

NIR SIG Update

APNIC20

Fri, 9th Sep 2005



Overview

- Attendance
 - Roughly 30 attendees
 - Attendees also from a few non-NIRs this time 😊
- Presentation
 - 1 proposal, 3 informational presentation
- Major Discussions
 - Revision of the fee for NIRs
- Consensus
 - Abolish IPv6 per address fee for NIRs until it is necessary
- Other Note
 - Need more time for updates from each NIRs

Presentations

- Explanation of recent IPv6 fee structure change (I)
- Abolishing IPv6 per address fee for NIRs (P)
- NIR fee status update (I)
- VNNIC Update (I)

Had 4 more presentations planned, but ran out of time...☹ An apology to the speakers

→ Will secure more time at the next meeting

Explanation of recent IPv6 fee structure change (I)

- Paul Wilson from APNIC explained the recent change in the IPv6 per address fee
 - Based on APNIC EC decision in April 2005
 - Totally abolish per address fee for confederations
 - 90% discount for NIRs if a request is based on IPv4 infrastructure
- No questions/comments from the audience

prop-028-v001: Abolishing IPv6 per address fee for NIRs (P)

- A joint proposal by NIRs to completely abolish IPv6 address fee for NIRs as a temporary solution
- Reached consensus
 - The current fee scheme is too complicated
 - A large amount of fee for subsequent allocation requests
 - No substantial financial impact on APNIC
 - The proposal intended as a short term solution
- More details to be explained in later slides

NIR fee status update (I)

- Discussions on the long term fee revision for NIRs based on a presentation by Paul Wilson
- Confirmed APNIC as well as NIRs agree that per address fee based fee structure is not desirable for a stable budget management
- Some comments on creating a new annual membership fee category for NIRs
- Continue discussions on the fundamental review of the fee structure for NIRs

Action Items

Action nir-19-001:

James Shim from KRNIC to make suggestions to APNIC to expand the ERX FAQ to include information relevant to NIR members. No update (APNIC 20).

Action nir-20-001:

Chair to refer proposal [prop-028-v001] to APNIC Member Meeting to seek further consensus.

**prop-028-v001:
Abolishing IPv6 per address fee
for NIRs**



What is per address fee?

- Fee charged for each allocations made to NIRs based on the size of allocation
- The amount of per address fee increases as the size of allocation gets larger
- For an allocation of IPv6 address space, the total per-address fee is calculated for the prefix allocated according to the number of addresses which should be utilised according to the current HD-Ratio requirement.

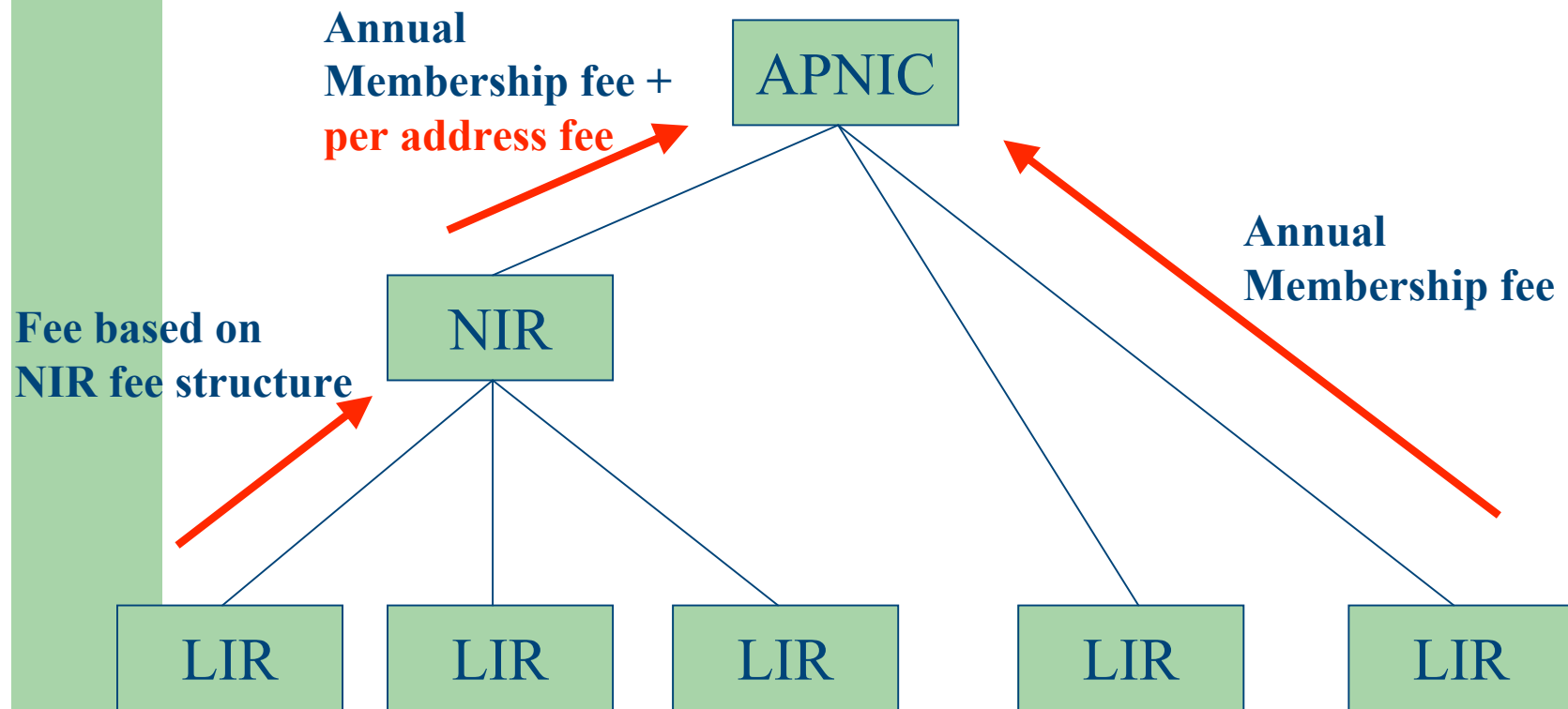
Example of IPv6 per address fee

- /31 IPv6 allocation
 - Utilization for /31 * per address fee
 - 12,417 * US\$0.03 = **US\$372.00**
- /21 IPv6 allocation
 - Utilization for /21 * per address fee
 - 3,178,688 * US\$0.03 = **US\$95,360.00**

Utilization per address size

Allocation size	Total /48s	Utilisation
/32	65536	7132
/31	131072	12417
/30	262144	21619
/29	524288	37641

NIR Fee structure diagram



Discount of per address fee for NIRs

- Approved by EC in April,2005
- A 90% discount will be applied to the per address fees for allocations of IPv6 address space to NIR members with existing IPv4 infrastructure.
- The minimum charge would be equal to the fee charged for the minimum allocation size

Example of IPv6 per address fee based on EC decision

- /31 allocation based on IPv6 infrastructure
 - $12,417 * \text{US}\$0.03 = \text{US}\372.00
- /31 allocation based on IPv4 infrastructure
 - $\text{US}\$372.00 * 0.1 = \text{US}\37.20
 - $\text{US}\$37.20 < \text{US}\$214.00 \rightarrow \text{US}\214.00 will be charged
- /21 allocation based on IPv4 infrastructure
 - $\text{US}\$95,360.00 * 0.1 = \text{US}\$9,536.00$
- /21 allocation based on IPv6 infrastructure
 - $3,178,688 * \text{US}\$0.03 = \text{US}\$95,360.00$

Problem with the current per address fee

- Complicated to calculate the charge
 - Requires a complicated formula
 - Minimum charge must also be considered
- 90% discount applies to some cases, but 100% is charged for the others
 - 100% charge if based on IPv6 infrastructure and subsequent allocations

Can be the source of confusion!

Proposal

Let's make
it simple!

- Abolish per address fee for IPv6 allocation as a temporary solution

Note

- IPv4 per address fee will remain as it is
- Not intended to abolish the IPv6 per address fee for good
 - Started the long term review of NIR fee scheme to cover the necessary expenses for APNIC

Financial Impact on APNIC

Year	2001	%	2002	%	2003	%	2004	%
M fee	2,472,532	72	2,871,724	75	3,409,078	76	3,510,392	72
Per v4	523,023	15	414,301	11	410,471	9	569,459	12
Per v6	4,543	0	8,232	0	7,803	0	65,721	1
N-M fee	37,037	1	66,105	2	80,994	2	27,686	1
App fee	152,401	4	293,459	8	351,845	8	351,188	7
Other	245,945	7	160,667	4	227,269	5	363,811	7
Total	3,435,482		3,814,488		4,487,461		4,888,257	

- 1% of APNIC revenue last year, therefore less than 1% of APNIC revenue after the 90% discount

Summary

- Proposal
 - Abolish per address fee for IPv6
- Reason
 - The current fee scheme is too complicated
- Financial Impact on APNIC
 - Less than 1% of APNIC revenue
- Other note
 - This is a temporary solution
 - Currently working on the long term review of NIR fee scheme