



NIR's situation on APNIC fee review

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Outline

- The amount of NIRs' IP addresses and current fees
- NIRs' opinions and comments

NIRs' IP addresses

| NIRs | No.of LIRs | Address holdings |
|---------------------------|------------|------------------|
| | | Total |
| CNNIC | 173 | 285 */16s |
| IDNIC | 150 | </13 |
| KRNIC | 96 | /7+/8 |
| TWNIC | 64 | </8 |
| VNNIC | 18 | /12+/15 |
| JPNIC | 380 | /6+/7 |
| Total for all NIRs | | </5+/7+/8+/13 |

NIRs' fees

| | APNIC's proposal (NIR Annual fee + 50% for members of NIR) | Growth rate | Fees paid to APNIC in 2005 (NIR annual fee + per address fees) |
|--------------|--|----------------|---|
| JP | US\$584,000 | 340.92% | US\$171,300 |
| KR | US\$330,480 | 150.22% | US\$220,000 |
| CN | US\$439,200 | 250.26% | US\$175,494 |
| VN | US\$48,420 | 166.17% | US\$29,138 |
| ID | US\$144,000 | 691.38% | US\$20,828 |
| TW | US\$183,240 | 251.29% | US\$72,920 |
| Total | US\$1,729,340 | 250.74% | US\$689,680 |

NIRs' opinions and comments

- Comments for this Proposal :
 - In the idea of APNIC fee structure proposal, APNIC hope to gain more 10%-15% financially, but APNIC requires NIRs to increase 1.5 to 6.9 times in the expense paid to APNIC. The revenue from all APNIC members just increase 2%.

E.g.

| | |
|-------|------|
| CNNIC | 250% |
| APJII | 691% |
| KRNIC | 150% |
| TWNIC | 251% |
| VNNIC | 166% |
| JPNIC | 340% |

- NIR's members are not APNIC's members, so that APNIC directly charges to NIR's members is unreasonable.

NIRs' opinions and comments

- Why the historical address shall be counted in the new fee proposal.
 - In the current APNIC fee schedule, the historical address spaces are not counted when determining membership tier.
 - When APNIC charges a nominal fee for their non-members in the historical resource maintenance, if these nonmembers are transferred to NIRs, these historical IP addresses will be counted into NIR Pool when determining the tier in the new fee proposal, we think this mechanism is unreasonable.

NIRs' opinions and comments

Comparison between the current fee structure and APNIC's new fees proposal in the historical IP addresses

| | APNIC Member | APNIC Nonmember |
|---|---|--|
| Current APNIC fee schedule | Historical address space and experimental allocations are not counted when determining membership tier. | US\$ 100 / year |
| APNIC Fees proposal- Draft Version 1.1 | NIRs themselves would continue to maintain membership status and pay fees in accordance with their historical address holdings (i.e. those addresses allocated directly to NIRs prior to the current "direct allocation" system) | Per ASN fee US\$50 Per IPv4 assignment US\$50 Account maintenance US\$ 50 |

NIRs' opinions and comments

- TWNIC
 - We need to know the expense of APNIC to justify the reason why APNIC needs to increase his budget for 10%-15%.
 - APNIC hope to gain more 10%-15% financially, but APNIC's revenue had regularly increased about 9% and 11% in 2004 and 2005, respectively, to compare with 2003 and 2004. The data come from APNIC Annul Report 2004 and 2005.
 - Why NIRs need to take huge growth rate in the expense? We hope that the increased rate can not be higher than 15% for NIR's current fee. Besides, the increased rate shall be balanced for every APNIC members.
 - Even exchange rate between US\$ and AU\$ are variable, if the revaluation of the US dollar is happened in the future, will APNIC consider to reduce the fee.
 - The historical IP addresses shall not be counted.

NIRs' opinions and comments

- CNNIC

- support the modification of APNIC fee structure
- The discount should be more than 50% if NIR's work is taken into consideration
- Due to the modification of APNIC fee, the degree of the financial contribution of NIR towards APNIC should be equal. In other word, after such modification, APNIC is likely to gain 10%-15% financially, whilst increasing rate, which NIR is charged by, should not be more than 15%

NIRs' opinions and comments

- IDNIC

- ❑ The rate of fee raise for all IDNIC members in Paul's model(APNIC21) is too high for justifications. Indonesia is a developing countries, so the fees is too high for us.
- ❑ Agree with JPNIC about : needs more studies of APNIC activities and budget to confirm that the fee raise is justified
- ❑ Charging on the NIR's pool also does not make sense. Charging should only be made to member or NIR.

NIRs' opinions and comments

- VNNIC
 - The NIR Pool Charge was not mentioned clearly in Paul Discussion Paper. No where say that it is 50% discount or full charge.

NIRs' opinions and comments

- KRNIC
 - Basically, KRNIC agrees that APNIC needs more budget for future necessary missions; and within the reasonable limits, KRNIC will accept a new fee schedule after due process. In this context, we suggest a few general steps in order to implement the suggested APNIC's fee schedule. Most of all, APNIC members need to discuss and approve on APNIC's future mission or action plan. Second, according to the agreed mission or action plan of APNIC, APNIC's future budget plan should be discussed and approved by APNIC members. Third, according to the agreed budget plan, we need to discuss and choose the most suitable fee schedule of APNIC members.
 - As you know, Korea has a different legal framework for internet address resources management. According to 'the Act on the Internet Address Resources', every Korean ISPs is the members of KRNIC; and only through KRNIC, Korean ISPs get IP addresses from APNIC. The Act recognized 'IP addresses' as 'national resources', and make the fee structure centralized. Under the unified fee structure of this Act, ISPs pay to KRNIC, and KRNIC pay to APNIC. Therefore, because of inseparableness of KRNIC and its members, we suggest a fee schedule model with more segmented tiers ("I" < J, K, L, ...), so it covers KRNIC and its members together.

NIRs' opinions and comments

- JPNIC

- Can understand the principles behind APNIC's fee revision, but would also like to see for other possible models at the same time
- Reasonable and justified fee raise is acceptable
- The rate of fee raise for NIRs/large members in Paul's model(APNIC21) is too high for justifications
- Needs more studies of APNIC activities and budget to confirm that the fee raise is justified
- The fee discount before and after the shared pool model should be consistent

Thank You

