

# APNIC EC Meeting Minutes

Teleconference

Friday 12th January 2007

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

## Minutes

### Present:

Akinori Maemura (Chair)  
Che-Hoo Cheng  
Kuo-Wei Wu  
Ma Yan  
Paul Wilson  
Irene Chan  
Sanjaya  
Geoff Huston  
Connie Chan  
Gerard Ross (minutes)

### Apologies:

Qian Hualin

### Agenda:

1. Agenda bashing
2. Minutes from last meeting (15 December 2006)
3. Financial report for December 2006
4. Draft budget for 2007
5. APNIC fee structure
6. Member survey update
7. ICANN/NRO/IGF status updates
8. AOB
9. Next meeting

#### 1. Agenda bashing

The following topic was added to the agenda:

- APNIC 24 update
- EC nominations
- New APNIC office

#### 2. Minutes from last meeting (15 December 2006)

- The minutes relating to the IPv6 policy implementation were clarified to note that the initial allocation criteria should be amended.
- The minutes from the meeting on 15 December were approved, subject to the amendment discussed.
- Action ec-07-001: Secretariat to publish minutes from 15 December 2006.

#### 3. Financial report for December 2006

- The financial report for December has been circulated, but is subject to amendment by the auditor.
- There was a discussion of the main areas of budget variance for 2006.
- There was a discussion of the ICANN contract fee. It was noted that APNIC only received confirmation of ICANN's expectations last month. It was not possible to accurately predict the ICANN fee in last year's budget due to the way it is apportioned between the RIRs each year.
- It was noted that the overdue amount varies seasonally. It was noted that as a total proportion, the level of overdue amounts has not changed much over time.
- By the end of 2006, APNIC had 1362 members. There was a high number of closures in December, mostly new members who joined in 2006 but did not pay. - The overall membership growth rate for 2006 was above budget and was the strongest since 2000.
- The exchange rate worked against APNIC in 2006, by approximately one percent. However, gains in membership numbers more than made up for that shortfall. It was noted that predictions are for a higher exchange rate in 2007, which will adversely affect APNIC revenues.
- There was a brief discussion of awarding a Christmas bonus to APNIC staff. It was noted that in 2006, the total salary expense was under budget and it was therefore possible to afford a gesture of appreciation to staff. Payment of this bonus will still leave the total budget in surplus. It was noted that the APNIC staff performs very well in comparison with other RIRs in terms of the ratio of staffing to allocation levels. The EC approved the payment of the bonus.
- The EC approved the financial report.

#### **4. Draft budget for 2007**

- The second version of the draft budget for 2007 has been circulated. It has only a slight variance from the previous version. There has been a revision to the exchange rate used in the pessimistic and moderate scenarios.
- This budget anticipates a loss of approximately US\$1 million.
- It was noted that as a result of an independent review, the overall staff salary level has increased. There is also a large component budgeted for professional fees, mostly in relation to the certification project.
- It was also noted that there will be an increase in travel expenses, due to expansion in the travel schedule, and increased travel support to the EC.
- As usual, the budget is presented in optimistic, moderate, and pessimistic scenarios.
- This budget anticipates consuming some of APNIC's capital reserve. It was noted that RIPE NCC went through a similar process several years ago and managed to adjust its fee structure to recover the capital reserve within one year.
- It was clarified that the budget is presented in US dollars. The financial report circulated previously was in Australian dollars.
- There was a discussion about the size of the budgeted shortfall. There were concerns expressed about this issue.
- The Secretariat will compile a further explanation of the salary levels and the project expenditure that support this budget.
- The EC were invited to request any specific information they will need to help make their decisions on this budget.
- It was noted that the EC will not be asked to decide on the budget in this meeting.
- Action ec-07-002: Secretariat to provide EC with more detailed information on budget expenses.

## 5. APNIC fee structure

- The most recent draft of the new fee schedule proposal has been circulated.
- The latest proposal does not produce an overall increase in revenues. Therefore, it will be necessary to consider the budget and the proposed fee schedule together in some detail.
- In the past, the EC has been prepared to approve budgets on the basis of an activity plan presented to the EC. However, there have been questions raised about the budget process. There was a request for the Treasurer to provide some public responses to these questions to clarify the budget process.
- There has been a set of voting questions proposed. It will be necessary to agree on a final set of questions quite urgently to allow time for these to be put to the vote.
- It was noted that the NIRs have been discussing the proposal. They favour a lump sum model and aim to release another proposal shortly.
- It was noted that to prepare online voting, there will need to be a decision on the list of voting questions within a week.
- The comparative RIR activity status that has been circulated was discussed. It has been derived from 2005 data and compares the relative budgets with activity levels. The report shows that APNIC is operating at higher efficiency and at much lower cost than the other large RIRs.
- APNIC activities are increasing at a steady rate. IPv4 allocations are continuing to grow and the number of transactions are growing at an even higher rate. The IPv4 transactions have increased four-fold since 2000.
- Membership growth has increased in recent years, whereas staff growth has reduced. APNIC has achieved an increasing level of efficiency in terms of staffing to membership.
- It was noted that all of the comparisons noted above are based on publicly available data and can be presented at APNIC 23.
- It was noted that some people may require more information about the scale of the services apart from IPv4 allocations. There was a request to factor comparative RIR membership levels into the reports.
- It was clarified that the idea of the online voting is to provide more inputs for discussion at the next meeting.
- The online voting would be open until mid February, at which point the results will be compiled and reported at APNIC 24.
- There was a discussion of the progress of the Fee Working Group mailing list.
- Action ec-07-003: EC members to provide final inputs on fee structure voting questions within one week from this meeting.

## 6. Member survey update

- The survey is now closed. There were about 320 responses received, which was much higher than anticipated.
- John Earls is working now to collate the responses. He will not be able to attend APNIC 23, but he will provide a report to be presented at that meeting.

## 7. ICANN/NRO/IGF status updates

- There is little progress to report on these issues.
- Paul Twomey visited the APNIC office in December and had interesting discussions with various APNIC staff.
- The contract negotiations have been on hold since Rio, but there is a meeting planned in Amsterdam in February to progress the contract further.

- APNIC has now accepted the Secretariat duties for the NRO and ASO for 2007.
- Ray Plzak is the NRO Chair for 2007; Adiel Akplogan is the Treasurer and Paul Wilson is the Secretary.

## 8. AOB

### APNIC 24 update

- In late 2006, ISPAI made an alternative proposal to host APNIC 24 in Hyderabad rather than New Delhi. On the basis of the comparative budgets and proposals received, there does not seem to be a strong case for relocating the meeting. SANOG also prefer New Delhi as a venue. The APNIC Secretariat will advise ISPAI that the meeting should remain in New Delhi.
- It appears possible to make considerable savings by revising several proposed budget items. It was noted that the originally proposed venue, the Intercontinental, is the most appropriate venue in new Delhi.
- ISPAI have accepted all other terms and conditions required by APNIC.
- There are links to some logistical information included on the EC Wiki.

### EC nominations

- There was an explanation of the EC nomination procedures. There are currently four confirmed nominations.

### New APNIC office

- There is no specific progress to report. However, the architects have begun to provide more comprehensive information about the site discussed at the previous meeting.
- There are two other possible sites being examined. One is a major new inner city development, with good facilities, but the timing may not be suitable.

## 9. Next meeting

- 16 February 2007.

*Meeting closed: 12:55 pm (UTC+10)*

## Open action items

- **Action ec-07-001:** Secretariat to publish minutes from 15 December 2006.
- **Action ec-07-002:** Secretariat to provide EC with more detailed information on salary, travel expenses, and professional fees to justify the budgeted amounts.
- **Action ec-07-003:** EC members to provide final inputs on fee structure voting questions within one week from this meeting.