

APNIC EC Meeting Minutes

Lotte Hotel, Seoul, Korea
Tuesday 18 August 2003

Meeting Start: 9:25 am (UTC+9)

Minutes

Present:

Akinori Maemura (Chair)
Che-Hoo Cheng
Qian Hualin
Geoff Huston
Kuo Wei Wu
Ma Yan
Yong Wan Ju

Paul Wilson
Irene Chan
Anne Lord
Connie Chan
George Michaelson
Gerard Ross (minutes)

Apologies:

None

Agenda:

1. Agenda bashing
2. Minutes from last meeting (14 July 2003)
3. Review of semi-annual financial report
4. Financial report for July 2003
5. Review of APNIC policy proposals
6. ICANN status
7. AC election procedure
8. Cooperative agreement on Korea root server trial project
9. AOB
10. Next meeting

1. Agenda bashing

The following topics are also to be discussed:

- Draft APNIC response to IAB relating to site local addresses.

2. Minutes from last meeting (14 July 2003)

- The minutes from the meeting on 14 June 2003 were discussed and approved without amendment.
- **Action ec-03-061:** Secretariat to publish minutes from 14 July 2003.

3. Review of semi-annual financial report

- The report to be delivered to the members at the AMM was reviewed.

- In the Statement of Financial Position, it was noted that the unearned revenue figure is expected to come down again by the end of the year.
- It was noted that APNIC has paid 50 percent of all ICANN fees due to end of 2002. It is currently assumed that if there is an agreement with ICANN before the end of the year, then APNIC would pay the balance of those fees. The potential total current liability to ICANN is approximately US\$260,000. However, it was noted that there is currently no contractual obligation to continue accruing these fees. To date, the money paid to ICANN has been paid in good faith, in lieu of an agreement. It was noted that ARIN has established an escrow account while RIPE NCC is adopting the same approach as APNIC. It was noted that the ICANN fees from previous years have already been expensed to those years in the accounts. It was suggested that when the ICANN fees become due, they should be considered carefully in the light of a lack of agreement, rather than automatically paid.

4. Financial report for July 2003

- It was noted that this report shows that even accounting for unrealised exchange rate losses the budget is in surplus.
- This report shows an expectation for a balanced budget at year end.
- The Secretariat is closely tracking expenses, keeping them below budget.
- It was noted that one very large member has downgraded their membership size to small, due to smaller than expected address requirements.
- Membership growth in July has slowed due to several closures related to mergers in July. This trend is expected to have an impact over the next few months.
- It was noted that there is a significant economy of scale in the higher membership categories, so too many mergers could potentially have an adverse affect on budget; however, there is no indication that this trend is posing any threat in the foreseeable future. It was noted that there is no reason at this point to revise the fee schedule.
- It was explained that membership categories are only reviewed upon renewal of each membership. ARIN reassess categories at the time of each allocation. There was a discussion of whether APNIC should adopt this practice. It was suggested that this would be an implementation issue, rather than a policy issue. It was noted that most members budget annually.
- It was suggested that a merger, acquisition or new allocation could trigger the review of membership category.
- It was proposed to review membership category from date of allocation and that this should be implemented from January 2004. It was also suggested that the Secretariat could consider making a formal recommendation, which the EC could then discuss at the next EC meeting.
- It was noted that it may be necessary in future to consider the balance of fee levels across membership categories.
- It was also noted that the non-member fee structure continues to be problematic for the Secretariat. It was noted that non-member fees are taxed and that this will always cause a discrepancy between the member and non-member fees.
- It was explained that a non-member pays a larger upfront fee but lower annual fees.

5. Review of APNIC policy proposals

- There was a review of the policy proposals to be presented at this Open Policy Meeting.
- It was noted that the Secretariat has now introduced a proposal numbering system to allow for tracking of policy development.
- It was also noted that following the discussion at APNIC 15, there is now a firm deadline on submission of policy proposals.

Proposed APNIC policy development process

- This is a proposal to set in place a structured policy development process with firm timelines for proposals, discussion, and implementation.
- It was noted that the proposal should communicate an understanding that the EC is able to act on policy matters in many necessary circumstances, which should not be considered "emergency" situations.

[Break 10:40 - 11:00 am]

A proposal for an APNIC document editorial policy

- This is a proposal to modify the document review policy to reflect the new policy development process.

IPv6 Address space management - a follow up to RIPE-261

- This proposal is to change the IANA IPv6 allocation policy so that RIRs will be able to each effectively practice sparse allocations to reduce address space fragmentation.
- This proposal is an amended version of the proposal original presented at APNIC 15.
- Ray Plzak from ARIN will also present a related proposal in relation to IPv4 allocations.

Supporting historical resource transfers

- This proposal is to implement a system that seeks to bring historical address space into the APNIC policy framework and normal operation.
- The proposal allows someone holding legacy resources to transfer them with full recognition and proper registration.
- In relation to NIRs, this is not specifically included in the proposal, however, as with all policies it will be available to the NIRs to use. If an NIR member were to accept a transfer, the address space would be accounted for as part of the NIR's fee calculations.
- It was noted that more than 90 of the total 131 /8s would be potentially subject to this policy.
- It was suggested that the operation of the policy should be restricted to address space which would otherwise be within APNIC's administration and not be applied to inter-region transfers. It was noted that there is a general principle that resources should only be administered by the RIR within the applicable region.
- It was noted that ARIN has requested that a particular network in the APNIC region should not be transferred to APNIC administration. This has been agreed to provided that the circumstances of this decision are made clear and considered to be a limited precedent, which is not to be construed as allowing registry shopping. It was also noted that acceptance of the historical transfer proposal could have some implications on the status of such networks.
- It was explained that the historical transfer mechanisms would be optional only.
- All address space transferred under this mechanism would then be subject to all current address management policies.
- There was a discussion of the issue of identifying the address space not currently visible in the normal registry system.
- It was noted that APNIC provides reverse delegation for ERX records at no fee.

IXP assignments

- There is a proposal to change the definition of an IXP and to waive the fee for qualifying not-for-profit IXPs receiving assignments.

Use HD ratio for IPv4 utilisation measurement

- This is an informational presentation to start discussion of using the principle of the HD ratio rather than the 80 percent rule to measure IPv4 address utilisation.

- The advantage of the HD ratio is that it recognises the need that large ISPs have to apply internal hierarchies to effectively manage their address space. This method would allow lower utilisation limits for deeper hierarchies.
- It was noted there may be an initial impact on address space consumption.
- It is hoped that the RIRs would also begin discussing this proposal so that its implementation in only one region would not lead to registry shopping.
- It was suggested that this proposal would favour large ISPs. However, it was also noted that until the 80 percent rule has been unfair to the large ISPs.

IPv6 guidelines document

- It was noted that JPNIC is proposing the development of a guidelines document to help foster better understanding of IPv6 policy and administration.

Privacy of customer assignment records

- This is a proposal to remove the requirement for public registration of assignments. Under this proposal, registration of customer assignments would be optional. A "hidden" database attribute would allow assignment records to be available for APNIC use.
- It was suggested that Whois should only publish what RIRs do.
- It was noted that autnum registrations must have a public point of contact and should not be subject to this proposal.

6. ICANN status

- The RIR boards have been continuing work to negotiate the establishment of a Number Resource Organisation (NRO). The proposed structure and role of the NRO were summarised. The proposal also includes the establishment of a Number Council.
- Currently, the Boards are waiting on legal review of the document.
- The issue of incorporating the NRO is still under discussion.
- There is now a draft of a replacement ICANN MoU. It is intended to commence negotiations on this document with ICANN when the NRO is formed.
- There have been periodic drafts of the NRO document but no advice as to when the review will be finalised.
- It was noted that the legal review team comprises legal representatives for each RIR.

7. AC election procedure

- The previous decision of the EC regarding AC voting entitlement has implanted. All APNIC members are entitled to one vote. Individuals are entitled to vote if they have been registered attendees at at least one APNIC meeting since APNIC 10.

8. Cooperative agreement on Korea root server trial project

- There was a review of the general terms of the Korea root server trial project.
- It was noted that APNIC will pay for the equipment costs and maintain administrative control. KRNIC will provide hosting and connectivity and related costs.
- The EC approved signing of the agreement on the terms discussed.

9. AOB

Draft APNIC response to IAB relating to site addresses

- The IAB has recently decided to drop the specification of site local addresses from IPv6.
- The IETF WG has considered this, and has formed an opinion that the RIR process is too cumbersome for the private site addressing problem. They have proposed a system, not administered by the RIRs, allowing sites to obtain /48 with a one-off fee.

- A draft response has been prepared to ensure that IPv6 site addressing should be part of registry responsibility.
- It was noted that in terms of cost, it is necessary to ensure that these site assignments have any chance of being routed. It was suggested that the only reason RFC 1918 addresses do not get routed in the real world is that the addresses are not unique.
- The current IETF draft is that the addresses would be registered privately.
- The draft response does yet deal with the concepts of maintenance or lease of assignment records.
- It was noted that a specific prefix will be reserved for these private site addresses.
- It was noted that there are a potential of 2.2 trillion /48s involved.
- It was suggested that discussions on this topic should continue on the basis that the registry function for these site addresses should be administered by the existing RIR system. This would be a transaction rather than a membership service.
- It was argued that before taking on this issue, the RIRs must be clear as to the expectation of whether these addresses will ever be routable.
- It was noted that if the problem of obtaining multihoming, provider independent addresses is solved, then these private site addresses will not become a problem.
- It was suggested that an alternative approach is to set up another fully maintained block of /48 addresses.
- There is not a current need for the EC to make a decision about this issue, but it will be necessary to address this in the future.
- It was suggested that the registry function of the private site addresses could potentially be performed by the NRO.
- The EC generally agreed that the RIRs should continue to be the forum for all IPv6 registration functions, and that this principle should guide APNIC's position in discussions of this issue.

Meeting closed 1:00 pm

10. Next meeting

- To be held at APNIC 16.

Meeting closed: 4:05 pm

Open action items

- **Action ec-03-058:** Secretariat to provide a draft of the amended fee schedule and circulate it to the EC for their consideration in the July teleconference.
- **Action ec-03-061:** Secretariat to publish minutes from 14 July 2003.