

APNIC EC Meeting Minutes

Yokohama Conference Centre
16th July 2000

Meeting Start: 14:17

Minutes

Present:

Tommi Chen (TC)
Che-Hoo Chen (CC)
Geoff Houston (GH)
Kazunori Konishi (KK)
Kuo-Wei We (KW)
Xing Li (XI)
Paul Wilson (PW)
Kyoko Day (KD)
Paul Gampe (PG)

Apologies:

Oh Kwang Sok

The meeting was opened by Tommi Chen at 14:17. The agenda was reviewed and no further agenda items were added.

Agenda:

1. APNIC status report
2. APNIC financial reports Jan-Jun 2000
3. Revised budget and 2000
4. Investment options
5. APNIC projects and activities
6. Other business

1. APNIC status report

PW presented a brief status report, including:

- Growth in APNIC staff to current total of 21
- Strong membership growth has continued throughout the year 2000, ahead of budget forecasts
- Changes in APNIC membership distribution: India now accounts for 10%, Singapore 4%
- Address space allocations are accelerating in recent months
- Allocations have been growing fastest in CN (20% of total APNIC allocations) and KR (21%)
- ASN allocations are accelerating, but not as quickly
- Ticketing system shows exponential growth in workload handled by APNIC
- Load on APNIC online services increasing exponentially
- Overall, APNIC spending has been lower-than-budget due to favourable exchange rate fluctuations, as well as delays in recruitment

KD explained the termination of 7 memberships during June. None of these members had received resources prior to termination.

It was suggested that APNIC will see increased address space requirements from Taiwan soon, due to recent issue of ISP licenses.

No further questions were raised.

2. APNIC financial reports Jan-Jun 2000

KD presented the Semi-annual financial report (Jan-Jun 2000), including:

- APNIC assets are currently very liquid with 77% in cash.
- Intangible assets of 6% do not include \$100,000 worth of donated equipment.
- AU \$3M is available for investment excluding funds kept in USD.
- A/R to June is \$524,996, but 45% is not yet due for payment. Renewal invoices are sent 45 days prior to expiry date, so 30-60 day accounts include all renewal invoices.
- Noted that revenue is now reported on an accrual basis.
- Because APNIC budget is in USD and most expenses are in AUD, expenses are lower than forecast due to favourable exchange rate changes.
- Noted that membership growth is averaging 23 new members from Jan-Jul 2000.
- Noted increase in staff numbers, and need to increase office space, which has been included in budget.
- Overall financial position is stable, with increase in revenues but under spent expenses.

Discussion about A/R collection policies, noting that EC had agreed previously to "recycle" resources of members whose accounts become delinquent. Noted that Australia and India are generally slowest in paying accounts, and that developing countries do not appear to present a particular problem. Noted that APNIC is now phoning members directly when membership renewal is overdue, and this is helping greatly in collecting payments.

EC requested further analysis of delinquent accounts, alteration to A/R reporting to ignore amounts which are not due, and provision for bad debts within APNIC budget.

Discussion about membership closures: Most members who are closed go through membership application but decide before paying that they don't need to join, and never receive resources. Noted that resources are never allocated to a new or overdue member until payment is received. For ex-members holding resources, current contract provides for collection of maintenance fee.

3. Revised budget and 2000

KD presented 'Proposed Revised Budget for Year 2000'.

Total revenue for 2000 is now projected at \$3,036,589.

Discussion about current difficulty in revenue projection, due to change from cash to accrual accounting imposed by APNIC auditors.

Agreed to have Secretariat investigate the revenue projection figures further, and report back to EC.

Noted that ICANN allocation of \$96,000 includes \$64,000 for 7/1999 to 6/2000 (not paid), as well as half of the same amount, due for 7/2000 to 6/2001. No increase budgeted for next period.

Noted that provisions have been made for APIA membership and support of APNG to the same level as last year (\$10,000 each), but this will not be paid until later in 2000.

Discussion about staff turnover and the need for APNIC to maintain industry-standard remuneration, review and reward conditions (including relocation for staff recruited internationally) in order to attract and retain staff. Recommended that APNIC should

subscribe to and participate in salary surveys for Australian and overseas job markets (e.g. Japan).

Concerns raised that APNIC staff projections may not be adequate to handle service demands from members. EC members reiterated that staffing should grow in accordance with service demands.

Noted that currently, member services response time appears to be acceptable (for instance 2 weeks in total for complex request).

PW reported that APNIC has sent two staff members to RIPE-NCC to assist during a time of very heavy workload and long service delays. This is a small repayment for RIPE-NCC's previous substantial assistance to APNIC.

PW requested clarification of EC directive for APNIC to maintain 12 month reserve. It was clarified that the objective is to ensure that economic downturn or other problem does not impact operations at current level, so the reserve should be equal to at least 12 times the currently monthly operating expense at the time of assessment.

Agreed to approve the proposed revised budget for Year 2000.

4. Investment options

KD presented investment reports provided by National Australia Bank (NAB) and KPMG for review, as requested by EC during meeting on 22 May 2000.

Noted that current use of Term Deposit accounts is working well, considering increase in interest rates and inflation; and that KPMG's projected returns on bond and higher risk investments were already being achieved through current secure investment strategy.

Comment that adopting a highly-secure position with APNIC investments means that APNIC achieves well below possible returns on its capital reserve.

Agreed that, subject to specific EC approval, up to 20% of current funds may be invested for 4-5 years, and that the Treasurer would coordinate with secretariat to investigate specific investment options.

5. APNIC projects and activities

PW presented summary of a recent management team meeting, and the priorities raised. Explained role of proposed "public relations and marketing" position to be located within the office of the DG; as well as the internal automation project; proposal for helpdesk-based member services, and need for more advanced statistical and analytical reporting.

In relation to helpdesk project, suggestion was made that APNIC should review international free call services for support of members throughout the region, also that APNIC could consider extended language (non-English) help desk service in future.

Discussed recent presentations promoting APNIC as authoritative source of information on infrastructure scaling within the region, which has received positive feedback from the community. Proposed developing statistical and policy analysis as a future direction.

PW presented a review of ongoing internal systems development.

Suggestion that an interface to a consolidated whois service would be very beneficial, and APNIC is now in a position to sponsor useful software developments if we choose to do so. These could be undertaken in the academic and research environment, with grant funding from APNIC.

Proposed that for 2001 APNIC should have an external development fund. This would require an evaluation approval process by appropriate committee of members from the EC and/or community. Agreed in principle with proposal for Research and Development fund for 2001.

PW presented translation project and highlighted issues of language selection and quality control, which may require policy decisions.

Agreed that APNIC should proceed with call for proposals, for professional translation services in the region.

Recommended that a small subset of documents be translated permanently, and relationships with translators should be maintained to ensure topical documents can be translated quickly.

PW reviewed the legacy address space transfer project, to bring legacy address space records (whois and in-addr) into APNIC databases and under APNIC's administrative and technical responsibility.

Agreed that this is a priority project.

PW presented status of APNIC's involvement in IRR, and proposal for Pilot IRR service at APNIC.

Agreed APNIC should pursue involvement in the IRR and the proposed pilot project.

Discussion about importance of these developmental projects to APNIC, and recommendation that a special projects manager should be appointed to manage them.

PW presented the status of the current RIR contract with ICANN, and that ICANN has not yet responded. Reported that APNIC's solicitors have advised that a separate agreement would be needed in order for APNIC to make an interim payment to ICANN, and that this could not be done readily under the current circumstances.

PW reported that RIR boards had received a response from ICANN to the reconsideration request response, but that this has been regarded as insufficient. The general view is that RIRs require a clear commitment that they have responsibility to implement assignment policy, and that ICANN operationally will not make exceptions to this.

Agreed that the response from the ICANN's reconsideration committee is not satisfactory, and that this should be conveyed to ICANN.

PW presented a proposal received from outside APNIC that APNIC should host APRICOT in future.

Concern was expressed that if APNIC took a larger role in APRICOT, it would again find that member services suffered and that its core operations were adversely affected by a non-core activity. Since APNIC stopped running APRICOT, it has had resources to make a lot of improvements for its members.

Agreed that APNIC should continue to support APRICOT at the present level, as a major sponsor and contributor to the APRICOT programme.

PW reported proposed format and content of the October APNIC meeting.

KD reported the proposed cost for attending the meeting: AUD100 for Early-bird members, AUD150 for Early-bird non-members, and AUD200 for all onsite registration (members and non-members).

Agreed on proposed registration fees.

6. Other business

Secretariat was asked for a status update on the combined training/seminar activity with APTLD.

PW reported that the first combined training course was to be in Fiji but this was cancelled and has not yet been rescheduled. Also reported that APNIC will continue to organise the member training schedule, and will continue to coordinate with others as much as possible.

Concern was raised that while APNIC should continue to support other AP* activities, it should only support projects that are well defined and connected with the needs of our members. APNIC's membership are businesses and APNIC should not get distracted from its core business.

It was reported that one EC member had received requests for EC participation to be audited.

It was suggested that company corporate reports often report the number of meetings attended by board members.

It was agreed that the number of meetings attended by each EC member should be included in APNIC's annual report.

Meeting closed: 18:46