

APNIC EC Meeting Minutes

DRAFT

Teleconference

Thursday 18 December 2008

Meeting Start: 3:02 pm (UTC +1000)

Present

Akinori Maemura (Chair)
Che-Hoo Cheng
Kuo-Wei Wu
Kusumba Sridhar
Ma Yan
Mao Wei
Ming-Cheng Liang
Paul Wilson

Geoff Huston (minutes)
Irene Chan
Richard Brown
Connie Chan

Michael Hillier (KPMG, for agenda item 5)
Ron Zubrik (KPMG, for agenda item 5)

Apologies

Agenda

1. Agenda Bashing
2. Review of Minutes and Action List Review from 20 November Meeting
3. Financial Report: Financial Report 11/08
4. Director-General's Report
5. Fees Study Update
6. 2009 APNIC Budget
7. EC appointment to the NRO/NC, ASO/AC for 2009
8. AOB

Minutes

1. Agenda bashing

No changes were made to the agenda.

2. Minutes of Last Meeting and Matters Arising

The minutes from the meeting of 9 October 2008 were approved unanimously.

Action ec-08-036: Secretariat to publish minutes of the November meeting

Review of action items:

- Action ec-08-033:** Secretariat to publish minutes of the October meeting
[completed]
- Action ec-08-034:** EC Chair to request further details of the RIPE funding model for study from Ming-Chen Liang.
[completed]
- Action ec-08-035:** KPMG to include NIR formation as a study case in the Task 4 fee study.

3. Finance Report

Irene Chan provided the monthly report of expenditures revenues, and membership movements for November 2008. Projected expenses for 2008 are AUD 10.57M, 0.7% over the originally projected budget figure. Projected revue for 2008 is AUD 10.64 M, 1.1% lower then budget. The main factor here is a reduced level of per allocation fees for 2008. As of the end of November total expenses are closely aligned to the budgeted amount, while total revenue is slightly below the budget projection.

The EC accepted the financial report for November 2008 (attached).

4. Director-General's Report

The Director-General noted the current status of the India NIR application, and that at the time of the recent IGF meeting no final agreement had been reached between the principals who had some interest in the establishment of this NIR

The APNIC IPv6 support activity had identified an area of IPv6 address assignments for multi-homed networks as an area that would be promoted in the coming months. A fee proposal in this area is to be prepared for further EC consideration.

5. Fees Study Update

Michael Hillier and Ron Zubrik of KPMG briefed the APNIC EC on the initial results of Task 4 of the Fee Study,

KPMG reported on a number of possible fee structures, using a five year model that incorporated the growth of members, the transition from IPv4 to IPv6, the prevailing global financial environment, and assessed a number of fee structures based on the ability to achieve strategic financial objectives in terms of cash reserve accumulation and risk assessment.

The study of the use of an additional "top end" membership category for this members with the largest address holdings was seen as not being able to achieve the financial objectives. A change from the current "stepped" fee structure to some for of "continuous model" was seen as a viable short term response, assuming that the start position of the fee structure was carefully chosen. A refinement to this "continuous model" that applies a premium for the NIR fee schedule was seen as further reducing the short term financial risks and addressing some of the structural imbalances in the current fee structure. Adoption of a different model for NIR fee structures where the NIR's members' holdings were used to assess the APNIC fee for the NIR was seen as being possible, but less attractive in terms of its capability to meet the overall financial objectives.

The study of the situation that incorporates the formation of further NIRs is forthcoming from KPMG.

The study also revealed that the transition to IPv6 will impact on the ability of APNIC to generate sufficient revenues to meet anticipated expenditure and recommended cash reserves, and the current IPv6 fee structure is projected to be unsustainable for APNIC and its members post 2011.

The APNIC EC will further consider this report in conjunction with the forthcoming analysis of further NIR formation.

[Ma Yan left the meeting after consideration of Agenda Item 5.]

6. 2009 APNIC Budget

The EC considered the 2009 budget papers and the proposed 2009 APNIC budget (attached). In the light of the current financial volatility and the potential for some further impact in revenues in 2009 and the APNIC EC requested that the capital expenditure related to the office refit was deferred for 6 months.

The APNIC EC unanimously approved an expenditure ceiling of AUD \$13,393,979 for 2009, with an operational expenditure component of \$12,058,479 and a capital expenditure of \$1,335,500.

[Che-Hoo left the meeting after consideration of Agenda Item 6.]

7. EC appointment to the NRO/NC, ASO/AC for 2009

The EC unanimously endorsed the appointment of Tomohiro Fujisaki-san to the NRO/NC and the ASO/AC for 2009.

8. AOB

There were no items under AOB.

Next Meeting

22nd January 2009 (Teleconference)

Meeting closed: 5:35 pm (UTC+1000)

Summary of Action Items

Action ec-08-036: Secretariat to publish minutes of the November meeting [completed]