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# Discussions paper on the proposed revision of APNIC fee structure

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# Introduction

- This presentation is to summarize a counterproposal of APNIC new fee structure proposed by Paul Wilson, APNIC
  - The original paper was posted to fee-wg ML
  - <http://www.apnic.net/mailling-lists/wg-apnic-fees/archive/2006/09/msg00000.html>
- This counterproposal is intended to point out some issues to be addressed and to facilitate more discussion on this matter

# Introduction (cont.)

- This counterproposal is for the discussion material providing yet another example of the fee model, rather than formal proposal so that I am open and flexible for changes, especially for the fee calculation table

# I support...

- The annual membership fee doubles with each additional 2 bits, starting with a fee of \$360 per annum for members holding a /24.
- NIR per address fees are abolished completely.
- NIR's annual fee can be higher than the current annual membership fee, to bear cost borne in APNIC
- A new fee schedule reduces the existing difference in cost per address between large and small members.

# I need more explanation (from APNIC) of...

- The reason behind the argument that increase in APNIC revenue should be at least 10-15%.
- The number of voting rights for APNIC regular members as well as NIRs.
- The definition of “historical address”.
- The idea that LIRs under NIR’s management will be charged and be awarded voting rights from APNIC which is very complicated system to operate.

# Proposed fee structure

Prefix	Tier	Proposed membership fee	Proposed voting rights	APNIC's proposal
2	L	\$737,280	4,096	\$92,160
4	K	\$368,640	2,048	\$92,160
6	J	\$184,320	1,024	\$92,160
8	I	\$92,160	512	\$92,160
10	H	\$46,080	256	\$46,080
12	G	\$23,040	128	\$23,040
14	F	\$11,520	64	\$11,520
16	E	\$5,760	32	\$5,760
18	D	\$2,880	16	\$2,880
20	C	\$1,440	8	\$1,440
22	B	\$720	4	\$720
24	A	\$360	2	\$360
none	Asc	\$180	1	\$180

# Proposed fee structure (cont.)

- LIRs under NIRs are charged from NIRs (not from APNIC directly)
- NIR's fee is calculated according to its address holdings allocated from APNIC with the exception of “historical addresses”
  - “historical resources” should be charged in accordance with APNIC-116 (Policies for historical Internet resources in the APNIC Whois Database)

# Impact

	Number	IPv4	New	Current	Increase
members	1,266	(18) 6.82	\$4,604,760	\$4,406,250	4.5%
NIRs	6	8.88	\$587,520	\$610,000	-3.69%
Total	1,272	15.70	\$5,192,280	\$5,016,250	3.5%

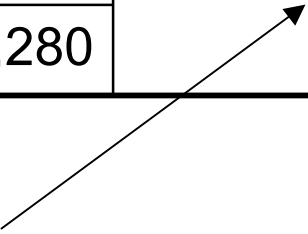
May need some adjustment to NIRs' contribution..



# Impact (cont.)

	FY2004	FY2005	New	Increase
members	\$3,510,392	\$3,733,776	\$4,604,760	18.9%
NIRs	\$635,180	\$636,720	\$587,520	(vs FY2005)
Total	\$4,145,572	\$4,370,496	\$5,192,280	

Still need 15%-20% more?



# Pros & Cons

- Pros
  - Simple tier model, easy to operate
  - Clear definition of voting rights and “historical address”
  - Produces 18.9% revenue increase compared to FY2005
- Cons
  - NIRs contribution ratio decreases so some adjustment may be needed
  - Produces only 3.5% revenue increase calculated based on the current members’ address holdings

# Conclusion

- This counterproposal is not perfect (of course!)
- I still need more intense explanation of APNIC Secretariat's proposal
- NIRs are ready to bear relevant costs
- We must seek agreeable point
- More communication needed

Thanks!

