



)25(:25'

,Q , KDG WKH SULYLOHJH RI VSHDNLQJ DW D FRQI  
9LFWRULD 8QLYHUVLW\ RI :HOOLQJWRQ WR PDUN WKH  
1HZ =HDODQG¶V JRRGV DQG VHUYLFHV WD[ \*67 2  
LQWURGXFWLRQ RI \$XVWUDOLD¶V \*67 , DP DJDLQ SUL  
D YDOXH DGGHG WD[ 9\$7 ZRUN LQ SUDFWLFH

\$V D IRUPHU WD[ DGPLQLVWUDWRU DQG &RPPLVVLRQH  
KDYH RQ WKH SROLWLFDO DQG SROLF\ SURFHVVHV IR  
DUH DW EHVW SHULSKHUDO 7KHVH UHVW PDLQO\ LQ W  
RQ WKH DGPLQLVWUDWLYH FKDOOHQJHV DVVRFLDWH

H-RXUQDO RI 7D[ 5HVHDFK

0DNLQJ WK

LQSXW WD[ FUHGLWV H[FHHG WKH WD[ SD\DEOH ,Q \$X  
DQG VHUYLEFHV WD[ WR EHWWHU GHVFULEH LWV FRYH



WKH UHFRPPHQGDWLRQ WR DGKHUH WR D VLQJ  
H[HPSWZKQVUDWLRQDOH IRU WKLW DGYLFB ZDV D  
DQG DGPLQLVWUDWLYH FRVWV :KLOH WKLW LVVX  
UHIHUHQFH VXEPLVVLRQV WR WKH 3DQHO KDG DO  
DQ DSSURDFK ,W ZDV FRQVLGHUHG WKDW PXOW  
LQFUHDVH FRPSOH[LW\ ZKHUHDV D VLQJOH UDW  
FRVWV RI DFFRXQWLQJ IRU WKH WD[ DQG WKH FR

x WKH \*67 &R RUGLQDWLQJ 2IILFH JUHZ QDWXUDOO  
UHODWLRQV VWUDWHJ\ 7KH JRYHUQPHQW UHFRJQ  
QHHGHG D YHU\ H[WHQVLYH LQIRUPDWLRQ HGXF  
PDQ\ SHRSOH )RU H[DPSOH FRRUGLQDWLRQ ZDY  
PHVVDJLQJ IURP \*RYHUQPHQW 0LQLVWHUV DQG WK

H-RXUQDO RI 7D[ 5HVHDFK

0DNLQJ WH

WD[ V\ VWHP DQG D SXEOLF UHDVRQDEO\ ZLOOLQJ  
D VPDOO FRPPLWWHG μSXEOLF SULYDWH† WHDP  
RI HQHUJ\ DQG LPDJLQDWLRQ

7KH \$XVWUDOLDQ H[SHULHQFH D KLVWRULFDO SHUVSHFW

μ7KH 6HQDW\DWVQFXDWHG ZLWK WKH \$XVWUDOLDQ  
KDG DJDLQ KLJKOLJKWHG WKH IDFW WKDW WKH S  
RSLQLRQ RI WD[ DFDGHPLFV DQG SURIHVVLRQDOV  
VXSSRUW IRU DQG RSSRVLWLRQ WR WKH \*67 DPRQ

1RWKLQJ LQ UHFHQW WLPHV KDV GLYLGHG WKH R

2IWHQ LW FDQ WDNH D ORQJ WLPH WR PDNH VXEVD

\$XVWUDOLDQ H[SHULHQFH ZLWK WKH LQWURGXFWRQ

W °HHQF V HKD μVORZ 6ESUQ† EXW DOVR 2D \$UHSHDW K@DRH W, QD \$XVWUD







H-RXUQDO RI 7D[ 5HVHDFK

0DNLQJ W

7KH FRS\ERRN

μ:LWK LWV XQLFDPHUDO OHJLVODWXUH DQG PDM  
XQIHWWHUHG E\ VHFRQG KRXVHV RI 3DUOLDPHQW  
1HZ =HDODQG ZDV DEOH WR DGRSW ZKDW PDQ\ F  
YDOXH DGGHG WD[ ¶

H-RXUQDO RI 7D[ 5HVHDFK

0DNLQJ W

HGXFDWLRQ LQVWLWXWLRQV WR GHDO ZIZMEWLKHL



LQFOXGH LQFRPH WD[ FXWV DEROLWLRQ RI WKH Z  
LQFUHDVHV LQ ZHOIDUH EHQHILWV

x PDUNHWLQJ DQG FRPPXQLFDWLRQ RI WKH UHIRU  
SDUWQHUVKLS ZLWK NH\ VWDNHNKROGHUV VXFK D  
DQG FRPPXQLW\ JURXS

x ZLGH FRQVXOWDWLRQ ZLWK WKH FRPPXQLW\ D  
FRPPXQLW\ DFFHSWDQFH RI D QHZ WD[ DQG KDV W  
FRPSOLDQFH FRVWV +HQFH WKH WKUHH μ&¶V RI  
GHVLJQ ZLWK NH\ VWDNHNKROGHUV DUH GHVLUDE  
LQWURGXFWRQ RI D 9\$7 RU UHIL+QZPHQW V WKH  
FRQVXOWDWLRQ SURFHVV VKRXOG IRFXV RQ WKH  
OHJLVODWLYH GHVLJQ EHWWHU UDWKHU WKDQ DV

x PDLQWDLQ SROLWLFDO ZLOO ± μGRQ¶W EOLQN¶ ±  
FRQVLVWHQF\ RQ WKH SDUW RI WKH JRYHUQPHQW



DJHQWV EHFDXVH WKH\ JHQHUDOO\ KDYH WKH JUHDW  
DQG VXIIHU GLVSURSRUWLRQDWHO\ KLJKHU VWDUW XS  
WXUQRYHU HYHQ WKRXJK WKH\ PD\ QRW FRQWULEXW  
H[LVWLQJ OHYHO RI VRSKLVWLFDWLRQ LQ WKH XVH EY  
DQG SD\PHQW V\WHPV ZLOO LQIOXHQFH WKH HDVH ZI  
7KH DYDLODELOLW\ RI WHFKQRORJLFDO WRROV DQG V  
DV DFFRXQWLQJ SDFNDJHV WKDW IDFLOLWDWH UHFRO  
FRPSOLDQFH FRVWV DQG WR HPEHG JRRG FRPSOLDQF  
PRGHUQ WHFKQRORJ\ E\ EXVLQHVV DQG WKHLU SURSH  
LQIOXHQFH RQ WKH VXFFHVV RI D 9\$7 V\WHP ,Q LQW

UHOHDVHG IRU FRPPHQW DQG FRQVXOWDWLRQ Z  
LVVXHGH DIWHU WKH HQDFWPHQW RI WKH \*67 ODZ

x WKH \$72 UHVSRRGHG WR PRUH WKDQ PLOOLRQ  
ZULWWHQ RU HPDLO HQTXLULHV μ5HSO\ LC  
ZULWWHQ UHTXHVWV HPDLO ID[ OHWWHUV IRU  
UHVSRRGHG WR SLHFHV RI FRUUHVSRQGHQ  
SUREOHPV WKDW DURVH ZHUH ODUJHO\ DW WKH  
FULWLFLVP ZKHUH WKH ILYH GD\ WXUQDURXQG W  
FRQFHUQV DERXW WKH FRQVLVWHQF\ RI UHSOLHV

x LQ WKH RUGHU RI VHPLQDUV ZHUH UXQ E\ W  
E\ PRUH WKDQ SHRSOH

x UHOHYDQW HGXFDWLRQDO PDWHULDO ZDV DGGHG  
KDG PRUH WKDQ PLOOLRQ KLWV 7UHDVXU\¶V  
LQIRUPDWLRQ RQ WKH \*67

x DQ H[WHQVLYH SURJUDP RI ILHOG YLVLWV ZDV  
EXVLQHVVHV DQG WD[ DJHQWV RQ VLWH ZLWK D  
%XVLQHVV \$FWLYLW\ 6WDWHPHQW \$%1 DQG 3\$<\*

7KH \$72¶V IRFXV RQ FRPPXQLW\ UHGLQHVV GLG QRW  
ZRUNHG FORVHO\ ZLWK SHDN LQGXVWU\ RUJDQLVDWLR  
PLQLQJ DQG HQHUJ\ PDQXIDFWXULQJ FRQVWUXFWLR  
UHVWDXUDQWV FXOWXUDO DQG UHFUHDWLRQDO VSR  
FRPPXQLFDWLRQV EDQNLQJ DQG ILQDQFH LQVXUDQFH  
PRWRU YHKLFOHV SHUVRQDO EXVLQHVV DQG RWKHU  
FKDULWLHV UHOLJLRXV RUJDQLVDWLRQV DQG SXEO  
HGXFDWLRQ H WHDPV ZRUNHG WKURXJK WKRXVDQGV F  
GHYHORSHG LQGXVWU\ VSHFLILF SXEOLFDWLRQV DV Z

7KH \$72 FRQFHQWUDWHG D JUHDW GHDO RI HIIRUW RQ  
WKH QHZ WD[ V\WHP PHDQW YLUWXDOO\ HYHU\ EXVLQ  
ZRXOG KDYH WR EH UHFRUGHG DQG WKH UHFRUG NHH  
ZHUH SRUUV PHDQW WKDW WKH\ IDFHG WKH GDXQWL  
XSJUDGLQJ WKHLU EXVLQHVV V\WHPV WR GHDO ZLWK  
DQG UHSRUWLQJ UHTXLUHPHQWV RI WKH \*67 ,Q RUG  
SURPRWH PRUH HIILFLHQW SURFHVVHV WKH \$72 DVV  
NHHSLQJ DQG DFFRXQWLQJ SDFNDJHV GHVLJQHG WR  
ZLWK WKH \*67 DQG WR XSGDWH WKHLU VRIWZDUH SUR  
,Q WKH LQWHULP ZKLOH WKHVH SDFNDJHV ZHUH EHLQ  
DQG WR UHGXFH FRPSOLDQFH FRVWV IRU PLFUR EXVL  
PLOOLRQ FRSLHV RI LWV IUHH UHFRUG NHHSLQJ VRIWZ

H-RXUQDO RI 7D[ 5HVHDFK

0DNLQJ WK



SXEOLF VFUXWLQ\ ± D UHIOHFWLRQ RI WKH LQV  
DFFHSWDQFH UHGGLQHVV DQG DGPLQLVWUDWLRQ

)ROORZLQJ WKH LQWURGXFWRQ RI WKH QHZ WD[ V  
FRQILGHQFH RI WD[ DJHQWV LQ WKH \$72 UHDFKHG D O  
LVVXH DVVRFLDWHG ZLWK PDVV PDUNHWHG WD[ DY  
FRQILGHQFH LQ WKH \$72 ,Q UHVSRQGV LQVWLJQJ WKH  
&RPPXQLRUV SURJUDP LQIOXHQFHG WKH \$72 V G  
QHHG IRU QHZ LQIRUPDWLRQ WHFKQRORJ\ ,7 LQWR D  
D PRUH XVHU FHQWULF RUJDQLVDWLRQ

\$Q HDUO\ VLJQLILFDQW GHOLYHUDEOEBRWWKH\$7\$WQ  
3RUWDO ZKLFK SURYLGHG WD[ DJHQWV ZLWK D VHF  
UHYROXWLRQLVHG WKH UHODWLRQV KLS EHWZH HQ WD  
%XVLQHVV 3RUWDO DOORZHG EXVLQHVV WR LQWHU  
FRVW

/HVVRQV

7KH HIIHFWLYHQHV RI LPSOHPHQWDWLRQ SURFHVVHV  
UHGGLQHVV RI WKH EXVLQHVV FRPPXQLW\ HVSHFLDO  
DWWHQWLRQ QHHGV WR EH JLYHQ WR VXSSRUWLQJ WK

W LV LPSRUWDQW WR JHW WKLQJV ULJKW XS IURQW

x WKHUH PXVW EH ERWK ZLGHVSUHDG DQG WDUJHV  
IRFXV RQ 9\$7 UHJLVWUDWLRQ UHTXLUHPHQWV LV  
WR WKH RSHUDWLRQ RI D 9\$7 V\ VWHP 7KH FRPPX  
WKH EDVLFV RI WKH 9\$7 V\ VWHP VXFK DV WKUHV  
LQ UHODWLRQ WR WD[ LQYRLFHV UHFRUG NHHSL  
LQFOXVLYH RU H[FOXVLYH UHTXLUHPHQWV DFWL  
XVXDOO\ PRQWKO\ ZLWK HOHFWURQLF ORGJHPHQW  
RWKHUV SD\PHQW DQG UHIXQG DUUDQJHPHQWV

x WKH H[WHQW RI WD[SD\HU HGXFDWLRQ LV RQ  
FRPPXQLFDWLRQ FKDQQHOV VKRXOG EH XVHG

x WKH FRPPXQLFDWLRQ VKRXOG EH WDLORUHG WR  
H[DPSOH GLIIHUHQW LQGXVWULHV ILUPV ZLWK

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μ>D@Q LPSRUWDQW DGGHG FRPSOH[LW\ >ZDV@ WKH LQFUHDVHG S  
SROBWEFBQSWLHV >GUHZ@ RQH RI WKHLU PDMRU EDWWOH OLQ  
(GPRQGV DERYH Q  
\*UHJ )DUU IRUPHU 6HFRQG &RPLVLRQHWQRHQW\DWERQROVSH  
&RQIHUHQFHFLWHG LQ 0LFKDHO '\$VFHQ]R μ0RGHUQLVLQJ WKH \$  
3HRSOH 6\ VWHPV DQG H-RXUQDO RI 7D[ 5HVHDFK DP@W pδ2 QH

H-RXUQDO RI 7D[ 5HVHDFK

0DNLQJ WK

GLFKRWRP\ EHWZHHQ ODUJH DQG VPDOO EXVLQHY  
IRU H[DPSOH JRYHUQPHQW DQG FKDULWLHV

x LQGXVWU\ SDUWQHUVKLSV VKRXOG EH HVWDEOL  
VSHFLILFDOO\ WDLORUHG WR WKH UHOHYDQW LC



H-RXUQDO RI 7D[ 5HVHDFK

ODNLQJ WK

WKH VKDUH RI \*67 UHYHQXH FROOHFWHG E\ WKH \$XVW  
\HDU ZDV XQGHU SHU FHQLW RZDWRWDLQ 060 UHFMQXQ

H-RXUQDO RI 7D[ 5HVHDFK

0DNLQJ WK

UHOLDQFH E\ VPDOO EXVLQHVV RQ WD[ DJHQWV DQ  
SURIHVVLHQ

\$ IHDWXUH RI WKH EHGGLQJ LQ SKDVH RI WKH \*67 LQ  
JXDUDQWHH ZKLFK SURPLVHG WKH FRPPXQLW\ WKDW  
ZRXOG KDYH D KHOS IRFXV ZLWK DQ\ RWKHU DFWLRQ  
WKLV DSSURDFK WKH \$72 WRRN WKH RSSRUWXQLW\  
FRPPXQLW\ :KHUH LQDGYHUWHQW HUURUV ZHUH PDG  
UDWKHU WKDQ SHQDQGLVQZDWKWKEXDSSURDFK DGRSV



x LQ WKH EHGGLQJ GRZQ SHULRG IRU D 9\$7 D μVRIV  
DFNQRZOHGJHV WKH QHZQHVV RI WKH WD[ DQG L  
DJDLQVW WKH WD[

x WR PLQLPLVH WKH JDS EHWZHHQ WKH WD[ UHSRU  
GXH D FRPSOLDQFH SODQ PXVW EH GHYHORSHG  
LQFOXGH D ULVN EDVHG DXGLW FRYHUDJH RI WD[  
VRSKLVWLFDFWHG DQDO\WLFDO DQG GDWD PLQLQJ

\$ V & R P E D W H R Q D H B H C W H G W L R Q H F R R P E S W E K W L C @



