
ICANN69 | Prep Week – Planning at ICANN and FY22 Planning Process
Tuesday, October 06, 2020 – 18:30 to 20:00 CEST

BECKY NASH: Thank you. So, this session is being recorded. This webinar is scheduled to last one and a half hours. And the presentation is available at the link noted below. And we do have time set aside for questions and answers. We are suggesting ... We will pause at the end of each section, due to the length of the material that we are presenting today. So, with that, if we could go to the next slide, I'd like to ask Xavier Calvez to give opening remarks, please.

XAVIER CALVEZ: Thank you, Becky. Good morning, good afternoon, good evening, everyone. Thank you for participating to this planning session at the beginning of ICANN 69. This is an exciting time for our teams that participated to this presentation because we are in the process of planning for our next fiscal year, which is FY 22 that will start on July 1st, 2021. And there's a lot going on at ICANN these days—a lot on many different fronts. And planning is more important than ever and the Organization has also set itself up to be able to support better in the future this planning activity.

And we will also provide a financial update to all of you, providing visibility on ICANN's financial position, which is healthy and in a good

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posture at this point, which is great in the current circumstances of pandemic and economic crises that we see across the world.

So, with that, I'll let the team go through the substantive materials. As Becky indicated, there is a lot of information here for you. And we welcome very much your input, and your questions, and your comments at the various intervals during this presentation. Thank you very much. Back to you, Becky.

BECKY NASH:

Thank you. We have the agenda noted, where we're going to cover the ICANN planning, overview, and processes. We're going to speak about a new department at ICANN and Planning at ICANN operating initiative. Then, we're going to go into more detail about the FY22 planning process and cover several topics, including strategic planning, operating planning, the overall timeline. Then, we will have funding assumptions and the process for funding, and then a Five-Year Financial Plan and one-year budget assumptions. And finally, we then have a financial update for our FY20 and FY21. So, with that, if we could go to the next slide, please.

Next slide. Here, we just want to highlight ICANN's overall planning processes and the documents that are available for publication. So, we do have three different major approaches encompassing planning end-to-end, which is the Strategic Plan, then the Five-Year Operating Plan and Financial Plan, and the annual, or One-Year Operating Plan and Budget. And then, we have achievement and progress reporting.

And stakeholder consultation and input is critical and feeds into every aspect of the planning cycle. And that's where, today and throughout our engagement on planning, we seek your input. And questions and answers will be at each section.

So, if we go to the next slide, this is just an overview of what is required by ICANN's Bylaws as it relates to planning. So, we have the ICANN Strategic Plan. Then, we have the IANA or PTI Strategic Plan. And ICANN's Strategic Plan is every five years. And PTI, or IANA, is developed every four years. Then, we have the ICANN Operating Plan, developed each year for the next five years and along with the Financial Plan, which is for ICANN, including the IANA functions, where we have also, each year, a detailed budget. Next slide.

As an overview of ICANN's planning processes, we have here the end-to-end with the strategic planning process, the operating planning process, budget, and then progress reporting. So, the strategic planning process defines ICANN's strategic direction, including its mission, vision, and strategic objectives and goals.

The operating planning process is where we have key operating initiatives that support the strategic plan's objectives and goals. And then, we also outline the operating plans for each functional area, which are the groups of work being done by ICANN to achieve the Strategic Plan. Then, the process of allocating resources to the planned activities and to prioritize is summarized in the Five-Year Financial Plan and the One-Year Budgeting process. Then, progress reporting is how

we explain the achievement via a series of mechanisms to report out on processes. Next slide.

I'm now going to go into the operating initiative of Planning at ICANN. So, before that, we would just like to introduce that there is a new Planning Department at ICANN, which was formed to lead all the planning activities across ICANN and to prioritize and organize ICANN's activities with all participants and stakeholders, including Org, Board, and community.

The long-term objective of the Planning Department is to continuously develop the effectiveness of the organization through adequate planning and measurement of the delivery against the plans. The creation and evolution of the Planning Department will accomplish one of the operating initiatives that was outlined in the FY21 through '25 Operating Plan and Strategic Plan.

And I'm just now going to go to the next slide to describe that operating initiative. So, if we could go to the next slide. So, planning at ICANN is one of the operating initiatives that is in the adopted Operating and Financial Plan for FY21 through '25. The strategic goal and its targeted outcomes support the implementation of a Five-Year Financial Plan, which was adopted in May for FY21 through '25.

And this is then where we want to focus on developing processes and tools, in-place to effectively prioritize and periodically reprioritize ICANN's work. And community engagement in prioritization and decisions about affordability of the plans is critical. So, we are at the beginning of launching this operating initiative. And this will be one of

the targeted outcomes of the current adopted plans and the development of FY22's plan.

If we go to the next slide, one of the key elements is prioritization. So, the FY planning process is currently ongoing under development right now. And we have the objective to propose to the community an Operating Plan which includes progress intended on a number of activities that pertain to the entire workload of the Org, Board, and community. And as Xavier had said, ICANN as a whole has a lot to do.

So, the draft plans, which are expected to go for public comment before the end of the calendar year, there will be items indicated that reflect a certain scenario of prioritization. And one of the key deliverables is ICANN's community-led activity roadmap. This was a roadmap that was included in the FY21 through '25 operating plan. And again, we will be publishing it as part of these draft plans.

So, separately, as part of the operating initiative of Planning at ICANN, there is a methodology and process for prioritization that needs to be developed collaboratively with the Org, Board, and the community for implementation through annual planning cycles. So, this is something that the Planning Department is developing and will be rolling out a design and then test a pilot for implementation with significant engagement with the community, and Board, and Org throughout every phase. So, this is something that we are embarking upon as part of Planning at ICANN.

I'm just going to pause for a moment to see if there are any questions from anybody during this part before we move into the next part. I don't believe there are any questions at this time.

VICTORIA YANG: Hi, Becky. We have ... Participants have their hands raised.

BECKY NASH: Okay. Victoria, would you like to go ahead and call out how the hands will be answered, then?

VICTORIA YANG: Yeah. Absolutely. So, first off, there is one question in the chatroom. "What is the PTI Operating Plan and for how long?"

BECKY NASH: I can take that question. So, as part of the IANA functions, we have the IANA budget, which is a component of ICANN's overall Operating Plan and Budget. The IANA component is part of ICANN. So, there is a Five-Year Operating plan that's included in the adopted Five-year Operating Plan and Financial Plan. Separately, for IANA budget, there is an Annual Operating Plan and Budget, which is published for public comment each year, prior to the overall ICANN planning process being posted for public comment. That particular document is for one year. And we do have reference to it in the timeline that we'll be covering a little bit later in this presentation.

VICTORIA YANG: Thank you. Second question in the chatroom and then we have one person's hand raised. The question in the chat is, "May we know who leads the Planning Department? Or is this part of the Finance led by Xavier and Becky?"

BECKY NASH: Thank you for your question. I can take that question. We are highlighting that there is actually a new planning function at ICANN. And in the Planning Department, we're responsible for end-to-end of all planning activities, which means strategic planning, the Operating Plan, and the Budget.

In July 2020, ICANN Org had some changes in organization where now Xavier Calvez leads up several new activities. And one of them is the Planning Department. So, the Planning Department works with our Finance colleagues. And so, myself, Becky Nash, I've actually moved out of Finance. And I've assumed the role of leading the planning function. However, it's very collaborative. I'm still reporting in to Xavier Calvez. And we work on the financial planning with the Finance Team. So, I hope that answers your question.

VICTORIA YANG: Sebastien, I have given you access to be able to speak. Please ask your questions. Thank you.

SEBASTIEN BACHOLLET: Yes. Thank you very much. Unfortunately, I can't put my video on and I don't know who is participating to this meeting. But thank very much for your presentation, both Becky and Xavier. First, Becky, congratulations for your new role. I hope it will be good for you, and for ICANN, and for the different parts of ICANN.

My question is related to your department, as now, it's setting up a new department for planning activities. There are two discussions going on—maybe more than two but at least two. The Board have produced a paper about prioritization of community recommendation. And that's, for me, something who may be included in the planning activities. And if you take the ATRT3 Final Report, there is also something—a link with prioritization. How do you see these three different—and maybe other work done by different parts of the community—to go into the same direction and to be coordinated? Thank you.

VICTORIA YANG: Xavier, would you like to address this question?

XAVIER CALVEZ: Yes. Thank you, Victoria. Thank you, Sebastien for your question. This is a very important topic and one Becky had not had the chance to mention. Along with the reorganization that led to the creation of the Planning Department, we also created another new department in the organization, which also I lead, which is called Implementation Operations. And this department will focus its work on the

implementation of community-led recommendations, whether they come from reviews or they come from other working groups like CCWG, for example.

And the point of this—the objective of this new department—is to give a focus on the work of implementation, which is obviously very different from the specific work of review support that the organization has been providing for a long time and is driven by the large number of community recommendations, which I know you are very well-aware of, Sebastien and many others, including the ATRT3 recommendations soon coming to the Board, that will require to be implemented.

And this Implementation Operations group is obviously going to work very closely with the planning group in order to organize the prioritization, and the planning, and the scheduling of that review recommendation and other recommendations work, which is, as we said, very significant. It's more than 300 recommendations that are in the backlog of implementation at this point and that will need to be planned, and scheduled, and prioritized for implementation.

So, thank you for the opportunity of this question, Sebastien, to provide clarity there. And I'm happy to expand as needed.

BECKY NASH:

Thank you, Xavier. We do have another question in the chat, indicating, "Does the Planning Department make allocations for pandemic and force majeure?" I'm just wondering if, perhaps, Dave would like to clarify what exactly this question relates to.

XAVIER CALVEZ:

Maybe I can try to give a shot at it, Becky. I think Dave’s question is about whether the plans are taking into account the fact that there’s a pandemic and the challenges associated with cancelling events in the context of the pandemic.

So, this is something we take into account all the time. We do it either through the budget process, if we are at the time of developing a budget. We also do it through the forecasting process. After a budget has been established and adopted by the Board, throughout the period, we look into updating our forecasts to take into account specific circumstances. And we have been doing that over the past few months, relative to the pandemic and the implications that it has.

And Shani Quidwai, who will speak later on in this presentation, will provide illustrations of that forecasting work and planning work, when he speaks about that. But thank you for that important question.

BECKY NASH:

Thank you very much. We will now have Nathalie speak about the strategic outlook and the strategic planning. Thank you, Nathalie.

NATHALIE VERGNOLLE:

Thank you, Becky. Greetings, everyone, from Los Angeles. In this section, I am going to present the process and methodology we are using to evaluate changes to ICANN’s long-term plans. But I will start

with a brief introduction for our newcomers to the strategic planning at ICANN—what it is.

So, the purpose of strategic planning is to set out the long-term strategic objectives for the organization, reflecting the ICANN mission and the vision. It helps answer two very important questions—where are we now and where do we want to be in the future? Strategic planning is a fundamental part of ICANN’s governance and is mandated by the Organization’s Bylaws.

The strategic planning at ICANN results in the production of several documents, including a Five-Year Strategic Plan, a Five-Year Operating Plan, an Annual Plan and a Budget. The current Strategic Plan runs for fiscal years 2021 to 2025 and came into effect on the 1st of July of this year. It is available in six languages on our website. The development of this plan started in 2018. And the plan was adopted by the Board in June 2019.

The strategic planning process starts with a yearly identification and analysis of trends that affect ICANN. New trends or shifts in existing trends are factored into the annual iteration of those plans, as appropriate. And I will now go into more details of this process that we follow each year to identify and analyze the trends that affect ICANN.

It’s a bottom-up process that starts with workshops, which we call trend sessions. So, we run a series of sessions within the Organization, and with the Community and the Board, to identify trends and their impact on ICANN. Then, a team constituted of regional and functional

representatives from the organization consolidates those inputs and makes a first level or prioritization, based on the inputs received.

Then, we take that to the executive team and a Board Working Group on Strategic Planning, which review the inputs received, confirm the trends, and assess the impact of the trends and their shifts, and based on those information, makes some strategy and tactical decisions.

Can we go to the next slide? So, this slide presents, in a few numbers, how many sessions we ran. So, you can see that we ran 21 strategic outlook sessions this year, including six sessions with stakeholder groups and cross-community sessions and 15 organization and regional sessions within the Organization, with a consultation that included, in total, close to 400 participants, including 77 community members and a number of data elements collected here.

So, let's go the next slide. So now, with all these inputs collected, this is a short presentation of the methodology that we have introduced this year to do the assessment of the impact of those trends. So, the first step in this methodology is to identify the notable shifts in the trends or new trends and their impacts on ICANN.

And then, we do an assessment of those impacts, in terms of materiality and immediacy of the impact—so, looking at whether the impact on ICANN is going to be low, medium, or high and whether the immediacy is going to be short-term—that would be less than a year—medium-term would be two- to five-year, or longer term. That would be over five years.

And you can see, based on this matrix here, the decision that this tool allows us to consider taking on those different elements. For example, let's say an impact is evaluated to be a longer-term impact, which means we don't think this impact is going to affect ICANN before at least five years. It's probably something that we're only going to monitor, moving forward, because we only plan for five years. So, we don't necessarily need to take this impact into consideration for our plans.

Let's go to the next slide. So, this here presents the preliminary conclusions and where we are in the process. So, right now, the Strategic Planning Board Working Group has finished its deliberation and discussions on the topic and will be presenting its recommendations to the Board in the next few weeks. And on the basis of the work to date, no changes to the ICANN Strategic Plan are expected to be recommended.

The findings on the trends and their impacts on ICANN, as well as the opportunities they represent and the resulting proposed planned activities will be documented in the Operating Plan—in the draft plan for fiscal years 2022 to 2026. That will be posted for public comment in December of this years.

This concludes this section on the progress update on strategic planning. I will pause here to see if there are any questions before handing it over to my colleague. And Victoria, I didn't really have a chance to follow the chat. So, I'm not sure if there were any questions to be addressed in the chat. And I don't see any hands at this time.

BECKY NASH: Nathalie, this is Becky. We do have one question in the chat from Dave, indicating, “Is GDPR considered as a trend in strategic plan?”

GÖRAN MARBY: May I?

VICTORIA YANG: Please, Göran.

GÖRAN MARBY: From an operational standpoint, GDPR is something we have to take into account when we make decisions about computer systems, for instance. So, we cannot ... There are certain things we can and certain things we cannot do, due to GDPR. And GDPR is ... We also, as a Californian entity, there is Californian regulations about privacy as well. So, to that extent, it is something that we’ve been working on and following the law for last couple of years. We’ve talked about that on several occasions—how we adapted to GDPR for our own operations. So, it’s not a trend. It is something we have to follow. We are a legal entity as well.

When it comes to Jonathan’s comments, that’s a work ... That comes in ... It’s an effort we do to work with the Data Protection Authorities, the European legislators and, actually, legislators around the world. So, that’s built into the plan, that we are doing those activities. We have to put resources into it.

Remember that ICANN Org’s role and the Board’s role, when it comes to many of those things, is to provide that information for the community to make decisions upon. So, we are acting as an intermediate between the community and the Data Protection Boards to get clarity. And what Jonathan is probably alluding to is that only last Friday, I sent a letter to the European Commission about asking for increased legal guidance for GDPR.

So, we deal with it from a very practical perspective. One part, it’s something we have to take into account for our own operations. And the other part is that we need to get that ... We need to have time and resources to be able to get more clarification as we can. I hope that answers your question.

NATHALIE VERGNOLLE: Okay. I’m not seeing any other questions. So, I’ll hand it over to Victoria for an update on operating planning.

VICTORIA YANG: Thank you very much, Nathalie. So, in this next session, I will speak about Operating Plan. In general, the Operating Plan communicates what does the Organization do and how does the Organization plan to achieve the Strategic Plan? So, with that two objectives in mind, it helps us to form the structure of the Operating Plan, which are the function activities and the operating initiatives.

The functional activities represent the various Organization functions. It describes the day-to-day work to either operate the organization,

such as the HR function or the finance and procurement function. Or it also includes activities for implementing ICANN's mission, such as our contractual compliance function and the IANA function. There are 35 functional activities and they are further categorized into five groups. In the next slides, I will discuss a little bit more with examples.

Operating initiatives, on the other hand, are the high-priority work that aim to achieve the strategic plan. There are 15 operating initiatives. These were identified and developed during the Fiscal Year 21 process. Most of the plans associated with operating initiatives still remain relevant for Fiscal Year 22's planning.

So, earlier, I mentioned there are 35 functional activities. And here are the five service groups. These service groups were selected because they represent the broad category of work that ICANN Org conducts and express the functional activities at a high level. For example, under the category of technical and DNS security, you will find operating plan for the Office of CTO, ICANN managed root server, IDN, and AU and etc.

Another example will be the category for community engagement and services. So, all functional activity related to engagement or perform similar activities are categorized under here. For example, you will find operating plan for Global Stakeholder Engagement—our GSE function—the government and IGO engagement, gTLD accounts and services, including our meeting operations function.

Another example I will cover will be the ICANN shared services. So, under this category, you will find operating plan for our HR function, finance and procurement, as well as [E] and IT, etc. A full list of the

operating initiatives and functional activities is available in the appendix for your reference.

So, earlier, when Becky spoke about the Bylaw requirements slides, we learned that ICANN Organization is required to deliver both a Five-Year Operating Plan and a One-Year Operating Plan, annually. So, these slides highlight the similarity and the differences between the Five-Year and the One-Year Operating Plan.

At a high level, the Five-Year Plan is like a general blueprint of actions that the organization plans to implement to achieve the strategic plan. And the One-Year Plan is more specific. It spells out how, exactly, we plan to use the Organization’s resources to carry out these operations for that particular year. As a result, the Five-Year describes key initiatives and strategical changes to its operation and the One-Year Plan spells out who will do what work, by when, and how much will it cost. And it is complemented by the Annual Budget.

One last slide that I’m going to cover will be the planning assumptions and approach. There are a few major assumptions and approach we use during the development of the draft plan.

So, firstly is the affordability assumption. It is one of the targeted outcomes and deliverables required by the Strategic Plan that ICANN Org will produce a Five-Year Financial Plan to complement the Five-Year Operating plan. So, the Five-Year-Financial Plan describes three funding projection scenarios—the low, base, and high. The draft Operating Plan will be based on the base scenario funding projection.

Secondly is the work. ICANN Organization’s work is very much recurring and ongoing. So therefore, most of the content and the plan from Fiscal Year 21’s planning process will remain relevant. Next is the plan will emphasize the major work and the deltas similar to last year. Anything new or strategical changes to the functional work will be highlighted throughout the plan.

The next assumption is the dependency. And Becky touched this earlier during the prioritization slides, when she mentioned about a community-led work roadmap. So, the draft plan will include a high-level description of work and their discussion with community, such as the SubPro PDP, New gTLD Auction Proceeds. The roadmap will be provided in the draft plan, which includes a list of all the community-led works.

As community makes progress with these works and the Board considers and makes decisions, ICANN Org will include updates in the future, Five-Year- and the One-Year Plan, since operating plans are reviewed and developed annually.

And this leads us to the final point on these slides. That’s all I have for operating planning. I will hand it over to Becky next. And happy to answer any questions.

BECKY NASH:

Thank you, Victoria. I don’t see any hands raised. We’re just checking the chat. So, I do see one comment, that it would be useful to have a

link to the main document with appendices in the chat. And we've responded on that.

The next question I see is, "Have new effects been put in place? Strategic Plan—a proposal to add distinction." May I ask for a little more clarification on that question, please? And if you're able to either speak or put additional clarification in the chat, that would be helpful. Otherwise, we'll come back to that as you are able to then clarify, if you mean a distinction between the Strategic Plan and the Five-Year Operating Plan and/or One-Year Operating Plan.

For this next section, we're going to just cover, quickly, the overall timeline and community engagement opportunities, if we could go to the next slide. This is a high-level planning timeline, which provides a view of all of the planning cycles, again, that are now under one department. So, that is something that is to provide efficiency and focus.

So, the strategic outlook, trends identification, and prioritization process... Many of you attending today participated in sessions that we had. They did start running with the Org in November, all the way through March and April with community sessions as well. So, the high-level planning timeline is much more than 10 months because the activities did start earlier than March. But we wanted to just identify how the strategic outlook, trends identification, and prioritization process then is analyzed and, as a start of the design and development phase for the update of the Five-Year Operating plan.

And then, we do go out for public comment. That is, again, something that will happen before the end of the calendar year. And then, we roll into the review and community engagement, which will start in January, where we will have additional engagement as it relates to the published drafts. And then, we look forward to the public comments and we will have a staff report on public comments and any plan revisions, as needed, that are as a result of public comment.

And then, the process continues through to April and May, where we do have review of the proposed plans and then a consideration for Board adoption. Once the Board has adopted the plans, that's when the empowered community process would start. And should there not be any petitions raised, then the plans would be ready to be in effect at the beginning of the next fiscal year. And again, ICANN's fiscal year runs from July 1st through June 30th. And for FY22, that would be the beginning in next July.

Next slide, we just have a table highlighting some of the key dates. And we just want to highlight that the planning webinar today is a review of the overall process and what the development process entails. We then will have additional information in this presentation on the additional budget requests from the community. And then, we listed dates as they also appear on the high-level timeline that we just covered.

Next slide. Just as a reminder, this is key for our community consultation and engagement. And we've just highlighted different dates in which we welcome engagement, such as this webinar for kicking off the planning process. There is a public comment for the

separate IANA Budget that will be launched later this week. And an announcement will go out about that. And then, the draft plans will be published for public comment around the 17th of December. And then, we will hold additional engagement webinars to review those plans that have been published in the January timeframe. And then, we are seeking your input.

So, with that, we can go to the next section. I don't see any hands raised. So, I'd like to introduce Mukesh to provide funding assumptions and process.

MUKESH CHULANI: Hello. Is the audio coming through okay?

BECKY NASH: Yes. Thank you, Mukesh.

MUKESH CHULANI: Perfect. Thank you, Becky. Hello, everyone. My best from Istanbul. My name is Mukesh Chulani and I represent GDS—so, Global Domains and Strategy division, which is really the merger of GDD and MSSSI divisions. I'm going to discuss our approach in developing ICANN's FY22 funding forecast today. And some of you who have attended prior sessions will have seen these slides but I kind of want to go through them in a different light this time around.

So, ICANN undertakes three sets of activities, in order to develop our funding projections. The first one is, as you see here, something we call

a marketplace horizon scan. And what we do within this set of activities is really to evaluate key macro trends that are likely to have an effect on industry evolution. So, we look at this from both a supply-side, perspective, meaning it's going to likely affect Contracted Parties. And we also look at likely developments which could impact demand side—so the registrants themselves. And we have a set forecast horizon, as we look at these.

So, both of these elements, the supply side and the demand side, inform the development of our funding forecasts. And all that we do here, really, is adjust the forecast horizon. You've heard reference to a Five-Year Plan and a One-Year-Plan. So, this activity is really quite consistent. And what we're trying to look at is a varied horizon while we're developing the funding forecast for each.

What is a marketplace horizon scan? It's a fancy word. It's really based on fact seeking. It's based on interviews with industry representatives. It's based on a review of publicly-available information. So, we comb through investor statements. We go through regulatory filings. We go through news profiles. We refer to historical data on domain name transaction volumes. We look at the growth and decline of the Contracted Party base. So, a lot of it is having your pulse on the industry evolution.

And that horizon scan, then, will represent key trends identified. And at this point, it's ideally not colored by ICANN's perspective. It's just pure fact. And I'll show you what that might look like in the next slide.

The next is formulation of assumptions. So, you've also heard Victoria refer to a low, a mid, and a high case—or a base case, and a low case, and a high case. When you develop forecasts, you really need to rely upon assumptions. There's no getting around that. But because assumptions are—they're by nature hypothetical and you have infinite potential scenarios, a well-accepted industry project here is to develop projection variants. And these would essentially provide a depiction of results which you might view as being plausible.

So, those of you who have attended prior sessions for the budget planning, you might recall me comparing this effort to the fable of the six blind men and the elephant. For those that don't know that fable, you have six blind men who grasp at a different body part of the elephant, be it at a tusk, a trunk, a leg, the side. And doing that, they try to describe the elusive truth.

And that's what we're trying to do, essentially. By creating several forecast scenarios, each with varying assumptions that represents a viewpoint of the future, we are providing a measure of sensitivity for our forecast outcomes. And this gives us also context on the impact of each of those scenarios on funding.

Third is forecast generation. And here's where we use the assumptions to generate actual forecasts. So, our highest-confidence estimates, or base case scenario, is typically what has been used as basis for the budget. And then, as a guiding principle, we take a conservative approach, anyway, for that. But we develop high and low scenario

estimates to give us an upper and lower bound value for these projections.

We don't rely on the high and low scenarios to plan operations. But they're really there as a measure of sensitivity analysis or a way to have a contingency, should such scenarios become reality. So, you would see the high scenario as optimistic on all levels and the low scenario pessimistic on all levels. And each of those thresholds, individually, may be plausible. But in tandem, all of them represent a real edge case. And that's the way we want to build conservatism into these forecasts.

So, let me go through the next slide and actually show you an example. I like to stun people with a wall of numbers. Let me walk you through, first. This is one component of a marketplace horizon scan. Let me orient your eyes to what you see on this slide.

So, let's first take a step back. When we look at ICANN's sources of funding, 98% of that funding is derived from domain name transaction volumes, which you'll see in blue, and the various fixed fees, which are paid by Contracted Parties. And you'll see that in orange.

And so, what you'll see here on the vertical axis are the levers, essentially, that have a bearing on funding values for ICANN. What you'll see on the horizontal axis here are two three-year blocks. You'll see FY15 to '17, followed by a compound annual growth rate for those three years, and then another three-year block, FY18 to '20, again with, in green, the growth rates for those three years.

The three-year cutoffs are arbitrarily used. I'm using them for this session, just to illustrate observations we might all easily make and help give you a clue of how we go about this. I'm most certainly not prescribing an alternative to the theory that time moves across a continuum by saying it moves in three-year chunks.

So, there's a lot of ways in which we can evaluate the data. And we certainly look at sublevel data at ICANN, when we develop our forecasts. Again, for this purpose, I want to show you a higher level and grouped in this time series so that you can see the trends I'm trying to describe.

At this point, I'd also like to put a plug in for the domain name marketplace indicators. This is an initiative which, through a community-led advisory panel, have helped us identify in excess of 30 metrics which can track marketplace competition, stability, and trust. Those are freely available to you on the ICANN open data portal. So, please feel free to dig into them.

So, at this high level, I've highlighted three observations that I'd like to walk you through today. They're not infallible truths. They are just observations. They help us make assumptions for our forecast period. So, number one, we witnessed a strong expansion of the marketplace in FY15 to '17 timeframe, in terms of transaction volumes. You'll see that very obviously in the black box there. So, funding levels, obviously, increased during this same period. So, for context, in the FY14 timeframe, ICANN's funding base was roughly \$85 million and it's now

in the \$135,000, \$138,000, \$140,000 range. It kind of describes how the marketplace has grown.

So, looking at transaction volumes now, in the FY18 to '20 timeframe, what you might see is something you could perhaps call a comparatively more mature market. You'll see relatively lower new gTLD growth rates. But you'll also see legacy gTLD growth rates remaining stable over this entire time horizon. Can you move to the next slide?

So now ... Okay. I see it now. So, the next thing I wanted to point out was billable rates. And in this case, you'll see that I skipped the three-year buckets. What might we observe over this entire six-year period is that new gTLD billable rates are trending upwards. And what is a billable rate, anyway? Well, under the base new gTLD Registry Agreement, registries remit \$0.25 for each domain transaction if they have in excess of 50,000 domains for four consecutive quarters. So, it's this condition that allows us to calculate a ratio for a domain that's considered billable versus one that isn't.

So, an increasing billable rate, overall, tells us that a greater subset of new gTLD domain transactions are taking place within gTLDs that have met this threshold. It's not a statement of marketplace health, etc. I'm not trying to make any statement about that. It's simply for the purposes of forecasts. You can say that, over time, a greater subset of new gTLDs are being registered in the billable category, right? That's just an observation.

And then, one final point I wanted to show you on the next slide. Can we move to the next slide? Wonderful. Okay. So, during the same FY15 to FY17 time period, where you saw an expansion of transaction volume, you'll also see an expansion in the size of the Contracted Party base. You'll note that the registry operators ... Of course, they would have expanded because we introduced the new gTLD program. But you'll also see accredited registrars increasing during this 2015 to 2017 timeframe.

And then, what you'll observe is what appears to be a peak in FY17. And then, again, reflecting our expectations of a maturing market, you will see that the subsequent three-year period has drastically less growth than the prior three-year period. So, this, some might potentially view as the digestion of the new gTLD round. So, these are the type of observations we make when we are looking at a marketplace horizon scan.

If we move to the next slide ... Now, someone has asked earlier whether we've considered a pandemic, in terms of our assumptions. So, actually, now we overlay onto these observations, which you've seen, these types of circumstances which we're faced with. The DNS industry is faced with some uncertainty in light of the pandemic. Just a factoid, the World Bank suggests that COVID-19 has triggered the deepest global recession since World War II and the first pandemic-related recession since 1870, globally. So, of course, this crisis has the potential to impact funding. And there may also be longer-lasting impacts, which we cannot yet quantify.

So, what we are doing is we're very closely monitoring the perspectives of international organizations. We're listening to what think tanks say. We have discussions with the IT market analysts. And we also have detailed touch-base with our Contracted Parties to find their viewpoints on what the impacts might be of the pandemic on their businesses.

So, the guidance we've received thus far is highlighted in blue here. So, essentially, what we are hearing is as of the first half of the year, we are seeing some stability and, in some cases, even slight increase in the domains under management. But admittedly, they're uneven. It's not consistent growth across all TLDs and it's also not consistent growth across all registrars.

So, a common question, hypothetically posed when we have this discussion, is whether this period of resiliency is just a simple delayed relation with impacts likely unfolding in the months to come. And that kind of makes sense, if you think of it. Because how often do you really renew a domain name? I would venture that domain names are trailing indicators of the economy because you don't really need to renew them that often. So, the impact would likely happen gradually, over time, as these domains come up for renewal.

So then, considering the trends identified, we would formulate multiple scenarios in tandem. The low, the base case and the high scenarios give us, as I mentioned, the breadth of potential impacts to the budget. So, you'll see, for instance, a conceptual qualitative assumption, as it

relates to transaction volume and Contracted Party base size when we're talking about this assumption.

So, you might assume that the extent of COVID's contribution to slower growth or actually shifting face-to-face to the online—so digital transformation, as it's called—is really still uncertain. So, what we might consider is at the base and high-funding scenarios, we would consider growth as per historical trends but at varying levels. And at the low scenario, we might factor in a decline in transaction volumes.

And conceivably, at your low-funding scenario, you might say there's consolidation in the registrar base so that would likely continue. It's a low scenario. And in the base case and the high, you might have flat to a slight increase in this base. And with registry operators, you would likely factor in a decline across all scenarios but at varying levels, of course.

So, I think what I'm trying to communicate here is this methodical approach of being one of the six blind men and the elephant here, where we're really cautiously defining the marketplace evolution and we're developing scenarios and, of course, evaluating their breadth of impacts on the ICANN Budget. And that's the same approach we would take for the five-year horizon and the one-year horizon. So, with this, I can open to any questions, if there are some.

BECKY NASH:

Thank you, Mukesh. We do see a hand raised from Maxim Alzoba. Can we provide a mic for Maxim to ask his question? Maxim, please unmute

yourself at this time. We've added a mic. Okay. From the chat, I believe you're indicating that you don't have a question at this time. Okay. Thank you. So, we can turn off the mic of Maxim. Any questions on funding? If not, we will move to the next section. We will have time available at the end.

So, with that, we'd like to invite Alex Morshed to present on the Five-Year Financial Plan and One-Year Budget assumptions.

ALEX MORSHED: Thank you, Becky. Can you hear me.

BECKY NASH: Yes. We can hear you. Thank you.

ALEX MORSHED: Great. Thank you. This is Alex Morshed from the ICANN Finance Team. I'm going to provide an overview of the Five-Year Financial Plan and the One-Year FY22 Budget, along with explanations and assumptions used for each.

So, starting with the Five-Year Financial Plan, this is developed to support the Five-Year Operating Plan, meaning the Operating Plan is created first and then supplemented with financial figures. And the Operating Plan, as mentioned, is reviewed and updated on an annual basis.

The financial portion consists of high-level assumptions. So, we're estimating so far into the future that we recognize numbers will shift as more information becomes available. And we'll often adjust our estimates in light of new information and use the Operating Plan reviews to reprioritize our work, based on the current environment. ICANN's one-year plans and budgets provide more detailed financial information for the first fiscal year of the five-year period.

Next slide, please. We'll talk about the funding and expense assumptions for the five-year. So, for funding, as Mukesh mentioned, the Financial Plan provides a base, low, and high case scenarios. And the Operating Plan is developed using the base scenario, as Victoria mentioned.

The five-year financials will plan for annual contribution to the reserve fund. We recognize that we may be at our minimum goal now, which is 12 months of operating expenses, as Xavier has noted. But we plan to strengthen our financial security per the Board-approved plan and contribute beyond the minimum, up to 18 months of operating expenses.

Next, the headcount is expected to stay stable through the five-year period. And the Financial Plan will be balanced, meaning the total expenses plus the planned contributions to the reserve fund will not exceed total funding.

Next slide, please. Thank you. So, for the One-Year FY22 Budget assumptions, like the Five-Year Financial Plan, the FY22 Budget will be balanced, where operating expenses will not exceed the projected

funding. The budget will include activities supporting implementation for Board-approved policies and review recommendations. So, implementations and review recommendations not yet approved by the Board will be scheduled later, if and when approved by the Board. And so, therefore, they're not included in the budget.

If something comes up or gets approved that was not budgeted, we work with ICANN's budget owners to reprioritize their budgets. And we will also have the option of using contingency, as we've had in prior years. Contingency is an amount included in the budget but not allocated to specific activities. So, for example, if the budgeted amount was significantly low or an unexpected legal matter came up, or the Board has approved implementation of something after the budget has been finalized, we have the option of using contingency to fund these.

Next slide, please. We also recognize that we're still in the midst of a pandemic and there continues to be a lot of uncertainty, including the impact that the financial crisis may have on ICANN's funding and operations. Funding, exact numbers are still being assessed. But we're expecting modest growth from our FY21 Budget projection. Funding will also include a contribution from Verisign to support ICANN's efforts to preserve and enhance the SSR—security, stability, and resiliency of the DNS.

In FY22, headcount is budgeted to end at 410, which is a slight growth from where we are currently. And travel is assumed to occur at levels prior to the pandemic—so before FY20. That means we assume there will be three face-to-face ICANN public meetings and funding for ICANN

constituents will be at levels that we had prior to FY20. In FY22, we'll do a reserve fund contribution, or we're planning to do one. And then, the budget will include funds for additional budget requests, also known as ABRs. And on the next slide, I'll go into a little bit more detail on ABRs.

So, the additional budget requests are a dedicated portion of the ICANN Budget set aside to fund community requests for activities that are not in ICANN's recurring budget. We wanted to highlight the assessment process, in case anybody's interesting in applying. Requests should be specifically related to ICANN policy development, advisory, and technical work.

And there's an added benefit for capacity development projects, collaborating with ICANN's Public Responsibility Support and Global Stakeholder Engagement Teams—so, some things like training materials that can be leveraged online. For travel, priority will be given to event requests taking place at existing ICANN-organized meetings, such as an ICANN public meeting or the GDD summit.

And on the next slide, we'll go into the key dates for ABRs. So, starting with the dark blue boxes, the kickoff and submission period is from 9 October to 29 January of the following year. Then, we'll have SO/AC consultations at ICANN 70 from the 20th to the 25th of March. And in mid-May, we'll notify the SO/ACs of the decisions. And on the 17th of May, we'll plan on publishing on our website.

That's all I had. I wasn't monitoring the chat. But if there are no questions, we can move on to Shani and the financial updates.

BECKY NASH: I don't see any hands raised or any questions posed in the chat at this time. So, I suggest that we ask Shani to continue on.

SHANI QUIDWAI: Sure. Thank you. And hi, everyone. Thank you for joining the call. My name is Shani Quidwai and I lead the finance and accounting functions for ICANN. If we could move to the next slide. During this session, I have a few different items that I will go through.

One is a quarterly webinar that we are planning to launch in the near future. And then, from there, I want to highlight some of our financial reporting that we publish throughout the year. I know there was some questions in the chat that it would be great to see some publications of our financials. And that is something that we do. So, I'll go through that. And then, from there, I'm going to go through our FY20, or Fiscal Year 20, results for the ICANN fiscal year that recently concluded and then close with an overview of our forecast for FY21, which is the current fiscal year that we are in.

On this slide here ... And I will say there will be more communication around this, regarding the specific topics and the strategy. But we do want to highlight that, moving forward, we plan to host quarterly webinars that will be led by all of the individuals that are on this call today. It will be a combination of financial and operational updates. ICANN does post quarterly financials.

So, the Finance Team will be going through those financials and highlighting how we are performing against our budget and going through a forecast. And then, from an operational standpoint, we will discuss planning activities and some of the reporting that Becky and her team have mentioned on this call.

As a general rule of thumb, we target holding these about 45 days after our quarter ends. And we have listed when the fiscal quarter ends here. So, more information to come but we would love for you all to join. And that will be communicated at a later date.

Here, you can see an overview of some of the items that we publish on our website. And on the left side, we have periodic reporting that's published throughout the year, specifically the quarterly financials. We have an ICANN CEO report and there's some ICANN meeting travel reports.

In addition to those quarterly postings, there are several annual schedules that we published. And a lot of these are posting right now. Literally, they're during this week or in the next coming days. These are financial documents that we post on an annual basis that align with our audit and some of the other activities aligned here. So, the link is provided in the chat and, as well, on this slide.

Now, I'm going to go through our Fiscal Year 20 results. And just to clarify for everyone, the ICANN fiscal year starts on July 1st and ends on June 30th. We've talked about a bunch of different timeframes during this call. Fiscal Year 20 started on July 1st, 2019 and ended June 30th,

2020. So, this is the most recent fiscal year that has concluded for ICANN.

We are currently undergoing our annual audit and expect that to commence in the next few weeks. So, these are our unedited financials. However, they are ... We do not believe any material adjustments and this does align with what we are seeing.

So, you can see, with the figures all the way off to the left, that we had funding of \$140.7 million and cash expenses of \$126 million. We ended the year with an excess of \$14.6 million. And a key reason ICANN ended up spending less than the budget centered around lower travel expenses. As most of you on this call know, when the pandemic started, it did have a significant impact on travel throughout the world and a very large impact on ICANN meeting and travels. There were two face-to-face meetings that were initially planned that ended up going virtual. And as a result of that, it resulted in lower costs. So, travel was the key reason that expenses were lower than the budget.

On the funding side, it's a very positive development. And I won't go into too much detail. Mukesh Chulani did a great job going through that earlier. But we did slightly exceed our budget by \$600,000. And that's a very impressive feat, given all of the uncertainty within the economy and just what the potential impact to the domain main system market could be. So far, the domain name system has proven to be pretty resilient and we haven't seen a negative impact.

However, as Alex was alluding to going through the assumptions, there still is a lot of uncertainty. And just because we've achieved the budget

last year does not necessarily mean we will in this year or in a future year.

Moving to the next slide, here are some of the drivers. And I think I've touched on most of these. I think the last thing that I would add and will go in more detail is that the funds that ICANN manages increased by \$16 million versus the prior year. And we'll go through the specific accounts or the way we segment them.

But two of the key drivers are the fact that we had an excess within ICANN, in the sense that we spent less than our funding. And then, lastly, we wanted to highlight ... The reserve fund, we have made significant progress in the replenishing of that. There was a blog recently posted, highlighting that. And I'll go through that in a little more detail.

Here, we have an overview of our funding. And I believe there was a question as to how much—what percentage of ICANN's fees come from registration-based or fixed fees from TLDs, and accreditations, and so forth.

So, you can see that breakout here. 76% are coming from registration-based, if you look at the combination of Registrars and Registries. And then, on the right side, you can see that about 30% are annual fees that are essentially driven by the number of Contracted Parties, whereas on the left, these are driven by domain name registrations. This mix right here is relatively similar to what we have historically seen and hasn't changed, despite the pandemic.

Here, we have an overview of how each one of these buckets is comparing to the budget in the prior year. And overall, what you can see is that growth is very modest, which is aligning to what ICANN has seen over the last few years. We are growing but at a very low rate. And we are really well-aligned to the budget.

Moving to the next slide, here is an overview of our expenses. Our expenses for the year were \$126 million. The largest portion of our expenses are personnel-related. ICANN has, at the end of the fiscal year, about 400 headcount or personnel. And those costs—the costs associated with the employees and all of the benefits associated—are \$73 million.

Travel and meetings were \$9 million and 7% of our total expenses. This is a lower percentage than we typically see and that's due to the fact that there were travel restrictions.

Professional services are \$21 million or 17%. This consists of a variety of different expenses to third parties—things such as contractors, legal fees. We do have an in-house legal department. However, there are times when we seek external guidance. An example of something like that would be the .org litigation. This is where a lot of our language service expense is, for translating, transcribing, expenses related to ICANN meetings that are not specific to the travel but some of the vendors that we use.

The next bucket to go through would be our administration expenses, which are \$16 million or 13%. And this includes a lot of the rent and facility costs that we have for our multiple locations. Along with that,

we have a lot of license costs on the IT side for things that various staff use—things such as our ERP or our accounting and a lot of those software.

Here, we have the same view of our personnel expenses and comparing them against the prior year in the budget. And you can see that, from a prior year standpoint, our expenses are \$4 million lower. And then, against the budget, they are \$11 million lower. And as mentioned, a key driver in the story against the budget is lower expenses due to the impact from the pandemic.

Here, we have an overview of our funds under management. The auction proceeds increased \$4 million throughout—from the beginning of the year to the end of the year. So, the light blue bar is where we ended the prior year or started this year. And the dark blue is where we ended our fiscal year on June 30th. We did see a modest gain in the auction proceeds. That is due to the fact of the investment gains for the funds that are invested there.

The new gTLD application fees, these are the funds that were collected, when the new gTLD program started, for the applications. That balance has declined. \$20 million. That is due to the fact that we continue to incur costs and are processing those applications.

The reserve fund increased \$7 million. A key reason the reserve fund balance increased is that ICANN Org made a contribution into the reserve fund from funds relating to the FY19 fiscal year. And then, on the Operating Fund, that balance has increased \$20 million. That is primarily due to the fact that we spent less than our funding this year.

Here, we have an overview of the reserve fund, just highlighting that we have reached a milestone recently, as of August 30th. The balance in the reserve fund at that time was \$130 million. And our one-year expense for this year is \$129 million. So, it's a significant achievement. If you go back to FY18, our balance was about \$70 million, or \$50- to \$60 million short of where we were targeting, which is that dashed orange line. So, a lot of progress has been made here. And this is a key component of our financial stability. And we will continue to target replenishing this reserve fund.

So, just wrapping up the Fiscal Year 20, as I mentioned, we are undergoing the audit. And those audited financials will be published in the next coming weeks. ICANN ended the year with a net excess of \$14.6 million, which strengthens our financial health.

The FY20 net excess contributes to the operating fund, exceeding the minimum amount of our balance. And we are currently working with the Board to understand what to do with that excess that was generated. And as in past years, another similar idea will be to use some of those funds to replenish the reserve fund.

So, the last update I will give before we open it up for Q&A is the Fiscal Year 21 forecast. And so, this is the current fiscal year that we are in. This fiscal year started in July 1st, 2020 and will end June 30th, 2021. We are a few months into the fiscal year and we are constantly evaluating our financials, and the marketplace, and how that impacts the financials. Mukesh spoke a lot to that.

And you can see the first item here is that we initially budgeted for \$129 million of funding. This assumption was developed almost six months ago, when the pandemic first started, and reflected a lot of the uncertainty and potential impacts that we thought we could see, resulting from a loss in Contracted Parties and a decline in domain name registrations.

Since then, we have closed two ICANN billing periods and seen very strong numbers. Due to that and a lot of the market place horizon scanning and trending that Mukesh was referring to, we have increased the funding that we expect to see this year to \$136 million. This is purely our projection, based on the information that we have right now. And we'll continue to monitor these things. So, this number could go up or down, based on the information that we see.

Lastly, here we have the cash expenses. They were initially budgeted for \$129 million. Those expenses are lower by about \$7 million. And the key driver with the lower expenses that we're seeing so far is around travel restrictions.

When we built the budget six months ago, we thought the travel restrictions—or we had projected that the travel restrictions—would start to ease by now and that there would be three face-to-face ICANN meetings. We have already moved virtual for this meeting and seen some other, smaller travel and events that haven't happened. And due to the fact travel restrictions are extending, this is why we are projecting lower expenses. So, as of the information now, we are projecting an excess of \$14 million.

With that, I will open it up for Q&A and hand it back to Becky. I don't know if there's any specific questions within the chat or if we just wanted to let people raise their hand.

BECKY NASH:

Thank you, Shani. We do have a few questions in both the chat and then also in the Q&A pod. If there are any other questions, this is now time for Q&A. So, please raise your hand, should you want to speak or to put questions in the chat.

So, we did have a question that was answered. Several of them are answered in the chat. But there is one in the Q&A pod. And this is from Jonathan Zuck. And the question is, "To which extent is revenue accrued from new gTLDs considered as part of the projections? In theory, that number should be zero. But in practice, the lack of litigation and auction proceeds resulted in something appearing to be general revenue. To what extent is a future round considered revenue generator for the Organization?"

XAVIER CALVEZ:

Becky, I'll take that one if you're okay with that.

BECKY NASH:

Absolutely. Please, Xavier.

XAVIER CALVEZ:

Thank you. So, Jonathan, I'm going to try to parse out your questions into the various components. And when I do that, please correct me if I'm not doing it correctly.

So, what we call new gTLDs, or can be called new gTLDs, are the TLDs that result from the current round of the new gTLD program, which started in 2012. There's about 1,180 TLDs that have resulted from the application processing and have translated into registry operators as a result of contracting with ICANN.

So, that 1,180 or so top-level domains resulting from the new gTLD programs are actually now registries and registry operators and have been contributing to ICANN's funding as soon as they became registry operators, once their contract with ICANN was in effect. So, this is, therefore, not "an accrual." We billed these 1,180 or so top-level domain name operators on a quarterly basis, like any—like the legacy ones.

So, I'm not sure why you mean that that number should be zero because it's much more than zero. If you are referring to applications or strings that are not currently, yet under contract with ICANN, there's no funding that is recorded by ICANN, nor could there be any because there's no contract with ICANN. So, there's no funding recorded by ICANN on those TLDs.

And I'm not sure what you mean by auction proceeds resulting in something appearing to be general revenue. So, from an accounting standpoint, when we collected the auction proceeds, at the time that they were collected, those were recorded in revenue, as per accounting requirements.

And the last question, there is no revenue that is recognized by ICANN for future rounds of new gTLDs. Now, ICANN recognizes its funding once a TLD operator has entered into a contract with ICANN and fees due to ICANN become due as a result of that contract. I hope that that helps answering your questions. But if it hasn't, I'm happy to take further questions or have a conversation offline. Thank you.

BECKY NASH:

Thank you, Xavier. We now have an open question in the Q&A pod. And then, we have two hands raised. I believe the question in the Q&A pod came up first—a question from Natalie Rose, “What do you think would be the key cost drivers for next year, meaning FY22?”

XAVIER CALVEZ:

I'll take that, too, Becky. Our cost drivers, Natalie, and thank you for the question are, in general, relatively consistent, year-on-year. Personnel represents approximately 60% of our costs, more or less. And then, relatively equivalently between travel and professional services for outside services that we spend on an ongoing basis represent approximately the rest. And we have, of course, what we call administrative types of costs that are largely insurance, and rent for our offices, and this type of expenses. So, those are generally the drivers for our costs.

Next year, when we talk about FY22 ... And I'm not sure when you asked about next year, if you were referring to that specific year. But if we're talking about FY22, we are making, currently, an assumption that we

would resume travel in the course of FY—or the rest of FY21 or early FY22—and, therefore, that we would have higher travel and meetings costs during that year than we are currently expecting for both FY20 and FY21. This is an assumption that may not turn out to be true. But this is currently the assumption we’re making for FY22.

For calendar 2021, we have currently assumed that travel would have resumed in the course of FY21, which finishes at the end of June. Of course, this is something that is being reevaluated on a periodic basis, on the basis of how the pandemic evolves, how regulatory restrictions evolve across the world, on a country-by-country basis. And as a result, the Organization takes a position on resuming or not travel.

So, travel will be a factor in our cost base that will change, based on how much and how soon we resume travel or not. And that’s the unknown part of our cost base. And I hope that helped answer your question. Thank you.

BECKY NASH:

Thank you, Xavier. We do have two hands raised and we are at the top of the hour. I’ve enabled the microphone. Jeff, if you’d like to go ahead.

JEFF NEUMAN:

Yeah. Thanks. And then, I’ve got to actually drop because I’m late for another call. You can answer this later. But as one of the co-chairs for Subsequent Procedures, we’ve been asked many times to—and again, in a letter from the Board—to help define what it means to close a

particular round. What I saw in the expenditures was \$20 million spent in the last fiscal year on new gTLDs from the application fees.

So, it would really help to understand what ... That seems a little bit high. But it would really help to see what, specifically, was billed against it so that when we're trying to define what closes around for periods of—or for relative to determining whether refunds or whatever should be issued—it's really important that we understand what is spent and what is still being billed to that particular budget item. And I have to jump so I'm sorry. You don't have to answer it now.

BECKY NASH:

Thank you for your question. And I think that's the end of the time that we have today. If there are any other questions, we're happy to take them at our planning@icann.org email. So, we appreciate everyone's attendance today and we will close this session. Thank you.

[END OF TRANSCRIPTION]