

APNIC EC Meeting Minutes

Queen Sirikit National Convention Centre, Bangkok, Thailand
Monday 4 March 2002

Meeting Start: 2:20pm

Minutes

Present:

Che-Hoo Cheng (Chair)
Qian Hualin
Geoff Huston
BK Kim
Xing Li
Akinori Maemura
Kuo Wei Wu

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

Agenda:

1. Agenda bashing
2. Approval of previous minutes (15/02/2002)
3. Review of Secretariat reports
 - Financial report for 2001
 - Forward plan and Budget for 2002
 - APNIC Annual Report 2001
 - DG report for member meeting
4. Review of other matters for Member Meeting
 - Meeting programme
 - Review of EC election procedure
5. ICANN issues
 - RIR-ICANN contract
 - ICANN structure proposal
 - AC election
6. Review of proposals for next APNIC Open Policy Meeting
7. AOB
8. Next meeting

1. Agenda bashing

- Additional items added to agenda: EC report; EC response to membership survey; AC election.
- The first two AOB items were discussed in the course of other existing agenda items.

2. Approval of previous minutes (15/02/2002)

- This matter was deferred to be subsequently finalised by email.
- **Action:** EC to discuss this on email list.

3. Review of Secretariat reports

- **Financial report for 2001**
 - The financial report is still shown as a consolidated report; however, since the Seychelles company has now been wound up, only the AU company is now included in the financial reports.
 - It was noted that the audited report must be presented in Australian dollars.
 - There was a discussion of what the total liabilities and equities figure represented on the auditors' report.
 - It was noted that the auditors have this year audited the final copy of the statements that are published in the Annual Report for 2001 (in USD figures).
 - It was noted that the audit has been completed since the last EC meeting and that there are some minor changes in the report as a result.
 - The DG showed the slides that will be presented to the AMM.
 - There was a brief discussion of other Annual Report highlights that will be presented to the AMM.
- **Forward plan and Budget for 2002; Annual Report 2001; and DG report for member meeting**
 - It was noted that there have also been some minor changes made to the Budget since the last EC meeting.
 - There was a question raised as to why the budget predicts a foreign exchange gain. It was suggested that this figure should be removed, as it should only appear as an adjustment during the course of the year.
 - It was noted that per-allocation fees are twenty percent lower than previously. It was explained that the per-allocation figure is quite sporadic and unpredictable, and the budget figure shown is based on the past three years.
 - It was noted that the working budget uses the "moderate" estimation. It was explained that there are notes included to explain where significant adjustments have been made to actual figures from previous years.
 - It was noted that if the foreign exchange gain is ruled out, and the pessimistic figures are considered, then there could be a worst-case loss of \$600,000. While this level of loss is accommodated by the current cash reserve, the EC was asked to consider this worst case possibility.
 - It was also noted that approving the budget authorises the Secretariat to spend to the level shown in the budget.
 - It was also noted that there are checks during the year to allow corrections to the budget, but that approval of the budget involves commitment to certain expenses.
 - It was noted that the membership growth rate is currently flatter than at any time in the past, but that there are indications of the rate picking up again. A graph of the membership trends over time was displayed and the correlation between membership enquiries and new memberships was discussed. It was noted that the growth rate does fluctuate considerably and will continue to be estimated conservatively.
 - There was a brief discussion of the effect of mergers and acquisitions within the context of the membership structure.
 - The EC approved the budget for 2002, subject to removing the foreign exchange income.
 - There was a discussion of the figure shown for "Outreach". The Treasurer abstained from decisions regarding this item.
 - The DG showed the workplan slides that will be presented at the AMM.

- There was a brief discussion of the training program and questions were raised about the possibilities for certifying outside bodies to provide APNIC training.
- There was also a discussion of the proposal to seek sub-regional liaison officers for areas that are not serviced by NIRs.
- There was a brief discussion of the proposed outsourcing research and development activities, and establishing a program of small grants for research initiatives. It was noted that there is a need for some serious address policy research that would best be conducted outside of the organisation.
- The budgeting of the R&D expenses was questioned as this area is shown as having been underspent in 2001. Also the comparative figures show substantial variations, some of which are due to changes in the accounting system to departmentalise expenses. It was also noted that there are quality assurance expenses and certain training expenses in the budgeted R&D figure.
- There was a general discussion of the cashflow and the objective of maintaining 100 percent of the budget in reserve.

➤ **Action:** Secretariat to remove foreign exchange income and finalise budget.

4. Review of other matters for Member Meeting

- **Meeting programme**

- There was a general review of the presentations to be made at the AMM.
- The Chair noted that he preferred that one of the EC members not running for election should make the presentation of the member survey report. However, it was determined that as he remains the Chair until the election, it is appropriate for him to make the presentation.

➤ **Action:** GH to prepare the Member Survey Report slides for CHC to present.

- **Review of EC election procedure**

- Samples of the new election ballot papers were circulated for the EC to consider. It was noted that with the new distribution of votes to match the extended membership categories, the previous system of multiple ballots is no longer practical.
- It was noted that changing the system would need to be announced to the membership before the meeting.
- It was noted that there has never been a formal adoption of any voting scheme; however, it was undesirable to change the system too often.
- It was suggested that it may be preferable to seek to introduce the new system at the next meeting.

[Break 3:55pm - 4:15pm]

5. ICANN issues

- **RIR-ICANN contract; ICANN structure proposal**

- There was an extensive discussion of the draft ICANN-RIR contract and proposal to restructure ICANN.
- It was noted that the latest copy of the draft agreement now appeared to reflect the wishes expressed by the three RIRs. However, it was also noted that with the new ICANN restructure proposal the context to this contract is now quite different.
- There was a broad discussion of many factors that are relevant to the EC's decision. In particular, it was noted that the ICANN restructure document raises issues of concern with respect to ICANN's relationship with RIRs.

- It was clarified that a new clause added by ICANN to the draft agreement provides a mechanism for renegotiations.
- The EC resolved to advise the other RIRs that APNIC is willing to sign the new agreement so as to maintain a voice within the ICANN process, and is satisfied that the new clause 9 (e) helps to protect APNIC from the effects of the restructure.
- BKK abstained from the decision.
- All other EC members voted to sign the agreement, providing that other RIRs also agree to sign.

➤ **Action:** The Secretariat to advise other RIRs of this decision.

6. Review of proposals for next APNIC Open Policy Meeting

- Izumi Okutani and Tsukasa Ogino joined the meeting to outline the JPNIC proposal to host APNIC 14. They noted that due to the relatively high cost of their proposal, JPNIC had designed an alternative sponsorship and funding plan.
- It was noted that JPNIC's contribution would be made directly from within their budget rather than by seeking additional membership sponsorship.
- JPNIC noted that the suggested city was chosen to reduce the overall expense. JPNIC also noted that all costs had been estimated conservatively.
- It was noted that in the past, the EC has approved a maximum meeting contribution of up to US\$50,000, but that this has never been fully expended.
- It was noted that in the JPNIC proposal, all registration fees would be payable to JPNIC to offset their contribution.
- It was noted that the registration fee target budgeted by JPNIC is US\$20,000.
- It was established that under this proposal, the cost to APNIC would be US\$50,000 plus travel and accommodation costs for staff and EC members.
- It was noted that travel to the host city and to the venue is quite easy.
- JPNIC have proposed to host this meeting from 3-6 September. It was noted that the RIPE meeting commences on 9 September. However, JPNIC are prepared to investigate alternative dates (mid-August was suggested).

[The JPNIC representatives left the room and the EC discussed the proposal further]

- It was noted that under this proposal, the direct cost to APNIC would be higher than in the past.
- There were questions as to whether the travel costs of speakers would be paid by the local hosts. It was noted that at APNIC 12, APNIC contributed approximately US\$15,000 for speakers expenses.
- It was noted that the JPNIC proposal could be accommodated within the existing APNIC budget.
- It was noted that currently there is no other formal proposal (although there is an informal proposal for Shanghai).
- Maemura-san acknowledged his conflict of interest in this matter and did not vote on the decision.
- The EC accepted the proposal.

➤ **Action:** JPNIC to investigate alternative dates before the announcement is made.

7. AOB

AC Election

- It was clarified that the responsibility for conducting the election lies with APNIC rather than the ASO.
- It was noted that there may be a need to provide documentation describing the intent of the election, to help inform the conduct of the process.
- There was a discussion of the possible options for the election system, including a nominating committee, member-only vote, modifying the APNIC membership structure for low cost individual memberships with proxy voting.
- It was decided to ask the members at the AMM to consider options for selecting AC members which would reflect the true diversity of AC membership. One possible mechanism for discussion is opening the membership to individual memberships and restrict the AC election to members only.

8. Next meeting

To be determined.

Action list

- EC to finalise previous minutes on email list.
- Secretariat to remove foreign exchange income and finalise budget.
- GH to prepare the Member Survey Report slides for CHC to present.
- Secretariat to advise other RIRs of the decision to proceed with the ICANN contract.
- JPNIC to investigate alternative meeting dates before APNIC announces decision on next meeting.