

APNIC EC Meeting Minutes

Teleconference

Thursday 16 January 2004

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

Minutes

Present:

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

Paul Wilson
Irene Chan
Connie Chan
Gerard Ross (minutes)

Apologies:

Yong Wan Ju
Qian Hualin

Agenda:

1. Agenda bashing
2. Minutes from last meeting (18 November 2003)
3. Financial report for November 2003
4. Draft budget for 2004
5. ICANN status
6. AOB
7. Next meeting

1. Agenda bashing

The following topics are also to be discussed:

- Meeting proposals for APNIC 18
- Online voting for APNIC 17

2. Minutes from last meeting (18 November 2003)

- The minutes from the meeting on 24 December 2003 were discussed and approved subject to an amendment clarifying the two month discussion period for policy proposals.
 - **Action ec-04-001:** Secretariat to publish minutes from 24 December 2003.
 - **Action ec-04-002:** YWJ to report on the nature and intention of the recent legislation passed by the Korean government (this item follows from action ec-03-075).

3. Financial report for November 2003

- The draft financial report for December 2003 has been circulated. The audit is currently underway and may require some adjustments. This report shows the actual figures for 2003, showing a surplus of approximately \$43,000. However, the audit has noted some

issues relating to the tax position which may result in a loss of approximately \$20,000. The final annual report will be prepared and ready for the February EC meeting.

- There was a discussion of foreign exchange gains and losses, and the reporting of these figures.
- It was explained that APNIC took out term deposits in US dollars, but they were being recorded in AU dollars. It was explained that APNIC's books must be kept in AU dollars for taxation compliance reasons, but the reporting to the membership and the EC is done in US dollars.
- It was noted that the total assets of APNIC have increased by some 20%, as reported in USD. This has happened due to the transfer of funds from US to AU dollar accounts and the subsequent rise in the AU dollar rate.

4. Draft budget for 2004

- It was noted that a draft budget is under preparation, but not yet complete. A draft budget will be circulated prior to the February EC meeting.
- APNIC is currently in a status of stable year-to-year operations. This is the assumption on which the current capital reserve has been set, and on which the coming budget will be based.
- There are no major new activities planned for 2004. The root server activity will continue, but likely at a lower budgetary level than in 2003, and depending on external hardware support. It was explained that the 2004 budget is likely to be similar to the 2003 budget.
- It was suggested that the total revenue could be expected to rise by approximately 10 percent over 2003, judging by past performance. However, exchange rate impacts suggest that the expenses are likely to be about 20 percent higher than in 2003. The 2003 budget will be based on a higher average exchange rate. APNIC will need to monitor expenses carefully throughout 2004 and be prepared to adjust the budget accordingly.
- It was noted that all predictions seem healthy in terms of ongoing growth. A ten percent increase appears to be a realistic optimistic projection.
- It was noted that all salaries are currently paid in Australian dollars.
- The US to AU dollar exchange rate is expected to increase slightly in the next half year but then return to the low 70s, which would represent a 10 percent increase in expenses.
- It was explained that the weakening US dollar has been beneficial to members, as it means effectively lower fees.
- Before APNIC 17, the Secretariat will have another meeting with the financial adviser. All EC members are welcome to join that meeting by teleconference call.

5. ICANN status

- It was noted that the Secretariat has advised ICANN that APNIC will not make any further payments to ICANN until the contractual position is finalised. There has been no reply from ICANN.
- There were meetings with Paul Twomey and RIR CEOs in Geneva. The RIRs encouraged him, when preparing a formal response to the NRO document, to raise questions of clarification about the NRO proposal in the context of the current ASO structure. To date there has been no formal response to the NRO proposal.
- To date there does not appear to have been any discussion about the details of the proposed WSIS Working Group.
- It was noted that there does appear to be some public confusion about the entire ICANN situation. It may be worthwhile to make a clear public statement setting out the factual observations of this process. This could be treated as an NRO matter.

- It was noted that in Japan there are plans to hold study sessions between the government, JPNIC, and the industry, to better understand the WSIS and ICANN situations and to consider actions that could be taken in Japan.

6. AOB

Meeting proposals for APNIC 18

- Proposals have been received to host the meeting in Nepal and in Fiji.
 - The proposals were discussed, considering costs of facilities and accommodation, Secretariat expenses, security matters.
 - It was noted that security concerns would continue to be considered in the context of the meeting proposals.
 - The comparative costs of holding the meeting in Brisbane were also discussed, and it was reported that a saving of around \$50,000 was likely.
 - It was noted that support of meetings in smaller countries would be valuable in the context of the WSIS activities, to promote awareness of APNIC and associated issues.
 - It was noted that holding meetings in developing countries would likely mean more support for fellowships.
- **Action ec-04-003:** Secretariat to investigate costs of holding an APNIC meeting in Brisbane.

Online voting for APNIC 17

- It was explained that there are no voting issues scheduled for APNIC 17 except for the EC election.
- While it would be necessary to ensure that there were no problems with the system before holding such an important vote, it was stressed that the system has been well tested and is very easy to use.
- It was explained that the voting system is operated within MyAPNIC. The membership take-up rate of MyAPNIC has been good, with some 400 members now registered.
- It was suggested that there should be a well-publicised period where online voting would be possible. This should be held before the Member Meeting so that paper ballots could still be prepared and distributed, ensuring that all members would be given the chance to vote.
- It was explained that the electronic system would produce a confidential report which would be added to the tally of paper votes submitted.
- The announcement of results would be made in the normal way during the members meeting, after counting of paper ballots.
- There was a discussion of potential concerns about the security and privacy of the voting system. These issues have been presented and discussed at a previous APNIC meeting. The system allows members to see whether or not they have cast a vote, but the system does not record the specific voting preference of users.
- It was suggested that an emergency procedure should be put in place to hold a conventional election in case there are any difficulties with the system.
- The system and proposal was discussed at the last APRICOT meeting and that it was originally decided to conduct a trial on a non-EC-election issue. However, there are currently no other issues available for voting.
- There was a discussion as to how outside parties would audit the vote. It was suggested that the system should generate a detailed log file, which could be delivered to the election scrutineers, which would allow them to reconcile the votes cast and received, to answer enquiries etc.

- It was again suggested that it would be preferable to hold a trial vote of a non-critical issue.

[Kuo Wei Wu left the meeting at this point]

- It was noted that there will be a demonstration of MyAPNIC running during the meeting and that it would be possible to prepare other materials explaining the voting system.
- It was noted that although there are no real issues to be voted on, it would be possible to run an online election on a dummy issue.
- It was noted that ARIN is now successfully using online voting.
- The Secretariat will prepare a new advice to the EC members, clarifying the additional concerns raised in this discussion before a decision will be made. It will be necessary to ensure that the electronic voting documentation is clear enough to give the membership confidence that the voting system is ready for use.
- **Action ec-04-004:** Secretariat to prepare a new advice to the EC members, clarifying all concerns expressed about online voting, so that membership will have confidence that the voting system is ready for use.

7. Next meeting

- Next meeting 13 February 2004, 11:00 am (UTC+10).

Meeting closed: 12:45 pm

Open action items

- **Action ec-04-001:** Secretariat to publish minutes from 24 December 2003.
- **Action ec-04-002:** YWJ to report on the nature and intention of the recent legislation passed by the Korean government (this item follows from action ec-03-075).
- **Action ec-04-003:** Secretariat to investigate costs of holding an APNIC meeting in Brisbane.
- **Action ec-04-004:** Secretariat to prepare a new advice to the EC members, clarifying all concerns expressed about online voting, so that membership will have confidence that the voting system is ready for use.