

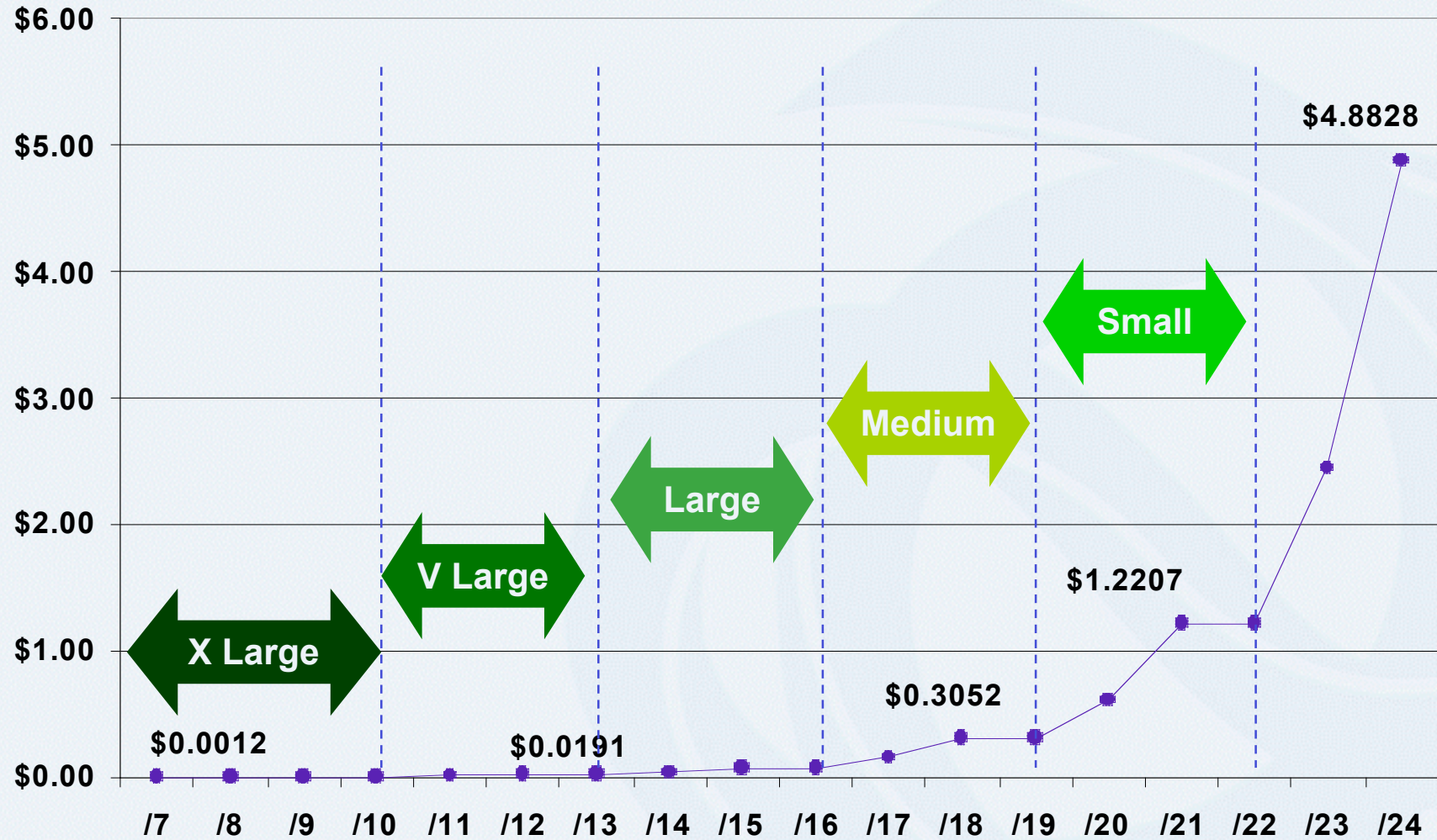
APNIC Membership Fees

APNIC 23
February 2007

Fairness 1

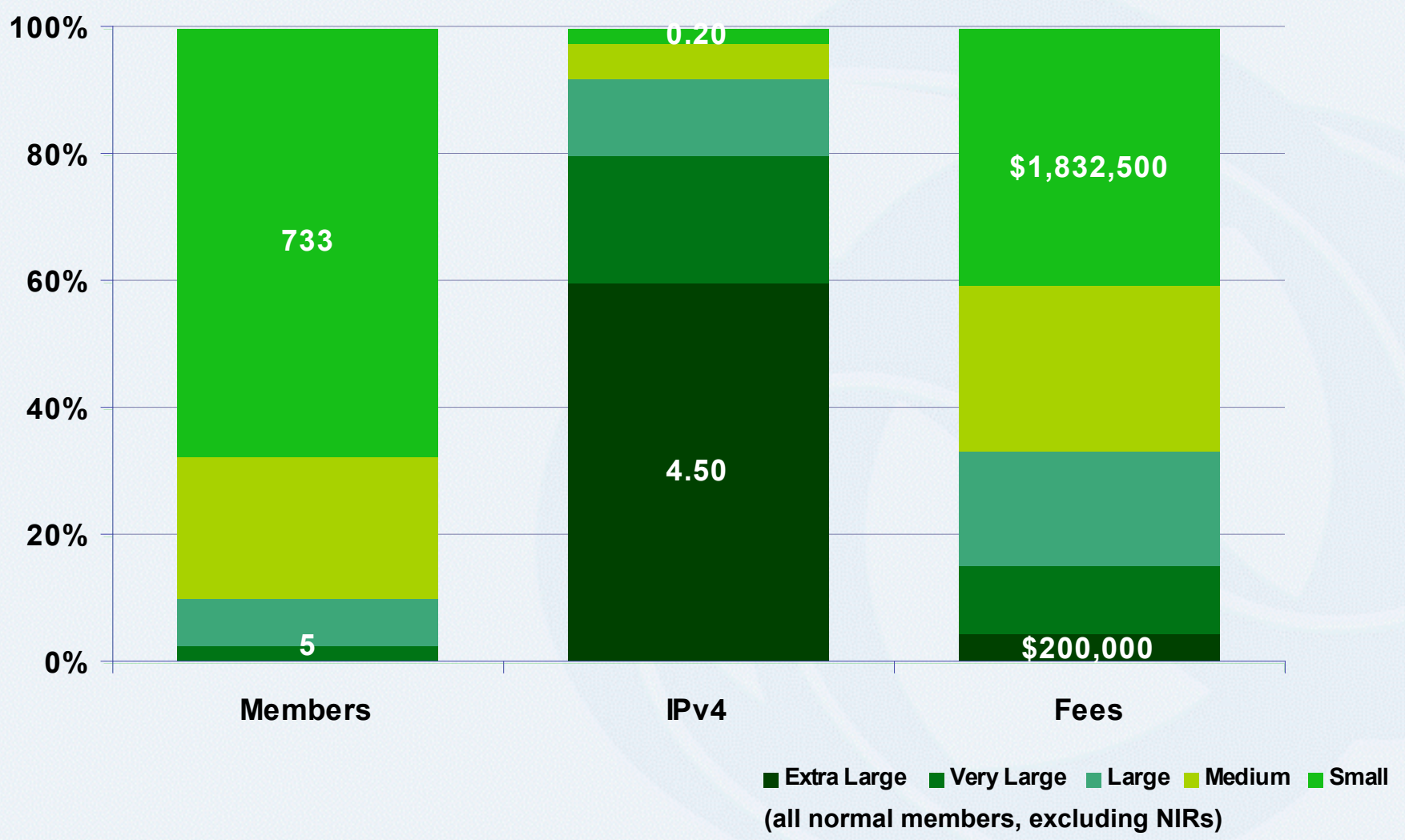
- Fairness for normal APNIC members in all categories
 - Effective annual cost per address
 - Distribution of funding burden
 - Barrier to entry for smallest members

Annual cost per IP address





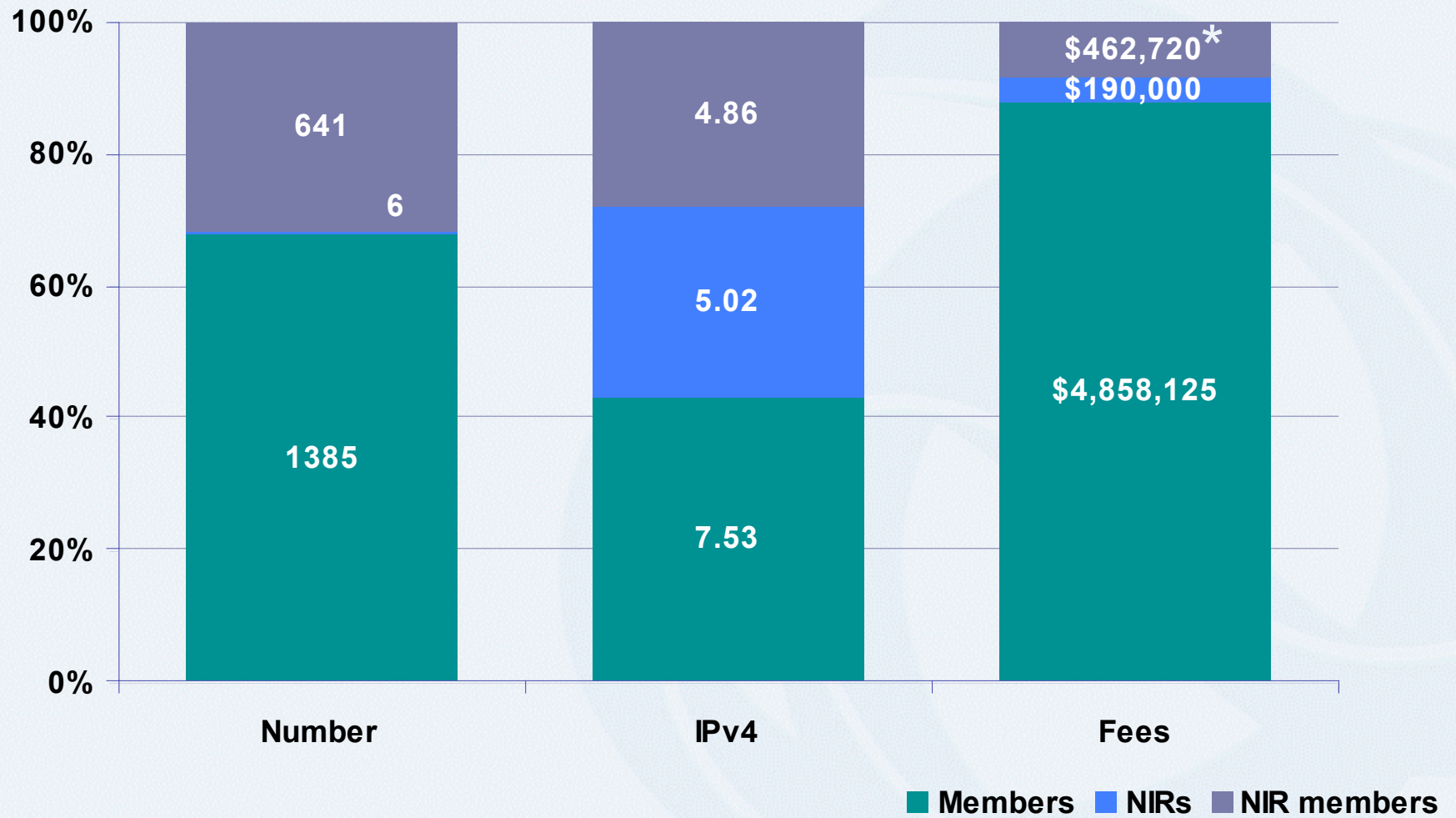
Member categories



Fairness 2

- APNIC members vs NIRs & NIR members
 - Distribution of funding burden
 - Per address fee problems
 - Consistency of fee structure
 - Predictability/stability of income

NIRs and NIR members



* Budget for 2007

Per address fees

Membership Tier	# NIRs	Per addr fee
Extra Large	4	0.02
Very Large	2	0.03
etc		...

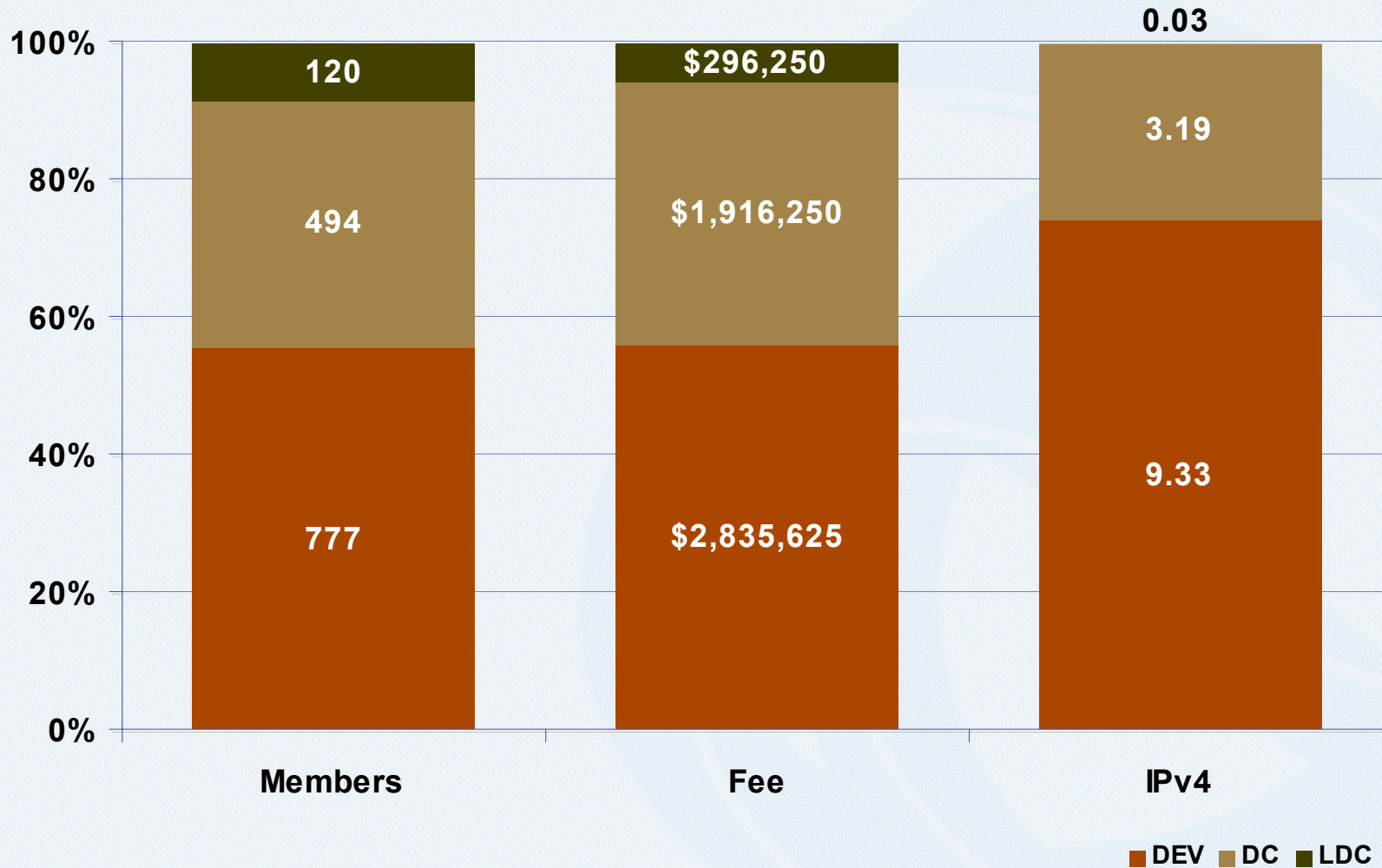
- Fee paid once only, for each NIR allocation
 - Regardless of allocation size
 - No ongoing annual fee per allocation
 - Large amounts, unpredictable for APNIC and NIRs
- Allocation contributes to NIR tier assessment and voting rights



Fairness 3

- Members in least developed economies
- Non-members
- Historical address holders
- APNIC sustainability
 - To fund needed services to the region
 - To better tolerate currency fluctuations

Developing economies





APNIC budget sustainability



Principles

Fee structure principles

- DG Proposal v 2.3
 - Posted to wg-apnic-fees in Dec 2006
 - Example structure, not for formal vote
- “Parameterised” structure – settings are separate from the structure itself
- Parameters can be tuned to produce desired outcome
 - Minimum fee level for minimum allocation
 - Number of bits per “tier”
 - NIR member discount
 - Parameters correspond roughly to principles behind the fee structure

Principles

- Annual fee calculation should be based on IP address holdings
 - Reflect size of organisation (or its public network infrastructure) and its capacity to pay
 - Reduce current disparity in per address costs between small and large members
 - Remove artificial tiers
- Proposal
 - IPv4: double for each 2 bits (instead of 3)
 - IPv6: double for each 4 bits (instead of 3)
 - Replace tiers with continuous formula

Principles

- NIR members should have comparable fee structure to normal APNIC members
 - All Asia Pacific ISPs in a similar, comparable position
 - Per address fee is unfair, unsustainable
 - Value and cost of NIR services should be recognised
- Proposal
 - Same fee calculation applies, with discount in recognition of services from NIR (e.g. 50%)
 - No per-address fee

Principles

- Support Internet development in LDCs
 - Using United Nations definitions
 - <http://www.un.org/special-rep/ohrlls/ldc/list.htm>
- Proposal
 - 25% to 50% discount for LDCs
 - af, bd, bt, kh, tl, ki, la, mv, mm, np, ws, sb, tv, vu

Principles

- APNIC sustainability
 - APNIC revenues should be predictable
 - New NIRs should not undermine APNIC's ability to provide needed services
 - While APNIC is growing, surplus is required to maintain capital reserve
- Proposal
 - Tune the fee structure to fund current budget, with small surplus to support future growth
 - Examine fee indexing to major currencies etc

Proposal and Impacts

Proposal v 2.3

- Fee structure parameters

Parameter	Value	Description
Fee start	\$400	Lowest fee level for address holder
Prefix start	/24	Minimum prefix at lowest fee level
Prefix bits	2	Address bits between tiers
NIR discount	50%	Discount for NIR members
LDC discount	50%	Discount for LDC

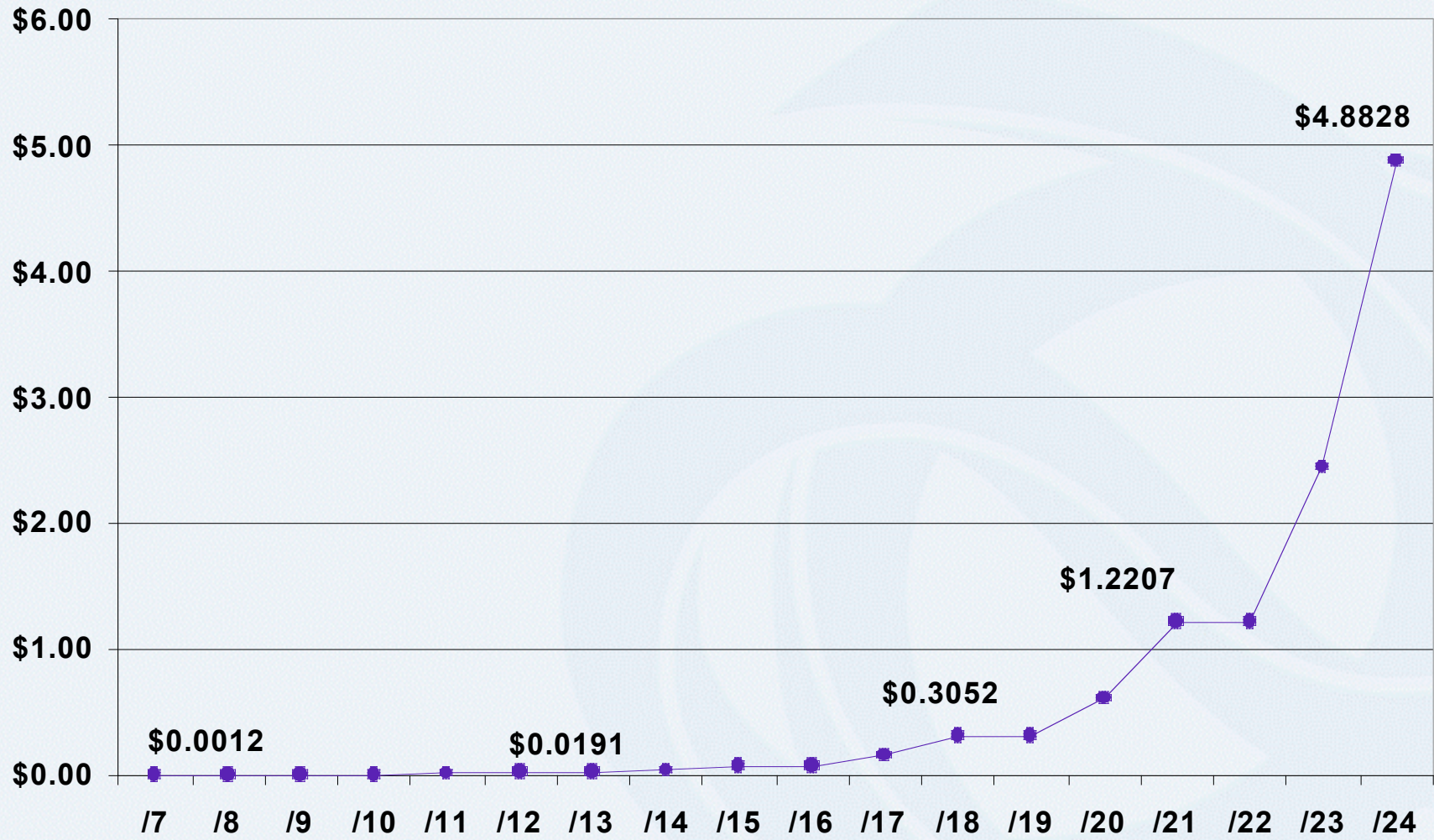
– Note: these are possible values and can be adjusted without changing the structure itself

Proposal v 2.3 – Impact

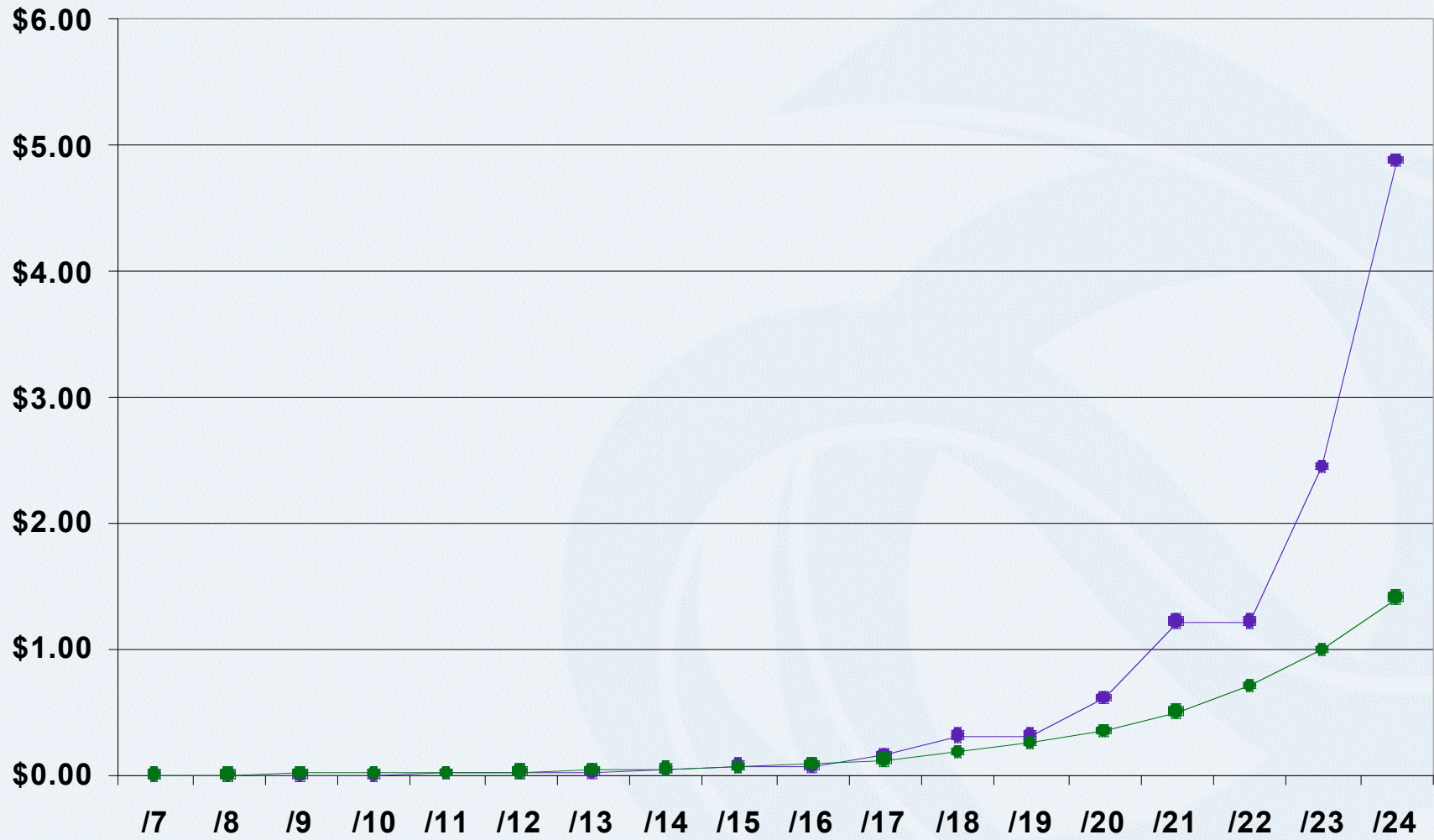
Prefix	Count	Annual fee Current	Total fee Current	Total fee New	Average New
6	1	\$40,000.00	\$40,000.00	\$164,916.46	\$164,916.46
8	1	\$40,000.00	\$40,000.00	\$86,103.19	\$86,103.19
9	3	\$40,000.00	\$120,000.00	\$194,209.39	\$64,736.46
10	1	\$20,000.00	\$20,000.00	\$37,523.33	\$37,523.33
11	8	\$20,000.00	\$160,000.00	\$245,229.54	\$30,653.69
12	15	\$20,000.00	\$300,000.00	\$316,413.60	\$21,094.24
13	15	\$10,000.00	\$150,000.00	\$237,231.94	\$15,815.46
14	31	\$10,000.00	\$310,000.00	\$334,643.29	\$10,794.94
15	37	\$10,000.00	\$370,000.00	\$283,808.58	\$7,670.50
16	71	\$5,000.00	\$355,000.00	\$403,934.65	\$5,689.22
17	62	\$5,000.00	\$310,000.00	\$249,293.76	\$4,020.87
18	105	\$5,000.00	\$525,000.00	\$291,760.83	\$2,778.67
19	231	\$2,500.00	\$577,500.00	\$481,985.67	\$2,086.52
20	249	\$2,500.00	\$622,500.00	\$373,112.84	\$1,498.45
21	253	\$2,500.00	\$632,500.00	\$255,891.14	\$1,011.43
22	69	\$1,250.00	\$86,250.00	\$52,956.92	\$767.49
23	64	\$1,250.00	\$80,000.00	\$35,638.18	\$556.85
24	86	\$1,250.00	\$107,500.00	\$34,400.00	\$400.00
None	83	\$625.00	\$51,875.00	\$16,000.00	\$192.77
	1385		\$4,858,125.00	\$4,095,053.31	



Proposal v 2.3 – Impact

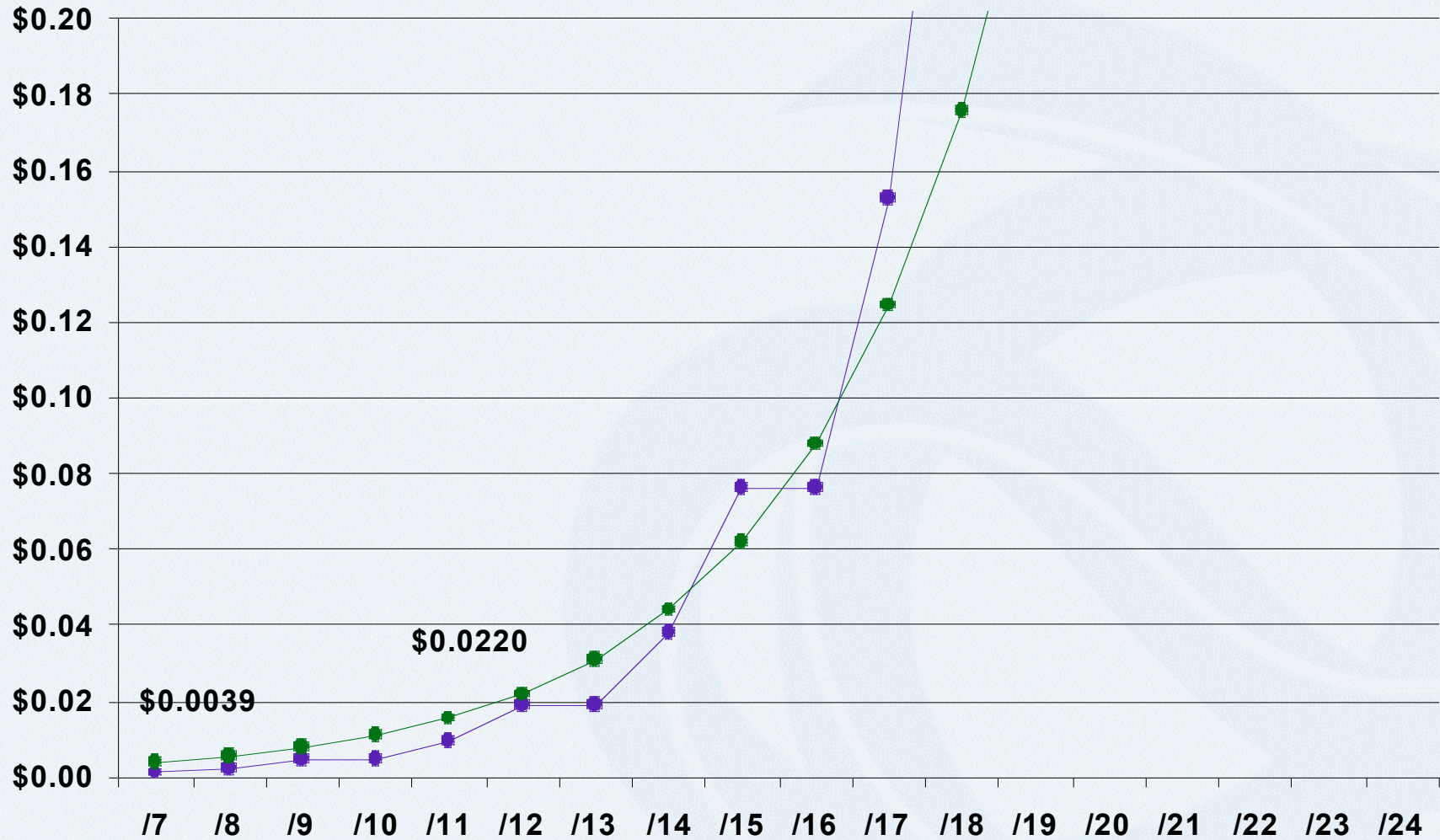


Proposal v 2.3 – Impact





Proposal v 2.3 – Impact



Proposal v 2.3 – Impact

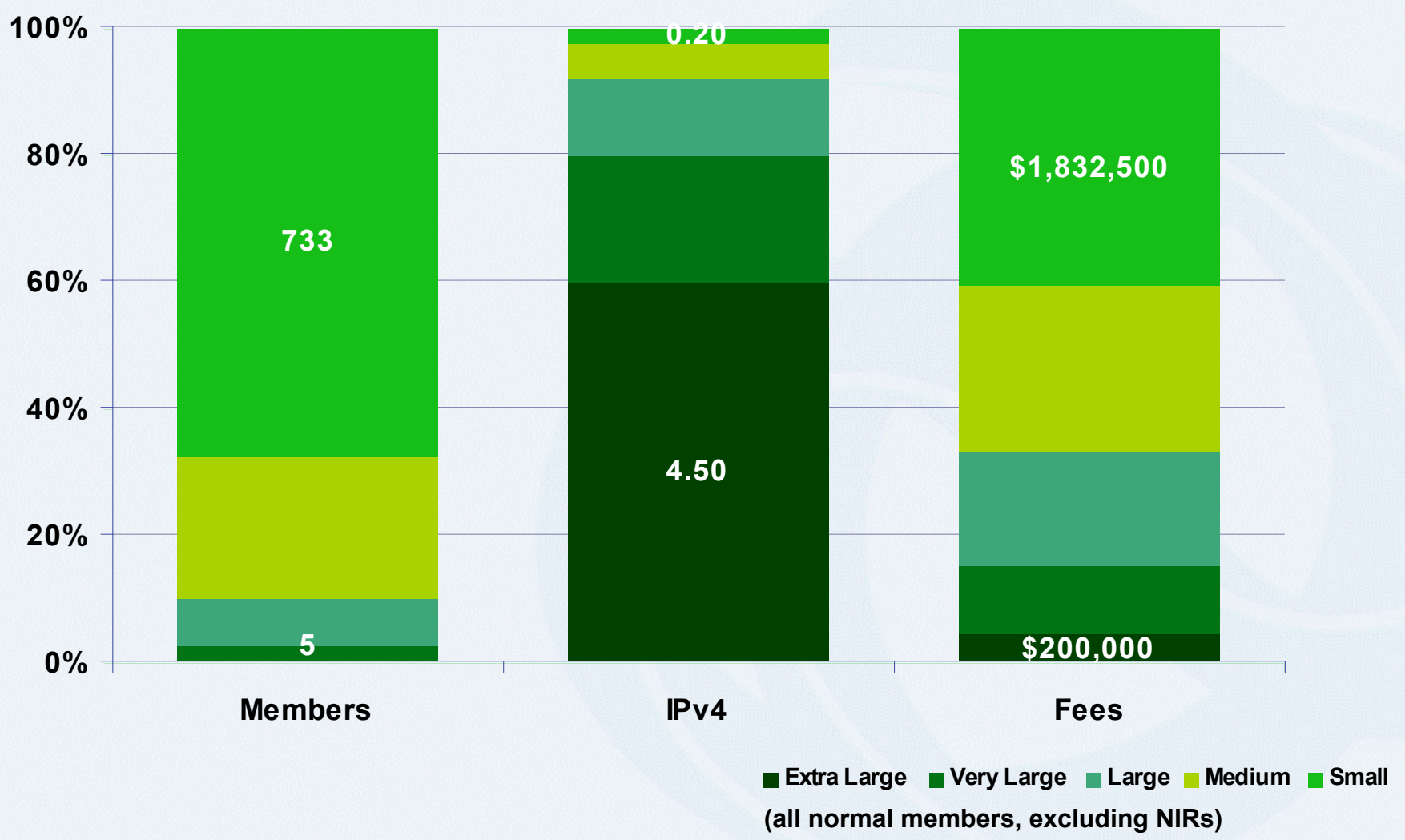
- Overall budget impact

	Number	IPv4	Current Fees	New Fees	Increase
Members	1385	7.53	\$4,858,125	\$4,095,053	-16%
NIRs	6	5.02	\$190,000	\$451,825	138%
NIR members	641	4.86	\$462,720*	\$1,440,491	211%
Total	2032	17.40	\$5,510,845	\$5,987,369	9%

* Budget 2007: per address fees from NIRs

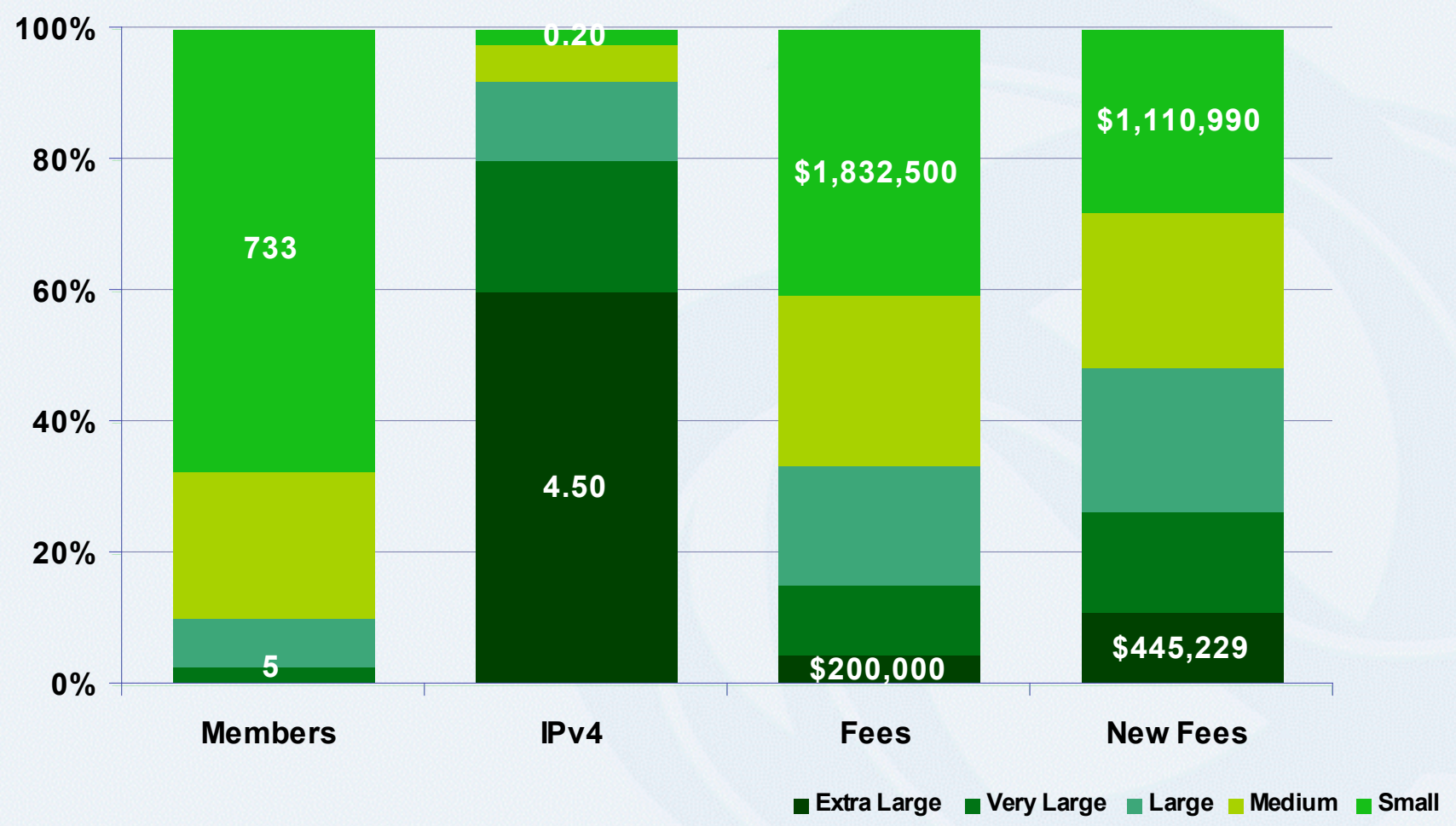


Member categories

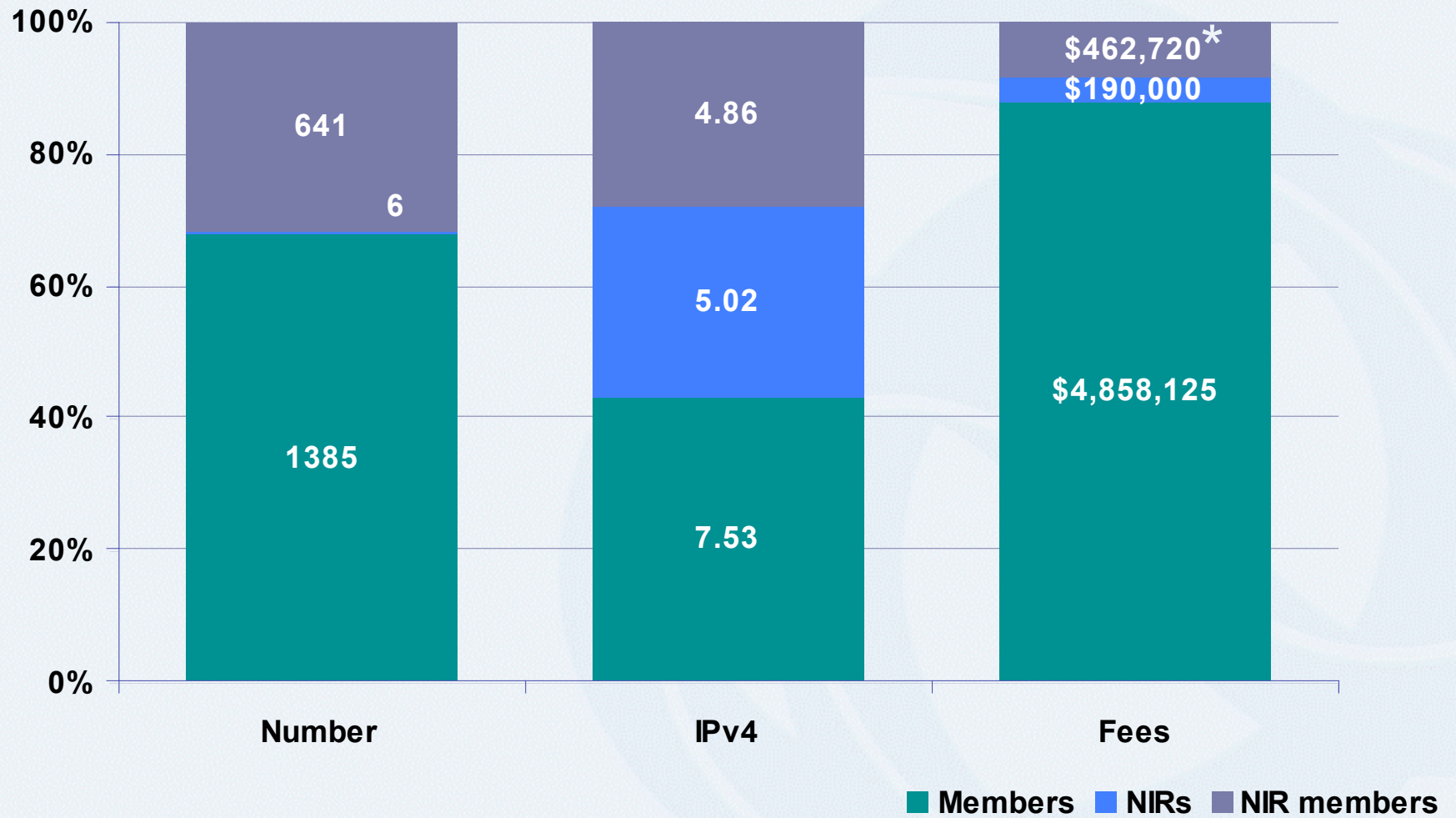




Member categories



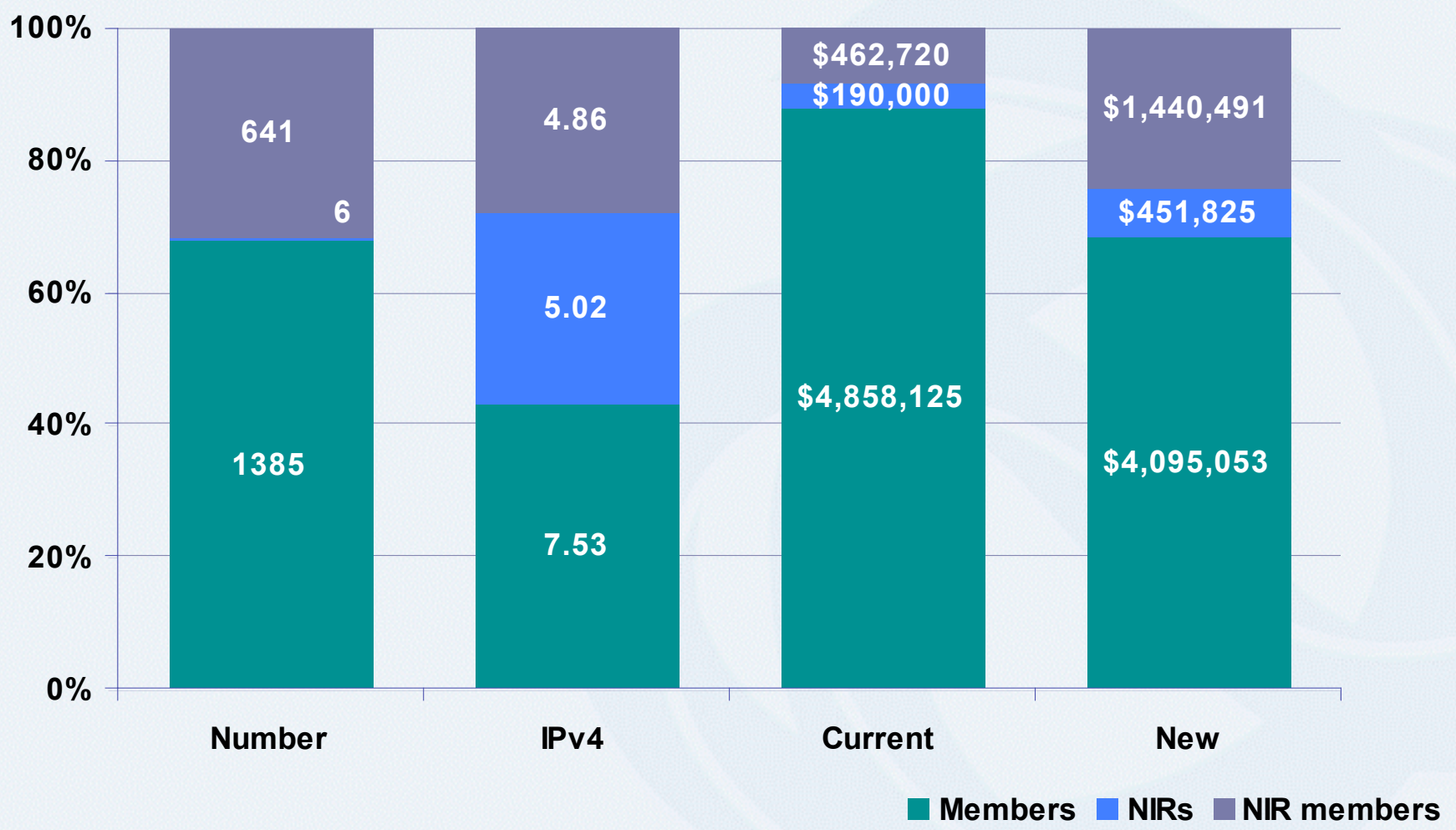
NIRs and NIR members



* Budget for 2007



NIRs and NIR members



Discussion...