APNIC EC Meeting Minutes

APRICOT 2001, Pan Pacific Hotel, Kuala Lumpur, Malaysia
Monday 26 February 2001

Meeting Start: *09:15 a.m.*

Minutes

Present:

Tommi Chen
Che-Hoo Cheng
Akinori Maemura
Kuo Wei Wu
Geoff Huston
Xing Li
Paul Wilson
Kyoko Day
Gerard Ross (minutes)

Apologies:

Oh Kwang Sok

Agenda:

1. Annual report for 2000
2. Financial reports for 2000
3. Review budget 2001
4. Status of the APNIC Seychelles company
5. Discussion of APNIC corporate insurance documents
6. Approve previous meeting minutes
7. Preliminary discussion of TWNIC proposal
8. NIR fee and membership structure
9. Discuss priorities/projects for 2001
10. Timing of EC meetings
11. TWNIC delegation to discuss meeting bid
12. Staff bonus policy
13. Next EC meeting
14. AOB

1. Annual report for 2000

PW previewed the annual report presentation for the AMM.

Growth rates

On the subject of the growth of IP allocations, the need for research on the deployment of addresses was discussed. It was discussed that there is a need to learn how much allocated space is being routed publicly. It was suggested that APNIC needs more resources for policy research. In the last year, the number of addresses allocated rose 53% but the number routed grew only 7%. Half of the address space is allocated, but only 50% of allocated space is routed.

It was noted that the RIRs need to be more active in tackling the problem of address space exhaustion. It was suggested that this is more an issue for the RIRs jointly rather than the

ASO. It was expressed that currently there are several people researching this on a voluntary basis, but there is a need to coordinate and properly resource this work.

It was suggested that the next annual report should include a section on this problem.

Staffing and workload

It was noted that the business is being well run. It was explained that it is now possible and also necessary to increase the level of staff development and training.

Membership

It was noted that the growth of members in each category has changed since the new fee structure was adopted.

There was general discussion of relative membership growth in several countries. It was noted that in China, there is an understanding that CNNIC primarily serves the smaller ISPs but that the larger ISPs come directly to APNIC.

There was discussion of the need to develop a clear policy regarding the criteria for first allocations. The comparative positions of ARIN and RIPE NCC were discussed. There was a discussion of the potential objections data centres would have to ARIN-style criteria for first allocations.

It was suggested that restrictive first allocation criteria could drive data centre business out of the region. It was suggested that the minimum allocation could be reduced to /22. This topic was deferred for subsequent discussion.

IPv4 allocations

It was noted that the process for obtaining a new address block from IANA was lengthy and requires further development.

There was discussion of the address space consumption in Korea and how this raises the need for clear policies on assignment sizes for cable networks (which is being examined now by a special working group).

ASN allocations

It was noted that ASN allocations are not growing as quickly in the AP region as in the other regions.

It was noted that at current rates, ASNs will be exhausted in mid-2005. However, it was also noted that the expansion of the ASN pool is a relatively straightforward protocol issue and not great concern.

Secretariat staffing

The recent recruitment process was discussed.

It was noted that members have high expectations of the technical expertise of APNIC staff and that staff development in technical areas is an important issue.

Training

There was discussion of the open seminars that are scheduled with the training courses.

It was noted that there is a need to develop an advanced level course and a course component on the Internet Routing Registry.

Projects

It was noted that the translation costs so far have fallen well short of the allocated budget.

Other projects under development were noted.

It was noted that the legacy in-addr transfer has been delayed due to changes at ARIN. An update of this will be given at a special SIG during APRICOT2001.

It was noted that there is a need to achieve consistency of whois query and output across all RIRs.

It was also noted that there is a need to develop a way of authenticating entitlement of organisations to advertise allocated addresses.

Routing Registry

It was explained that the recent developments of a server platform to support RPSL now make further development of this project possible. This project will be developed during 2001.

Certification Authority

No additional discussion.

Policy developments

No additional discussion.

ICANN Activities

No additional discussion.

Future directions

An overview of general future directions was given.

It was noted that coordination of RIR statistical reporting and development of a standard format is currently under discussion.

It was discussed that the planned research and analysis projects should be used to examine whether APNIC's policies are still appropriate. It was suggested that hierarchical provider-based practices are no longer a dominant feature of today's deployed environment.

2. Financial reports for 2000

KD presented a summary of the APNIC annual financial report for 2000.

EC feedback was requested on the desired level of detail to be presented to the Member Meeting.

It was suggested that KD should present a summary of report, and comparison of 1999-2000, but also have sufficient additional detail prepared for the purpose of answering questions. It was noted that the presentation and published financial reports should be better synchronised in future.

3. Review budget 2001

KD presented a summary of the APNIC budget for 2001, and requested EC feedback on the level of budget detail to report to the Member Meeting. It was suggested that the expenses should be simplified as the current draft contains too much fine detail. It was also suggested that the budget should be presented in a form that is consistent with the published financial reports.

There was a discussion of the interpretation of the EC directive to maintain a cash reserve of 100 percent of operating expenses. It was suggested that the interpretation should be based on the projected reserve from the 2001 budget.

It was noted that while the surplus is growing each year, it is not growing relative to the annual budget. Instead, the organisation is ensuring sufficient cash reserves each year to fund the planned activities for the following meeting, in accordance with the EC's guidelines. It was noted that APNIC must never be allowed to run the risk of insolvency, and must be run in a way that allows it to withstand downturns in income.

It was also noted that the exchange fluctuations can make a great difference to the overall financial position, as they have done over the past year.

It was proposed that the EC make a clear statement of support at the Members' meeting, relating to the activities APNIC needs to do, and specifically endorsing the budgeting of those activities.

There was a discussion as to whether the concept of a small, one-off rebate could be made to the members.

There was a discussion of setting a maximum parameter for the cash reserve. It was noted that if such a ceiling were exceeded then there would need to be a plan for how to deal with it.

It was concluded that there is no call for a change in policy but that there needs to be a clear position that can be communicated to the membership in response to any questions about the level of the surplus.

It was noted that the amount of work APNIC did in 2000 doubled, with only a 43 percent increase in staffing. It was suggested that this means that the business now needs to grow to meet the future demand for services.

There was also a discussion of the exchange rates used and the impact that fluctuations can make in the total budget.

4. Status of the APNIC Seychelles company

There was discussion of the EC position on the status of the Seychelles company, seeking to clarify when the company is to be wound up. It was agreed that there is no need to maintain the company and that it is undesirable to do so.

There was consensus that the Seychelles company should be wound up in 2001.

5. Discussion of APNIC corporate insurance documents

PW presented documents detailing the current corporate insurances held by APNIC. It was noted that the policies in question do not include USA and Canada coverage.

It was agreed that there is a need to get a legal opinion about the need for North American coverage before deciding whether to seek the appropriate cover. It was noted that the tabled policies have already been executed.

· Action: Secretariat to seek legal advice on (a) the advisability of North American cover and (b) the cost of such cover.

6. Approve previous meeting minutes

Minutes from October, December, and February approved.

· Action: Secretariat to publish minutes.

7. Preliminary discussion of TWNIC proposal

There was a question as to whether it is administratively desirable to hold two meetings per year away from the Secretariat office. It was explained that currently the organisation is locked into holding the second 2001 meeting abroad, due to previous EC resolutions on the process for calling for meeting proposals.

The TWNIC proposal was discussed. It was noted that this proposal clashes with APAN. However it was noted that the TWNIC proposal is able to be rescheduled. It was agreed that the meeting should be held after APAN (August 27-30).

Visa requirements for visitors to Taiwan were also discussed.

· Action: Secretariat to publish minutes.

8. TWNIC delegation to present bid to host APNIC meeting

The clash with APAN was discussed. TWNIC confirmed that they are able to change the date.

There was a discussion about the issue of holding the APNIC meeting at the same time as another major conference. TWNIC confirmed that the proposal is not to hold the APNIC meeting in the same conference centre as the other conference.

There was discussion of the accommodation and catering rates in hotels in the area around the conference centre. The Hilton and Sheraton hotels were also suggested as possible venues. The Sheraton rates are approximately US$110-120 per night.

TWNIC assured that fast Internet connections are easy to arrange in the Taipei hotels. There was discussion of arranging with local vendors to assist in setting up a terminal room. TWNIC assured that this has been planned for in the proposal.

It was noted that perhaps more details are needed on alternative venues but that otherwise the proposal seems very good.

TWNIC assured that they can provide locality guides and tourist information in English.

TWNIC advised that the decision needs to be made quickly so that work can commence. They assured that any time in March would suitable for a visit from APNIC to make the final decision.

The sponsorship level was discussed. It was explained that sponsorship of APNIC events needs to be consistent with APNIC's non-commercial nature.

It was decided that APNIC staff need to visit Taipei to investigate the other hotel options. It was expressed that the size of APNIC meetings is better suited to a hotel environment rather than a conference centre.

9. NIR fee and membership structure

An analysis of the practical vote breakdown was discussed. Although in theory the NIRs have a relatively low voting entitlement, the actual voting pattern in practice shows that the NIRs actually do cast a large proportion of the votes.

It was noted that the data in question was taken only from the last meeting. It was suggested that a sample taken at an APRICOT-related meeting would be better.

It was argued that giving too many votes to the NIRs would characterise APNIC as a collection of NIRs, and would make it more political rather than technical. It was suggested that this could hamper the policy making processes. It was argued that APNIC must represent industry concerns rather than national concerns.

It was suggested that allowing NIR customers to join APNIC cheaply (eg for US$1250) and participate in the policy making process is preferable to allowing extra votes to accrue automatically to the NIR.

It was agreed that allowing access to smaller organisations to have voting rights is a positive move that reinforces direct participation, and avoids many political problems. It was argued that the relevant enterprise fee should not be set too low. However, there was a comment that the suggested fee (US$1,250) is too high.

There was further discussion about ensuring that the approach taken needs to avoid the possibility of politicised national block voting. It was also argued that the approach needs to avoid the perception that cartels are being formed.

There was a discussion of the role of proxy voting in this context. It was suggested that proxy voting aids in the perception of cartel-forming. It was suggested that eliminating proxies in favour of electronic voting could be a more suitable option. However, it was noted that in the last several meetings, there have not been a large number of proxies cast.

There was a discussion about the position of ICANN and that if ICANN fails then the RIRs will be exposed in a policy sense. It was argued that the best protection against this scenario is to ensure direct representation of industry across the region. In this sense, it was argued, it is important to be able to show that any organisation can participate in APNIC processes.

There was a discussion that because of language barriers, members of some NIRs may be better represented if they can participate in the NIR process and have that NIR represent them in the APNIC processes. Availability of proxy voting would ensure this, for those who choose to allocate their proxies.

It was argued that the processes set up must be open, fair, and structurally sound in the context of industry self-regulation.

There was a brief discussion of a need to examine the budgetary impact of the scheme.

There was consensus support for the enterprise category. It was decided that this decision would be reported to the NIR meeting and that a working group should be established to develop this as a proposal to be put to the next meeting.

10. Discuss priorities/projects for 2001

There was discussion of the IRR project and the establishment of a Research and Policy Analysis position or department within APNIC.

It was explained that the new Technical Services Manager may take some time to get up to get established, which may delay the development of the research and analysis project. There was agreement that this was satisfactory provided the work was not delayed indefinitely.

There was also discussion of the need to develop a consolidated global whois output.

The question of IDC requirements was raised. It was recommended that this be addressed in the context of the Address Policy (Procedure) SIG.

11. Timing of EC meetings

There was a request to not hold EC meeting and Member Meeting at opposite ends of the week.

12. Staff bonus policy

There was consensus that the distribution of a bonus for the 2000 year should be made. Distribution of bonuses is to be left to Secretariat discretion.

13. Next EC Meeting

Next face-to-face meeting to be in Stockholm at INET.

Next teleconference to be 13 April.

14. AOB

Annual Report

It was noted that there is no EC detail in the Annual Report. This information is to be included in the PDF version to be published online.

Farewell observations from Tommi Chen

TC expressed concern about smaller organisations being left out of the process. He suggested that electronic voting would make a significant difference to representation. He also expressed the concern that the small members often don't understand issues well enough to participate. He suggested that an APNIC communications staff person is needed to take education measures to help in this respect.

TC expressed concern about the perceptions of suitability of the EC members. He suggested that there needs to be more public exposure of EC activities and more involvement of EC members is required.

TC expressed concern about a future challenge to APNIC's recognition and consensus of industry support. He suggested that to help avoid this, APNIC needs to continue to act like a business, to ensure good service, support and stability.

TC suggested that the criteria for EC election need to be reviewed. For example, there may need to be consideration of restricting the number of EC members that can serve per country.

Meeting closed: 17:00