

APNIC EC Meeting Minutes

Teleconference
Thursday 12th April 2007

Meeting Start: 3:00 pm (UTC+10)

Draft Minutes

Present:

Akinori Maemura (Chair)
Che-Hoo Cheng
Kuo-Wei Wu
Kusumba Sridhar
Mao Wei
Ming-Cheng Liang
Paul Wilson
Irene Chan
Geoff Huston
Sanjaya
Connie Chan (minutes)

Apologies:

Vinh Ngo

Agenda:

1. Agenda bashing
2. Minutes from last meeting (15 March 2007)
3. Financial report for March 2007
4. ICANN/NRO update
5. Fee implications of the IPv6 HD ratio change
6. AOB
 - Insurance levels for APNIC
 - Member Survey response
 - Arrangement with ISPAI
7. Next meeting

1. Agenda bashing

- The following topic was added to the agenda:
 - None.

2. Minutes from last meeting

- The minutes from the meeting on 15 March 2007 were approved.
- Action ec-07-012: Secretariat to publish minutes from 15 March 2007.

3. Financial report for March 2007

- The financial report for March 2007 has been circulated. It includes a breakdown of account receivable by economy, as requested during the last EC meeting.
- The report shows that expenses are below budget, and that there was an operating surplus during the reporting period.

- There are some significant expenses that will occur later in the year, so they appear underspent in this pro-rata budget comparison.
- The US dollar has fallen in value by 4%. If this continues it will affect the forecasted financial results for the year. The exchange rate has been fluctuating, which makes it hard to predict the outcome at this time.
- The accounts receivable have gone up slightly. It was noted that the overdue amount varies seasonally. It was noted that as a total proportion, the value of overdue accounts is low and has not changed much over time.
- By the end of March 2007, APNIC had 1412 members. In March, three members upgraded to very large.
- It was noted that most membership growth in the first quarter came from India.
- EC approved the financial report.

4. ICANN/NRO update

- It was reported that as a result of changes in the position of one RIR board, current negotiations between NRO and ICANN are stalled.
- There will be further discussion about an informal agreement with ICANN, by exchange of letters, which would document mutual obligations.
- ICANN has drafted some letters which are being looked at by the legal team.
- The RIRs will pay 50% of the currently outstanding contribution to ICANN. There were discussions among the RIRs on the payment method. That payment will possibly be made via the bank account of NRO.
- It was noted that the APNIC EC has given the Director General the authority to make any outstanding ICANN payments that have expensed, in coordination with the other RIRs. All payments prior to the past year have been expensed and are shown within the accrued expenses of 1.2 million on the balance sheet. When these fees are paid to ICANN, they will not appear as expenses in the current year, but will be cleared from the balance sheet.

5. Fee implications of the IPv6 HD ratio change

- The Director General has given a background on the implications of the IPv6 HD ratio change.
- The per-address fee payment required in case of a minimum allocation of /32 will change under the new HD Ratio (HD=0.94), from US\$143 to US\$674. This is a once only fee.
- If fees were calculated according to the old HD Ratio value, then the charge for a /32 would remain at US\$143.
- For larger allocations, the size of an allocation is established according to the address requirement. The fee charged according to the new HD ratio may be lower or higher depending on the number of addresses which should be utilised according to the current HD-Ratio requirement. However if the fee is charged according to HD=0.80, the fee will be much lower.
- It was noted that a policy decision has been adopted and implemented but there were still confusion and ambiguity about the charging implications. It is therefore important for the EC to clarify and resolve the matter as soon as possible.
- It was suggested that the EC should prepare a statement about the concerns of this proposal.
- It was noted that IPv6 per address fee will apply to NIRs and confederation members who maintain multiple IPv6 address pools.
- It was suggested that to avoid conflict of interest, the EC should follow the decision of the non-NIR EC members.

- The EC agreed to adopt the proposal and retain the same IPv6 fee structure. The new HD-Ratio value of 0.94 will be used in calculating fees for IPv6 address allocations, in accordance with the current per address fee schedule.
- It was noted that APNIC members should contribute to the fee discussion if they have any concerns.

[Kuo Wei Wu left the meeting at this point.]

Action ec-07-013: Secretariat to update the fee document with some specific fee calculations to illustrate the impact of the policy change more clearly.

[Note: At the subsequent EC meeting held on 17 May 2007, the EC resolved to suspend the decision noted above and refer the matter to the membership for further discussion at APNIC 24.]

6. AOB

- Insurance levels for APNIC
 - There was a discussion about increasing APNIC's insurance cover for Professional Indemnity and Public Liability.
 - It was noted that we are seeking advice from our auditors (Price-Waterhouse Coopers) on what is the appropriate level of insurance coverage for APNIC. They will look into the risk and financial factors involved to obtain an appropriate amount of insurance level.
 - Although this is not a budgeted amount for 2007, it was proposed to go ahead with the increase based on the advice from our auditors.
- Member survey response
 - The proposed response to the latest APNIC member survey was circulated.
 - There was a discussion of the draft EC response to the member survey. It was agreed that the draft response is appropriate.
 - The EC approved the publication of the proposed response.

Action ec-07-014: Secretariat to publish the response to the member survey.

- Arrangement with ISPAI
 - It was noted that APNIC meeting costs should not exceed the previous EC guideline of US\$50,000 per meeting. It was noted that this amount should be communicated to ISPAI.
 - In the case of APNIC 24, APNIC will make a total cash contribution of up to US\$50,000. It is understood that ISPAI will underwrite any meeting deficit in excess of that amount.
 - It is unlikely that APNIC 24 will produce a financial surplus, but in that event APNIC will commit to an equitable sharing of that surplus among APNIC, SANOG and ISPAI.

Action ec-07-015: Secretariat to clarify financial arrangements for the coming APNIC 24 meeting. The arrangement will be sent to the EC before sending it to ISPAI.

7. Next meeting

- 17 May 2007

Meeting closed: 4:45pm (UTC+10)

Open action items

- **Action ec-07-012:** Secretariat to publish minutes from 15 March 2007.

- **Action ec-07-013:** Secretariat to update the fee document with some specific fee calculations to illustrate the impact of the policy change more clearly.
- **Action ec-07-014:** Secretariat to publish the response to the member survey.
- **Action ec-07-015:** Secretariat to clarify financial arrangements for the coming APNIC 24 meeting. The arrangement will be sent to the EC before sending it to ISPAI.