

APNIC EC Meeting Minutes

Teleconference
Thursday 8 May 2003

Meeting Start: 11:15 am (UTC+10)

Minutes

Present:

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

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

Apologies:

Yong Wan Ju

Agenda:

1. Agenda Bashing
2. Minutes from last meeting (16 April 2003)
3. Financial report for April 2003
4. ICANN status
5. NIR contract
6. AOB

1. Agenda Bashing

The following topics are also to be discussed:

- None.

2. Minutes from last meeting (14 March 2003)

- The minutes from the meeting on 16 April 2003 were discussed. Subject to amendments discussed, the EC approved the minutes.
- **Action ec-03-052:** Secretariat to amend and publish minutes from 16 April 2003.
- **Action ec-03-53:** PW & GH to report back on ICANN discussions held at RIPE meeting in Barcelona.

3. Financial report for March 2003

- It was noted that this report is similar to the previous report. It is too early in the year to be fully confident of the actual position for this year. It was noted that revenue is still approximately three percent below budget. There is still a high figure for unrealised losses, due to the continuing higher exchange rate.

- Currently APNIC is 3.9 percent below budget on expenses, due to APNIC's conservative approach to expenditure. This is likely to catch up due to the effect of the exchange rate.
- It was clarified that APNIC does use the services of a financial advisor on investments and exchange rates. APNIC is also able to use the services of KPMG for accounting advice.
- It was noted that APNIC has now exceeded 800 members. Membership growth remains good.
- There was a suggestion of modelling the effect of an exchange rate of 68 cents. It was noted that this involves reworking the best and worst case scenarios in the budget.
- **Action ec-03-54:** Secretariat to prepare a new version of the budget reflecting the effect of a higher exchange rate.

4. ICANN Status

- It was explained that there is only one outstanding major issue in relation to ERC, namely the decision about the desired structure and role of the ASO. There have also been discussions about the expression of the open policy forums. It was noted that more work is needed to help ICANN improve its understanding of the role of the RIRs' policy forums.
- It was explained that the delay in finalising the ERC issue is not causing any harm. However, the issue of the September deadline for the DoC ICANN contract remains. Therefore it is necessary to stimulate more activity on the GAR Boards list.
- It was noted that there will be some GAR Boards discussions at the upcoming RIPE meeting.
- It was suggested that it is time to close off the ERC questions and to concentrate on contractual negotiations.
- It is expected that RIR representatives will discuss the role of the ASO during the RIPE meeting in Barcelona.
- In this region, where there are several entities that are active in the ITU, it is especially important to consider the ongoing role of the US government in global Internet governance. Therefore, it would be useful to understand from the NIRs, the opinions of the relevant ministries in relation to the ICANN developments. Dialogue with and feedback from the NIR governments would be appreciated.
- APNIC has received legal advice in relation to direct delegation of responsibility from DoC. The advice is that such a situation would not raise anti-competition problems.
- The APNIC membership with ITU-T and ITU-D are now active. The position of other RIRs on such issues is not yet clearly established.
- It was noted that JPNIC has a very good relationship with the Japanese government and that there has been some exchange of information in relation to GAC matters. However, there is a need for more detailed discussions on ICANN issues.
- It was noted that the informal discussions with the ITU-T Council demonstrated that the ITU needs to better understand the role of the RIRs in the structure of the industry and the nature of the technology. However, it was noted that APNIC's sector membership may help to raise the understanding that self regulation is the best model. It will also be necessary to show the ITU that the RIR model is working and is the only appropriate model for address management.

5. NIR contract

- APNIC has received legal advice in relation to an NIR membership agreement. APNIC has used that advice to produce a draft, which has been circulated to the EC members.

However, many of the comments contained in the legal advice, are based on a more commercial paradigm and are not appropriate to the APNIC situation. These sorts of concerns had arisen before in relation to the standard membership agreement.

- The major issues were summarised.
- The draft increases the contract term from one to three years, to account for the increased infrastructure investments. It was noted that the renewal of contracts is a formality, being based on the payment of membership fees.
- The draft contains an expanded termination clause, to include specific NIR terms such as withdrawal of government endorsement; substantial breach of agreement; change to nature, constitution, or circumstances of the NIR.
- There was a review of the draft changes in relation to the obligations of the NIR and of APNIC.
- There were also changes suggested in relation to the requesting of documentation in relation to compliance with APNIC policies.
- It was proposed to circulate the document to the existing NIRs and to VNNIC. It was agreed that it would be useful to seek feedback from the NIRs.
- It was also noted that there is another issue not covered in the draft in relation to the escrow of NIR customer records. It was suggested that this could be included in the operational policies, as it could be considered heavy-handed to include it in the contract.
- It was noted that the existing NIRs have all signed the normal membership agreement, which serves the purpose adequately for now. Therefore, it would be best to ask all NIRs to sign this agreement. However, before doing this, it will be necessary to first seek the feedback of the NIRs on the current draft.
- It was decided to circulate the draft to the NIRs as a courtesy and seek their feedback before circulating it to the NIR SIG.
- **Action ec-03-55:** Secretariat to circulate draft of NIR agreement to the NIRs.

6. AOB

- It was noted that an announcement has been made in relation to the establishment of another root server in Korea.
- It was also noted that the Hong Kong root server is working very well. The EC extended their thanks to the APNIC technical staff involved in this project.

7. Next Meeting

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Meeting closed: 12:40 pm

Open action items

- **Action ec-03-049:** Secretariat to amend the minutes from 25 February 2003 and publish on the web site.
- **Action ec-03-052:** Secretariat to amend and publish minutes from 16 April 2003.
- **Action ec-03-53:** PW & GH to report back on ICANN discussions held at RIPE meeting in Barcelona.
- **Action ec-03-54:** Secretariat to prepare a new version of the budget reflecting the effect of a higher exchange rate.
- **Action ec-03-55:** Secretariat to circulate draft of NIR agreement to the NIRs.