

**Transcription ICANN Dublin
GNSO session Saturday 17 October 2015
Operational Update (FY16, FY 15, Dashboard, business excellence)**

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Jonathan Robinson: Okay. Hi everyone. Welcome back to the session a bit during the second half of the lunch break. We are joined by Xavier, (Carole) and (Becky) from ICANN Finance Team. So I'll hand straight over to Xavier to proceed with the operational update.

Xavier: Thank you Jonathan. Thank you very much everyone to invite us to come in front of you and provide an operations update. We're very happy to be able to have this window into providing updates on what happens at ICANN in terms of operations. If we can go to the next slide.

We have a - we have a lot of information in those slides and we may suggest to skip quickly through some of them and we'll try to focus on those that we believe may be more of interest to you.

We'll start with some financials. And we have information relative to the fiscal year that we just closed three months ago as well as the quarter that we just closed a few days ago.

We will then have a quick overview of the FY17 planning process, which has started already. (Carole) will provide us an overview of the dashboard - the beta version of the dashboard that's been out for a few weeks now and some more comments on organizational excellence. Next.

Quick overview of what our financial transparency and accountability contains. Not everything is necessarily there but you're aware of many of these items.

We just had on the 6th of October for those of you who were able to participate a quarterly stakeholder call. It's a one-hour call with approximately 40 slides covering the entire activities of ICANN. And there is in that document that's reviewed by Fadi and by global leaders and presented for the financial part by me. We have a few slides on financials and we'll go quickly over those today.

We also produce on a quarterly basis a financial management package. This is similarly to what listed companies do. We publish quarterly financial statements. We don't have to but from a regulatory standpoint this is not a requirement. This is obviously a voluntary produced information.

And in details our financial statements it provides comments on the variances between actuals and budget at a detailed level. They are published on the - in the financial section of our Web site under quarterly packages. We can provide you the links if you would like.

Another large element, as you know, of our transparency and accountability is the operating plan and budget process annual in which many of your members

participate actively. And again, it has started over the past few weeks. And we'll have a look at that. Next.

So this is a - to give you a quick overview - I know you don't always have a lot of opportunities to dig into our financials but to give you a quick overview.

If you retain something from our past fiscal year it's that we have revenues and expenses approximately over 100 million each. This is our ICANN operations. It excludes the new gTLD program. The new gTLD program - and we have another slide on the new gTLD program but the new gTLD program is not appearing in those numbers.

So we had budgeted revenues of 304 million. We had expenses - baseline expenses of 304 million. And we had also budgeted initiatives expenses of seven million. The initiatives you know is the USG transition - stewardship transition project.

What happened effectively? We had revenues of 102 million rather than 104. The main variance we will see later is driven by the fixed fees generated from the registries because we had less registries into the root than originally planned because we had anticipated that we curb the expenses to ensure that these expenses do not exceed revenues. And therefore instead of spending 104 million, we spent 100 million.

Therefore generating from the operations a favorable variance of two million. The 102 million of actual revenue less 100 million of expenses is in excess of two. That excess has helped compensating for the USG transition cost turned out to be more nine million than seven. And we will see also why. Yes Jonathan.

Jonathan Robinson: Xavier, quick question. It's Jonathan. New gTLD program is excluded here. And your revenues are included in new gTLDs.

Xavier: (Yes).

Jonathan Robinson: (Unintelligible) (expense), you know, to include but it's not in revenue.

Xavier: To be pretty (unintelligible) once an applicant has become a registry, then it becomes an operational activity. So the (signature) of the registry (contract) that we (divide in that event) for there is an applicant that (unintelligible).

So yes. The revenues included here are the fees from - the \$25,000 per year are the registries. And the possible transaction fees from those registries (unintelligible) will also see that later. And the cost associated with supporting the (unintelligible) activity. Next.

So this is a breakdown of our revenues. I (typed up these) and I apologize (unintelligible) at bottom so I'll (come further) the box. The blue box are the registry fixed fees. Thank you. Registry, sorry, registry (transaction) fees. This is the largest part of our revenues, approximately 47 million and nearly 50% our revenues.

Next are the registrar transaction fees on the same basis of transactions. And it's approximately 29 million in total. Those two groups of revenues were very closer to budget - slightly above budget. But we feel really proud of our accuracy in budgeting in this case with your help because it's very close.

The registry fixed fee very early on the year FY15 therefore around July, August last year we knew that that fee would be lower than budgeted simply

because we had a lower number of registries into the root from that point on. And it continued throughout the year.

And when I say lower, I mean lower than budgeted. So that fee it is slightly lower than budgeted by approximately five million. That's the variance that we had anticipated early on in the year that led us to cut our cost and contain our cost so that we don't exceed our revenue stream.

The next fee - next bucket is the registrars that we'll call all other fees. It's accreditation fees. It's application fees. It's deeper registrar variables fee of 3.4 million. Those fees are higher than originally budgeted because we had a lot of applications for new accreditation from registrars that were estimated approximately 500 new registrar applications in the year. We had planned for 60.

And the rest is ccTLD contributions - voluntary contributions as well as the revenue coming from the sponsorship at the meetings, which is (inferring) half a million per year; usually around \$300,000 per meeting. Next.

It may be of interest to you to know what our - what is the basis for the transactions fees. We had budgeted for 164 million transactions. And the transactions are - the billable transactions in this case for ICANN is every annual increment of a registration for a domain name; 164 million on the top left is what we had budgeted for for FY15. And it turned out to be 159.

The legacy TLDs were about three million above in terms of number of transactions or 2% above the budget. And the budget was itself about 2% above the previous year. So we had anticipated a growth of 2%. It turned out to be growth of 4%.

The new gTLDs total number of transactions was budgeted at 15.8 million. Turned out to be 7.4 million. It reflects also the delay in the delegation to the root of the registries, which also had an impact on their fixed fees.

Of those 7.4 million transactions, 3.6 million were billable. You remember of course that we have a threshold in the number of transactions that can be built for in a new registry. It needs to be only those transactions that during a quarter exceed 50,000 transactions either during a quarter or from relatively over four quarters.

So if the registry records - 10,000 transactions during a quarter. In looking at the previous three quarters together, that 10,000 adds up to more than 50. So there were transactions in the previous quarters. There was 10,000 transactions in that quarter. And cumulative amount is more than 50,000. Then the 10,000 in that quarter becomes billable entirely.

So basically approximately half of the new gTLD transactions were billable. This is a ratio that we will use if it makes sense to all of your. And this is a ratio that we will use to predict or to forecast for revenues in the future. We'll look at that tomorrow afternoon in the planning workshop. Next.

These are expenses. So the 100 million are expenses broken down between personnel on the left, the blue bucket. This is basically 50% of our expenses in FY15 were personnel costs; then travel and meeting for 14 million; then professional services for 15; then administration for 15. And we also have here capital expenses largely software development. A little bit - of course the equipment renewals as well as a little bit of real estate costs. Next. Thank you.

This is a slide very specifically on the USG stewardship transition project costs. Personnel are simply the allocated time of the support staff. Travel and meetings is self-explanatory where the costs relative to the project due to meetings that occurred during the year between July. I remind everyone it's between July 1, 2014 and June 30, 2015.

And the last bucket, the largest is the professionals services mainly containing the legal fees incurred on the project both independent and internal namely being (June Stace), Sidley Austin and Adler & Colvin for those who know.

For your information we have published a Web page or link on the USG transition and Web site linking into a cost page. And you have that information on that page. It was published - it was up yesterday that page. Moving on.

Now looking at this quarter that just finished. So our first quarter of the fiscal year '16 started July 1, three and something months ago and finished at the end of September.

For your information, these are estimated numbers because we - these are the numbers that we used for the quarter stakeholder call on the 6th of October. And we estimated the costs or the numbers of the quarter because we had not fully closed the books at the time.

What this simply says is revenues are on target for now. Costs are a bit below target or a bit below budget. (Unintelligible) costs. And the initiatives expenses are generally on target with the USG transition being a bit higher than target and the other initiatives below.

The net is that the initiatives is equivalent to (unintelligible). At this stage in the year (unintelligible) just one quarter regarding (unintelligible) excess of \$1 million but also excess versus budget, which is simply - its not a question of being (unintelligible). There's a lot of timing variances at this stage. We're on the - we're on the same slide but the - of the (unintelligible).

Jonathan Robinson: Thanks Xavier. So that's a phasing issue that expenses...

((Crosstalk))

Jonathan Robinson: ...will come out. But then on the revenue side of things, you obviously forecasted more than four times Q1. Is that the same (pattern) that we saw last year? I mean do you typically see that (in quotas) to the quarters or is there something - or you forecasted them in.

Xavier: Yes.

Jonathan Robinson: So where'd that (trip) come from?

Xavier: So there's two elements to that seasonality you're pointing out. One is that we will continue seeing a growth of the number of registries that are getting to the root, right.

Jonathan Robinson: (Sure).

Xavier: So Q4 will be larger. There are a larger amount of registries in the root than Q1. This is (in fact) the fixed fees that I mentioned earlier. So we will have more (fees) than (rating) that \$25,000 per year. At the end of the year we will add it at the beginning of the year. So that's one element.

The second element (at the end of the) past three years we see a seasonality with the (unintelligible), which is that we'll see a - I need to speak to you probably calendar years. It will be easier.

So the second half of the year from July to December seems to (reflect this) fairly consistently; 48% of the annual transactions as opposed to (unintelligible). And therefore the first part of the year from January to June - to the end of June (revenues are) 62%.

So when you translate that into a fiscal year, our fiscal year has a slightly lower revenue in our first part and a slightly higher revenue in our second part. The past three years have been very consistent on the topic.

For some reason our Q3, January 1 through March 31 is the strongest quarter in terms of transactions. And I don't know if that's - obviously you guys know that because it's the same information that you're providing us. But that's been relatively consistent and that drives the same - that contributes to the trend that you pointed out. Next.

This is a bit more information on the fees on our revenue. I will simply point out to one thing is that the registry fixed fee that you see here the third block of column from the left or the right in green shows that we have a slightly higher revenue than budgeted for.

We expect that to continue, sorry, simply because we effectively started the year with more registries into the root than what we had budgeted for somewhere in March when we finalized that budget.

So we expect that trend to continue because the (catch up) will be minor. So we should have a little bit more revenue relative to fixed fee or (district) fixed fees at the end of the year than budget for that category. Next. Sorry.

Expenses, as we indicated, are lower than budget largely driven by timing. Personnel costs are a little bit under because we also had less staff than originally anticipated at the beginning of the year. And it's not changed through the quarter for now. Next.

This is the initiatives spend breakdown. I showed you a bit earlier that we had four million. This is rounding to 3.6 million that you see at the bottom here. We have a breakdown by USG stewardship transition being the largest initiative of course and the other smaller initiatives spend for that quarter.

Again, the variance between actual spend and the budgeted spend for the USG stewardship transition initiative is driven by the independent legal advice cost that were not anticipated to that extent. Next.

So talking about that, the USG stewardship transition costs 41 for the first quarter or 2.8 million of which 1.5 million of independent legal advice. This is again an estimate for the first three months or at least for a fraction of the first three months.

The legal firms have a tendency to provide their invoices quite late. And though Adler provides their invoices within about a month, Sidley provides them within - no earlier than three months and sometimes after four months. They don't need the cash flow I guess. Next.

The new gTLD program. If you attend the quarterly stakeholder call, you've seen this slide before. On the left you have a column that simply tries to represent the entire multiyear financial impact of the program.

So at the very top you have a dashed line that says applications fees collected. That was in 2012 for 362 million. That was for the 1930 applications received and by the deadline of June 12, 2012 if I remember correctly.

The current estimate of total costs for the program across all the years is currently estimated at \$274 million. This estimate changes as we revise the projection of cost for the program on the quarterly basis.

Of course our projection of the costs up to the end of the program currently slated for the end of FY17. We update it as we know more information on an ongoing basis. And therefore that total changes.

The resulting effect is that there is currently a remaining amount of funds of 89 million. This 89 million is the remaining amount of fund that would be used for difficult to predict costs including risks. And those risks could include lawsuits. For example that was originally the design of the program to include (in fact) in the fee funds to cover for those risks.

I will not answer the question of what do I estimate the risk impact to be for the remainder of the program. Jonathan.

Jonathan Robinson: Yes. It's a closely related question, which you anticipated. But it's really more how you forecast dealing with that 89 million. What did you - are you going to just leave it as a solid figure that you adjust over time or it's like - it's kind of like a good will or something where you - we would expect that you might want to write it down over a period of time. And if so where will it go?

Xavier: Well, so at the end of the day this is cash. Right. It's effectively an amount of funds - when I say cash, of course it's invested right now but it's still cash. It's an amount of fund that we will draw upon on the basis of the activities of the program that are remaining.

We have to realize that when the program was conceived, that part of the fee that was there to cover risk wouldn't obviously - well, not obviously but well it turned out to be used more towards the end of the program if there are lawsuits that materialize because they would not necessarily materialize that early in the program.

So it is clear that if there is a usage of those funds to cover for the risks that it has been designed for, it will be probably more from this point on than earlier in the program where we've seen relatively little of that (unintelligible) of the funds they use for risk so far.

So the question as time goes by is your question will become more and more crucial because we're - the risk profile of the program today is different than it was a year ago or two years ago. And by the way, some risks we think have increased rather than decrease. But on the other hand, other risks have also decreased.

So as the time goes by, we will have more clarity as to how that 89 million can shape up to be once we're really done. By the way, (unintelligible) enough information for some of you because others know we closed the lawsuit on the 2004 delegation of TLD. We closed the lawsuit in 2012. Eight years later. So when does the program finish is a very big question. (Little) late from a risk standpoint.

Having said that, if we are three years down the road and there's been no lawsuits, there's been no further (unintelligible) say for example, have a million of excess, we need to have (unintelligible) able to deal with that (unintelligible). And obviously (unintelligible) we will be involved in that discussion. Next.

So this is giving you a (picture) of what are the funds that ICANN holds at the end of June 2015. But at the end of the fiscal year those are the left columns in the two groups. And at the end of September those in the right columns are in each group.

We have split our funds into the two buckets representing the - these are those funds that are - were generated through the new gTLD program whether simply through the application fees. Those are the (funds) at the top of the bar in blue. But we have left at this stage approximately 157 million.

And the (auction proceeds) funds are the 59 million (net) of (auction tasks) at the end of June as well as at the end of September because we didn't collect any (auction proceeds) in the quarter.

The ongoing ICANN operations funds are on the right. And we have a reserve from that - is that in the 84, \$86 million range and an operating fund, which is cash on hand for daily operations slightly below 20 million, the total being \$318 million.

So the blue, the orange and the green on that - sorry, in the two blue columns and the orange column on that slide are all invested in the investment manager funds. We have three investment management (firms) - four investment management (firms) that we use.

Man: Yes (unintelligible). Just going back to that where the reserve funds are investment, where is that investment contract? Is that (unintelligible) as well?

Xavier: So it is re-invested back into the fund.

Man: And it just rolls over?

Xavier: Absolutely.

Man: Okay.

Xavier: So it is part of our (P&L) for - I won't give you the not for profit name because you don't care and it's easier for me. It's in (P&L). It's part of the investment income. And that income is submitted (unintelligible) transactional. It stays in the investment funds and (boosts) up the value. And we never consider that income as an operating source of funds. So it stays there. Any other questions on our funds that are usually of a lot of interest? Okay.

Jonathan Robinson: All right. That changed from in the reserve. And the operating fund is - just say a little bit more about what the operating fund actually is and the two million change in there in the reserve.

Xavier: So there is - there's a report. As you may remember, the initiatives, the USG transition initiative is a project that is funded through the reserve fund. So there is - we take cost out of the reserve fund to pay for that program. And there is of course the situation of the value of the investment that also affects - this is a general statement. It also affects the value of the reserve fund.

One point of interest - our investment policy is quite conservative. It is mainly we have bonds for nearly half of our investments and shares for the rest. We - our investments are in indexed funds.

I'm not trying to be too technical but what that means is that those indexed funds are sort of the representation of the collection of funds so that we completely distribute the rest as well as have basically an average return on those funds because we had the collection of a lot of different funds.

This is making the life of our investors more simple because they don't have to pick and choose. It's just one index fund that is - has been invested in and that we have not changed say over the past four or five years.

So those funds basically grow over time slowly with the market. So it's long-term investments. But even though they grow over time, they can also - they fluctuate with the markets. And you may know that between actually early June and the end of September the markets have been taking a dip in the U.S. but has also recovered since.

So we follow those fluctuations. And we have not sold any investments. So those are the changes in value of those investments with the markets. And of course when the value recovers, then we benefit from that recovery as well.
Yes.

Phil Corwin: Yes. Phil Corwin for the record. Two questions on things you covered in earlier slides. But since we're all asking questions. First you indicated that to some extent the ability that - the fact that the budget's in the black rather than the red is a result of deferring or delaying the start of certain expenditures.

Xavier: When you say black versus red - sorry, the color-coding needs explaining.
What do you mean by...

Phil Corwin: Well, that you were able to stay within budget...

Xavier: Right.

Phil Corwin: ...by deferring the initiation of certain expenditures. So my question was if there's some point in time where there would be a concern that they can no longer be deferred. The amounts have to start being expanded and that would take you over budget. I mean you can only put things off for so long.

Xavier: Yes. So at this stage of the year the deferral is less the result of a proactive action and then is simply the timing of when things start versus planned. If you think about it, the - when we planned seven or eight months ago defining exactly when a project is going to start by the day is at best an art - is also a bit of a shot in the dark.

So when we were talking a little bit earlier with Jonathan about timing differences it's simply because something may have simply started a bit later than planned. So it's not the result of we're going to contain the cost to be lower than budget. At this stage it's more simply the daily activity is such that the projects haven't been delayed.

The only caveat to that is the personnel costs are lower simply because the total amount of personnel is - the headcount is lower than what we had budgeted simply because the hiring (for the service) has been slower and we also had turnover (unintelligible) attrition in the (unintelligible).

Phil Corwin: And then another question (unintelligible) one of the (unintelligible) more revenue was a result of (unintelligible) applications.

Xavier: (Unintelligible).

Phil Corwin: Was that for (unintelligible)?

Xavier: No. It was (unintelligible). So in the (unintelligible).

Phil Corwin: Okay. Yes. That makes sense or understandable because (the notion) of 500 new registrars all at once seemed rather...

((Crosstalk))

Phil Corwin: What's that?

Xavier: We're going to send them all to your (PDP).

Man: So just to be (unintelligible) accreditation from (unintelligible).

Xavier: And yes, I apologize. I used the word of registrars as (for I said) each accreditation for the registrars and the registrar. It is several - a few (families) as indicated here. (Okay). Thank you. Next. That's it.

Operating plan and budget process. We'll go quickly because already running over time. We - yes, sorry. Go ahead.

Stephanie Perrin: Stephanie Perrin for the record. Just asking about - there was a pie chart slide about the IANA transition costs and 3.1 million in consulting fees but not legal costs. (Summarize) the breakdown on that. What was that for?

Xavier: So there is - there's (unintelligible) services. So the meetings of various groups have been hosted with (consultations) so that's one of the elements. There were also - I can't remember in that chart if - I think there's also the Jones Day (unintelligible) part of ICANN. That must have been in that bucket because - no. Go ahead.

Stephanie Perrin: Well, it does say legal costs. If you're only counting the outside legal costs because it says in - overhead is not (counted) in there at all. I would have thought Jones Day was overhead.

Xavier: No. Jones Day is an external service. It's not (overhead).

Stephanie Perrin: External services. Okay.

Xavier: Can we go back to the pie chart so that we can make sure we look at the same thing. Next. No, that's not the one. That's the one before. No? That you were looking at.

Stephanie Perrin: Yes. That's for this year.

Xavier: Then a bit before. Yes. The previous pie chart. No, sorry. That was the graph that you just showed. Yes, this one. Isn't that the one?

Stephanie Perrin: No. I was thinking of the pie chart.

Xavier: Okay.

Stephanie Perrin: It's a parallel pie chart to the other one that we passed a minute ago. The - no.

Xavier: There's no other. You know, I think you are thinking about the one on the Web site.

Stephanie Perrin: Maybe.

Xavier: Yes. Yes. So there's - I'll clarify the numbers but in concept it doesn't change much that there's independent legal advice, which is Sidley Austin and Adler & Colvin. That's one thing. Then we have Jones Day's costs. That's other legal costs. We have also the cost of the language services. We have the cost of communications. That includes XPLANE services. The meetings you have seen other guys from XPLANE like this morning for example they help with the workshops of the meetings.

There's also some costs for Edelman for communication and public relations services, which is a communications firm that we use on a specific basis, ad hoc basis and that we have used for the purpose of the program. I'm trying to remind myself of the other pieces of costs.

There is - the translation is a large amount; Edelman, Jones Day, XPLANE. That's all that come to mind - comes to mind at this stage.

Stephanie Perrin: Is it possible to get a written breakdown?

Xavier: Sure.

Stephanie Perrin: Thanks.

Jonathan Robinson: Okay. So I'm just a little mindful of time. But we've got a couple of other questions. Just to check Xavier. You're probably going to do another session like this in the public meetings as well. So...

Xavier: Correct. It's at 9:15 from memory on Wednesday morning.

Jonathan Robinson: Yes. So there will be - this is not your last opportunity but let's - I've got a hand up from (James) and then I think it's Jim is - yes.

(James): I actually lowered it. I was wondering where the XPLANE folks (one).

Xavier: Yes.

(James): So (good for that).

Jim Baskin: (Actually) it's Jim Baskin. On the same pie chart I was listening to the last question and I thought it was going to be my exact question. This chart lists the amounts but it - you're saying it does not include some of ICANN's expenses related to this. Like where...

Xavier: No it doesn't include (some things).

Jim Baskin: ...is Jones Day in this chart?

Xavier: In other professional services.

Jim Baskin: Okay. All right. Thank you.

Xavier: Well the comment that Stephanie was referring to I think her (unintelligible) comes from the Web page that we published yesterday on the fact that these costs are direct costs. There's no overhead. Like we don't put some allocation of rent for example or IT costs or electricity or whatever. There's no overhead

allocation included in those costs. And Jones Day is not an overhead from that perspective. It's a very direct cost to the profit.

We obtain from the vendors notably those that are significant a breakdown of their invoices by the topics for which they work for us. So that lets us be able to allocate that. Thank you. Next question.

So on the budget very quickly. We had a Webinar on the 22nd of September to kick off the process. Some of you may have participated. I don't remember who did. (Rudy) was there. Were you there (Rudy) on the 22nd?

(Rudy): Yes.

Xavier: Thank you. We had a good turnout to this Webinar. We went over a number of topics; the calendar, some key success factors. So lessons learned from the last year's process as well. One in my view is - one of the biggest lesson learned is that now that we have a process that at least has received a certain amount of consensus from the community and the staff on its operability, what we need now to do is bring more people into it.

So it's a bit of an advertising session at the same time. The more people we can bring into the process, the more input we receive, the more value there is and the more representativity there is into the plan of ICANN.

So we would - I would see more working on trying to do - find ways to bring in more people, which also means probably making the process more simple making the information more accessible and that's a challenge of it's own. But your input on that is very welcome.

We just start to (unintelligible) about the fact that tomorrow night 5:00 to 8:00 we have a planning workshop. This is a very interactive session. Box dinner will be served to the delight of (Jovani Sepia). And we will interact on the revenue, the revenue assumptions; on how do we want to reflect the USG transition into the planning of FY17.

So we will - our calendar says that we're going to publish the draft operating plan and budget for FY17 on the 5th of March, which is relatively early. By that time and considering the lead time that's required to produce the information, by that time what visibility will we have on the transition, on its timing will be dependent upon the information that we have then.

So if we have little information, we will need to develop a lot of assumptions. If we have more information, we will need less assumptions. But this is one of the questions that we're going to look at during the workshop tomorrow night.

We will look at the detailed assumptions of the budget with an analysis of the revenues a bit more in depth than we looked at today. And we'll look also at the update of the five-year operating plan, which (Carole) is going to talk about right now. Let's get the...

(Carole): Thank you Xavier. With regards to the five year operating plan, for everyone's benefit if you remember, it is broken down by year in terms of phasing of the deliverables. And fore the update we will not just add a year but only like four years. So we will take off what we have progressed for FY16 and show those that have updated specifics or where we are in terms of progress. And then we will do the phasing for FY17 to '20. Next slide.

What I mentioned is we will forecast the results because depending on where we are we will take each one of the deliverables for each objective and we will list a status of where we are whether it's completed, carryover and (we'll spend) a high level summary of the status on this one; '16 is a part of that effort. Next.

If you remember the sample page of the five-year operating plan, this is to share that we would modify if there's any portfolio, KPI update, dependencies, (standards) or any sudden loopholes that are affected by how we progressed in '15 and those expected through the remaining four years of that by '17 through '20. Next slide please.

And this is just to say that that five year operating plan (doesn't) impact our '17 fiscal. We'll take that information and we'll apply it to the FY17 set of information. FY17 budget we'll see (constant format) as we have done the last two years so you'll be able to see (in some other) format any pages and progress been made.

I'm going to skip past this slide. This is the (unintelligible) in great detail. As Xavier said, the (big compliance) here that many of you will be interested to know that we are planning to go out for public comment around March 5 and we will give the standard amount of time to collect all the input, (get you back) feedback on those elements that are discussed and then provide the FY17 draft in correspondence with publishing the overall plan in June. Next.

The next slide on here just to give you an idea that (unintelligible) some feedback where at the last meeting we were in a process of developing our first KPI beta dashboard. Go to the next slide please.

If you remember the KPI beta dashboard had to be leveled through the strategic level. We've talked about the goal level and that is the part that is now available for people and it is on the Web site. The portfolio (unintelligible) the dashboard is used for (unintelligible) tool. There is other information available in progress.

This is just the process relating to review and design. As I mentioned, it is called a beta dashboard. And we'd very much appreciate any feedback and/or thoughts or input.

If you go to the dashboard itself - if you'll click to the next page. One more. If you go to the icann.org and go to that KPI beta dashboard, there's a point there that asks for feedback. And if you ask a question about a KPI in particular, if you want clarification, it comes to an inbox and that inbox we will respond directly to the questions asked and give you response and feedback directly to that particular KPI.

The KPI is for our goal level KPI. So that's a very high level. And it states (from the) five objectives and there's approximately 16 goals. And there's - where there are a few KPIs in some cases purple. So right now I think there are 20 or 30 KPIs (on the site).

This is the scoring and this has been (unintelligible). So if you go to this slide, you can see a little bit to the left you can see that there's some (H) level (if you) are grading the score in terms of the (unintelligible). So you can see the scores as they relate to each individual objective as we progress. Okay. Next.

I'd like to say that the KPI dashboard we'll give everybody information as to how we're projecting it as we are continuing to refine them. If you went there

now you will start to see that some of them now are starting to have trends and targets, which is one of the requests that the stakeholders have asked.

And we will continue to put that in and improve the KPIs as we go forward. Also there are a few KPIs that are still in development and those are flagged and the timeline for those KPIs is noted on the dashboard.

The last thing I'd like to contribute is that we're continuing to do an organizational or continuous improvement at ICANN and we're going through this process and we are continuing to put together an internal assessment of our continuous improvement process and procedures.

And in the past IANA we had done an external assessment. They're doing one at the end of - the beginning of FY17. And we in turn will also do one for the whole company as a part of that (effort). And that's all I have in the spirit of time.

Jonathan Robinson: Thank you very much. So we have run on a little. I think it's coming close to top of the hour. Originally we were scheduled to finish around 1:30. So unless there are other urgent questions, I think you will get opportunities to talk to Xavier, (Carole) and (Becky) I guess as well in other sessions. So I think we'll call it day there. Thank you very much for all the update and thank you for all responses to our questions. Appreciate that.

(Carole): Thank you very much everyone.

END