Departments

NomCo

Ombudsman

ACs

SOS

CSC

EC

ICANN Board

RZERC
ICANN contracted with Verisign to perform the root zone maintainer function (RZMA).
Relationship between Verisign and PTI

The Root Zone Maintainer Agreement (RZMA) has been subcontracted to PTI.

ICANN contracted with Verisign to perform the root zone maintainer function (RZMA).
<table>
<thead>
<tr>
<th>Deliverables – Root Zone Maintainer</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Monthly Service Level Agreement Reports</strong></td>
</tr>
<tr>
<td><strong>ZSK Emergency Plan</strong></td>
</tr>
<tr>
<td><strong>End-to-end of RZMS enhancements</strong></td>
</tr>
<tr>
<td><strong>Transition to Successor Plan</strong></td>
</tr>
</tbody>
</table>
PTI’s Budget
PTI FY19 Budget Planning Status

• Draft FY19 Operating Plan and Budget developed in August – September 2017

• The six-week Public Comment is in progress - October 9 thru November 26

• Adoption of FY19 budget expected in early January 2018
FY19 PTI Budget Overview

1. **PTI Funding/ICANN Funding**
   Funding from ICANN of 100% of Expenses, $10.4M

2. **PTI baseline cash expenses**
   Baseline expenses $10.2 (including $0.5M contingency) increased $0.7M over FY18 due to higher personnel costs of $0.6 million for annual merit and increased Direct Shared support.

3. **PTI contingency**
   Contingency is 10% of the direct dedicated costs to support unanticipated costs for FY19

4. **Capital Budget**
   Capital for FY19 is for a new Key Management Software and Key Management Facility (KMF) improvements

5. **PTI Ops FY19 Net Excess / Deficit**
   PTI’s Budget is balanced with Total Cash Expenses funded by ICANN

<table>
<thead>
<tr>
<th>TOTAL PTI in Millions, USD</th>
<th>PTI Operations FY19 Budget</th>
<th>PTI Operations FY18 Budget</th>
<th>Increase/(Decrease) Total</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Expenses*</td>
<td>$10.2</td>
<td>$9.5</td>
<td>$0.7</td>
<td>6.9%</td>
</tr>
<tr>
<td>Capital</td>
<td>$0.2</td>
<td>$0.1</td>
<td>$0.1</td>
<td>157.6%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$10.4</strong></td>
<td><strong>$9.6</strong></td>
<td><strong>$0.8</strong></td>
<td><strong>8.3%</strong></td>
</tr>
</tbody>
</table>

*Includes depreciation
# Draft FY19 PTI Budget by PTI Services

## PTI Operations FY19 Budget

In Millions, USD

<table>
<thead>
<tr>
<th></th>
<th>Names</th>
<th>Numbers</th>
<th>Protocol Parameters</th>
<th>FY 19 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct costs / Dedicated resources</td>
<td>3.0</td>
<td>0.8</td>
<td>1.4</td>
<td>5.1</td>
</tr>
<tr>
<td>Direct costs / Shared resources</td>
<td>1.4</td>
<td>0.3</td>
<td>0.6</td>
<td>2.4</td>
</tr>
<tr>
<td>Support Services Allocations</td>
<td>1.7</td>
<td>0.5</td>
<td>0.8</td>
<td>2.9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$6.1</strong></td>
<td><strong>$1.6</strong></td>
<td><strong>$2.7</strong></td>
<td><strong>$10.4</strong></td>
</tr>
</tbody>
</table>

## PTI Operations FY18 Budget

In Millions, USD

<table>
<thead>
<tr>
<th></th>
<th>Names</th>
<th>Numbers</th>
<th>Protocol Parameters</th>
<th>FY 18 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct costs / Dedicated resources</td>
<td>2.7</td>
<td>0.7</td>
<td>1.2</td>
<td>4.6</td>
</tr>
<tr>
<td>Direct costs / Shared resources</td>
<td>1.4</td>
<td>0.3</td>
<td>0.5</td>
<td>2.2</td>
</tr>
<tr>
<td>Support Services Allocations</td>
<td>1.7</td>
<td>0.4</td>
<td>0.7</td>
<td>2.8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$5.7</strong></td>
<td><strong>$1.4</strong></td>
<td><strong>$2.4</strong></td>
<td><strong>$9.6</strong></td>
</tr>
</tbody>
</table>

## Variance FY19 vs FY18

In Millions, USD

<table>
<thead>
<tr>
<th></th>
<th>Names</th>
<th>Numbers</th>
<th>Protocol Parameters</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct costs / Dedicated resources</td>
<td>0.3</td>
<td>0.1</td>
<td>0.2</td>
<td>0.5</td>
</tr>
<tr>
<td>Direct costs / Shared resources</td>
<td>0.1</td>
<td>0.0</td>
<td>0.1</td>
<td>0.2</td>
</tr>
<tr>
<td>Support Services Allocations</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$0.4</strong></td>
<td><strong>$0.2</strong></td>
<td><strong>$0.3</strong></td>
<td><strong>$0.8</strong></td>
</tr>
</tbody>
</table>
Contacts are the same

I have a question about the IANA services, who do I contact?
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Operational questions can still be sent to:
- [iana@iana.org](mailto:iana@iana.org)

PTI staff will receive emails sent to either an ICANN or IANA email address:
- [elise.gerich@icann.org](mailto:elise.gerich@icann.org) or [elise.gerich@iana.org](mailto:elise.gerich@iana.org)
Thank You!
Questions?

October 2017