

# APNIC EC Meeting Minutes

Teleconference

Monday 19 December 2005

*Meeting Start: 11:00 am (UTC+10)*

## Minutes

### Present:

Akinori Maemura (Chair)  
Che-Hoo Cheng  
Billy Cheon  
Qian Hualin  
Vinh Ngo  
Kuo-Wei Wu  
Ma Yan

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

### Agenda:

1. Agenda bashing
2. Minutes from last meeting (25 November 2005)
3. Financial report for November 2005
4. ICANN/NRO status
5. WSIS update
6. AOB

#### 1. Agenda bashing

The following topics are also to be discussed:

- Brisbane office development opportunity
- Message from KRNIC/NIDA
- Proposal for salary review of Director General.

#### 2. Minutes from last meeting (25 November 2005)

- The minutes from the meeting on 25 November were discussed and approved.
- **Action ec-05-028:** Secretariat to publish minutes from 25 November 2005.

#### 3. Financial report for November 2005

- The financial report for the month ending November has been circulated.
- It is projected that the expenses will be 4.2 percent above budget for the year. Revenue is approximately one percent above budget, excluding unrealised foreign exchange rate gain (or approximately seven percent above budget when those gains are included).
- It is expected there will be a year-end surplus of approximately \$200,000.

- There was a discussion of the APNIC balance sheet and how the \$2,000,000 gain in APNIC's total financial position is explained. It was noted that there is a considerable amount of "unearned revenue" as invoiced amounts are spread out over 12 months from the date of invoice. This has increased by over \$1,000,000 in 2006, due to membership increases in recent months. In addition, the higher USD exchange rate has increased the AUD value of USD reserves.
- There was a net gain of 20 members in the last month.
- It was noted that the income from IP application fees is considerably higher than was budgeted. It was noted that this is due to a higher than expected membership growth (68 new members above the budget expectation).
- The majority of the new members are coming from Australia and India.
- The EC approved this report.

#### 4. ICANN/NRO status

- There is not much progress to update this month.
- The incorporation documentation appears to be completed now. There was a question about whether the EC is required to pass any new resolutions regarding the final incorporation documents. It was explained that there are no significant changes in the substance of the incorporation documents. APNIC's lawyers have been careful to consider APNIC's position in reviewing the documents.
- **Action ec-05-029:** Secretariat to circulate latest versions of the NRO incorporation documents to the EC.

#### 5. WSIS update

- There is no significant new information to report regarding the formation of the IGF, nor of its precise agenda.
- An ITU-T representative presented Houlin Zhou's IP addressing paper at the AfriNIC meeting.
- It seems likely that the IGF Secretariat will be based in Geneva.
- There was a discussion of APNIC's membership in the ITU, and the need for APNIC to make a public request for explanation of recent ITU-T positions and statements.
- There was a general note of discussions held recently in Japan on the Tunis Agenda.
- It was noted that APNIC should draft a statement about the ITU-T's lack of consultation with qualified sector members before commencing a campaign with implications for the addressing community. It has been suggested that the ITU-T is not supporting the interests of many of its sector members.

#### 6. AOB

##### **Brisbane office development opportunity**

- The EC was reminded that APNIC's lease will be up for renewal in two years and that the rent is expected to rise significantly. The EC has previously given qualified support for the Secretariat to investigate purchasing its own office real estate.
- The commercial real estate market in Brisbane is currently very constrained and sites are hard to come by. This is consistent with advice that rental rates will continue to rise for some time.
- The Secretariat has prepared a proposal for a potentially suitable site close to the current office.

Development of the site is subject to rezoning; however, it is expected that the nature of APNIC would be considered favourably in any rezoning application.

- The site is suitable for APNIC's current requirements and future expansion. On initial estimates, the effective and actual rental returns would be over 6%.
- It also includes potential for 1 or 2 residential units, which may be useful for APNIC purposes, and also beneficial in any proposal for rezoning of the site.
- To proceed, APNIC would need to lodge an interim application for development and expend several thousand of dollars in surveys and assessments.
- It was noted that there may be room for negotiation on the purchase price of the land. The development costs are based on \$3,000 per square metre. The other cost estimates were noted and it was explained that more accurate estimates can not be obtained without engaging a consultant to review the plan in detail.
- It was noted that the site has 'shopfront' space which could be sublet.
- It is expected that the whole development process would be likely to take two years.
- It was suggested by an EC member that property investment in Brisbane is very sound.
- It was noted that the absolute cost required appears to be very high and that more investigation is necessary.
- The EC expressed the sentiment that such a project should not be ruled out at this stage, and should be investigated further.
- There was also a request for an analysis of what APNIC's cash position would be if it proceeded with a property investment.

#### **Message from KRNIC/NIDA**

- A message has been received from a staff member of KRNIC/NIDA suggesting that the Secretariat's service is lacking and suggesting a bias in association with the recent discussions regarding NIR fees.
- It was noted that this is a very serious question. Investigations so far have not revealed any information which would give substance to the allegations, however, there has been a request for more specific details of the allegations.
- It was noted that during the recent controversial discussions on the mailing lists, APNIC staff had been approached to make comment. As a result, the staff were advised by the Director General not to enter into any discussions on this matter with any party.
- It was also noted that recent KRNIC/NIDA requests appear to have been dealt with by hostmasters in accordance with normal service guidelines.
- It was also noted that the APNIC staff did not take any public stand on the NIR per-address fee proposal.
- It was suggested that the complaint was a personal opinion, not representing KRNIC/NIDA. However, it was noted that such a complaint has to be treated as seriously and must be investigated, even if expressed as a personal opinion.
- It was suggested that the Secretariat escalate the matter to KRNIC/NIDA leadership, and also that the Secretariat should seek to resolve the matter directly, without a need for the EC to take any specific action.
- There was a general discussion of how best to proceed with this matter and with whom to discuss the issues.

#### **Process for review of Director General salary**

- There was a discussion about the process to be used for the annual review of the Director General's salary.

## **7. Next meeting**

- TBA

**Meeting closed:** 12:40 pm (UTC+10)

## **Open action items**

- **Action ec-05-028:** Secretariat to publish minutes from 25 November 2005.
- **Action ec-05-029:** Secretariat to circulate latest versions of the NRO incorporation documents to EC.