

A proposal for changing NIR fee structure

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Introduction

- ◆ This presentation proposes revised per address fee structure applied to NIRs

Background

- ◆ NIRs are charged “NIR Fees” or “Per address fee” defined in APNIC-103, “Operational Policies for National Internet Registries in the APNIC region”

1.3 NIR fees

APNIC charges fees for providing NIR services. These fees are set at a level that ensures that other APNIC members do not subsidise NIR members and that NIRs provide sufficient funding to cover the cost of providing the services they require. Details of the NIR fees are described in the APNIC document "APNIC Fee Schedule:

Membership

Tiers, Fees, and Descriptions", within the provisions describing the 'per address fee' for confederations.

Background – cont.

◆ APNIC-081

3.4 Per-address fee for confederation members

In addition to annual membership fees, APNIC confederation members are required to pay per-address fees for all allocations made to them. The per-address fee is determined by the membership category of the member.

...

Very Large : USD 0.03

Extra Large : USD 0.02 <- JP NIC

Current problem

- ◆ The NIR fees increase in proportion to the address space allocated to NIRs (NIR members indirectly)

There's no upper limit

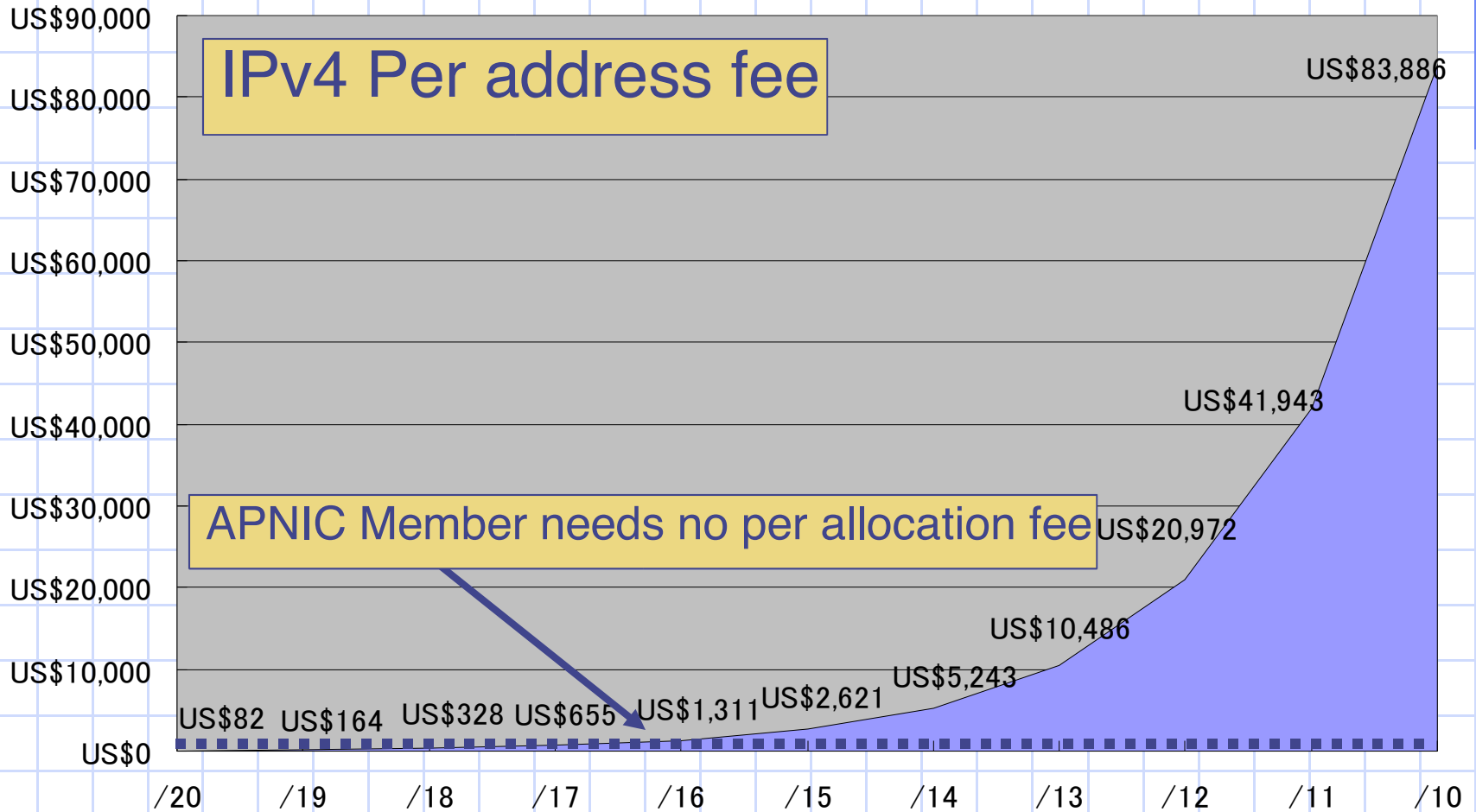
Large allocations are charged with a large amount of fee

/10 in IPv4 : $4,194,304 \times \text{USD } 0.02 = \text{USD } 83,886$

/20 in IPv6 : $5,534,417 \times \text{USD } 0.02 = \text{USD } 110,688$

- ◆ Large allocation fee is the barrier to request large allocation (even if it is necessary)

Current problem – cont.



(Note): JPNIC members pay yearly annual fee in addition.

Current problem – cont.

- ◆ NIR members may lose motivation to request large allocation under NIR membership
 - There's no per address fee for other APNIC members
- ◆ Large allocation (such as /20 in IPv6) was beyond expectation of APNIC-103
- ◆ NIRs cannot justify large amount of fees to their members



Proposal

To set an upper limit on the per address fee for a single allocation, provided that the NIRs make an allocation from APNIC common address pool

JPNIC tentatively proposes /14 (in IPv4) and /28 (in IPv6) for the upper limit of per address fee for a single allocation

This specific value is subject to a financial impact assessment by APNIC

Proposed fee scheme

◆ IPv4

/20 : 4,096 x paf (*)

/19 : 8,192 x paf

/18 : 16,384 x paf

... : ...

/15 : 131,072 x paf

/14 : 262,144 x paf

/13 : 262,144x paf

...

◆ IPv6

/32 : 7,132 x paf

/31 : 12,417 x paf

/30 : 21,619 x paf

/29 : 37,641 x paf

/28 : 65,536 x paf

/27 : 65,536 x paf

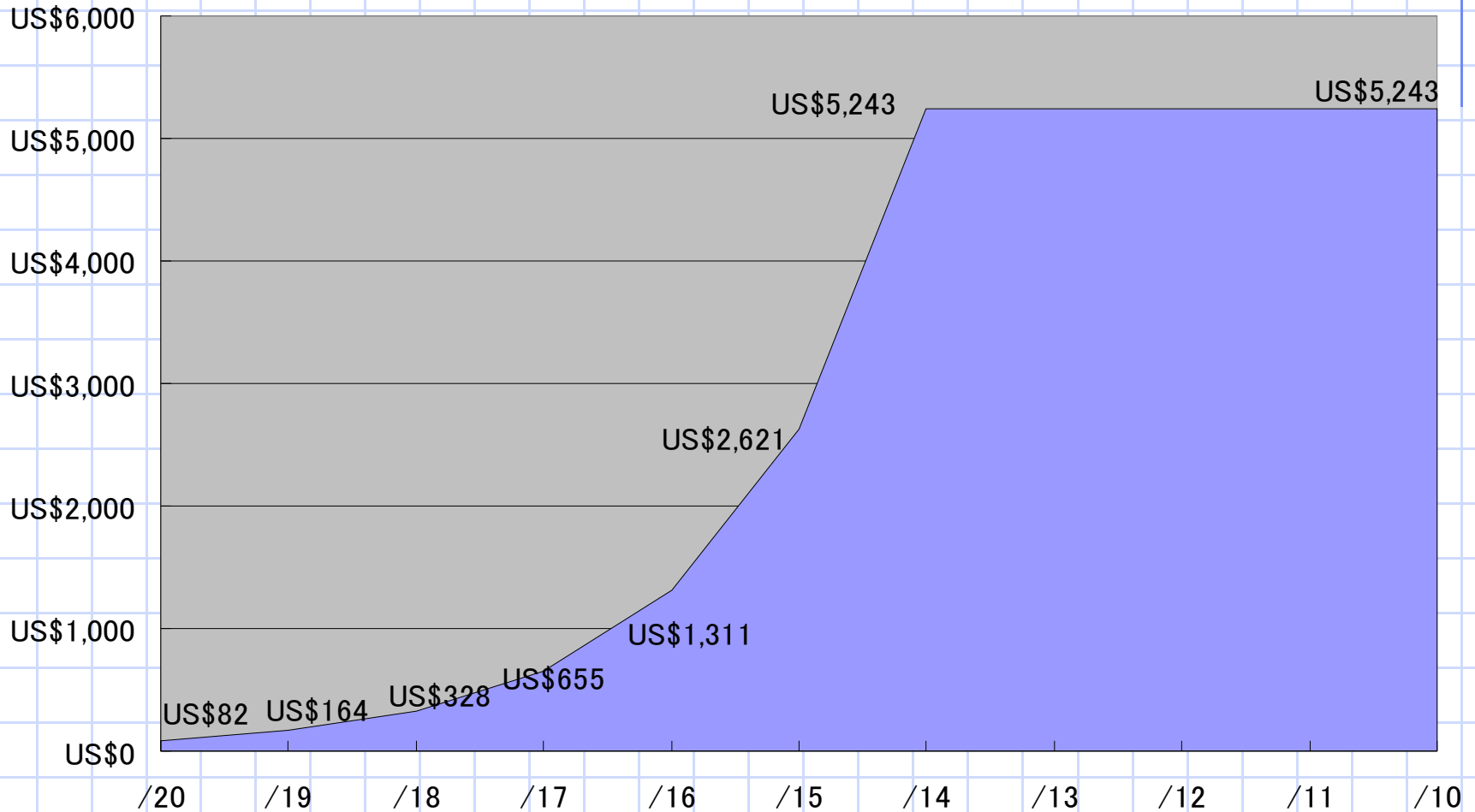
/26 : 65,536 x paf

...

(*) paf = per address fee

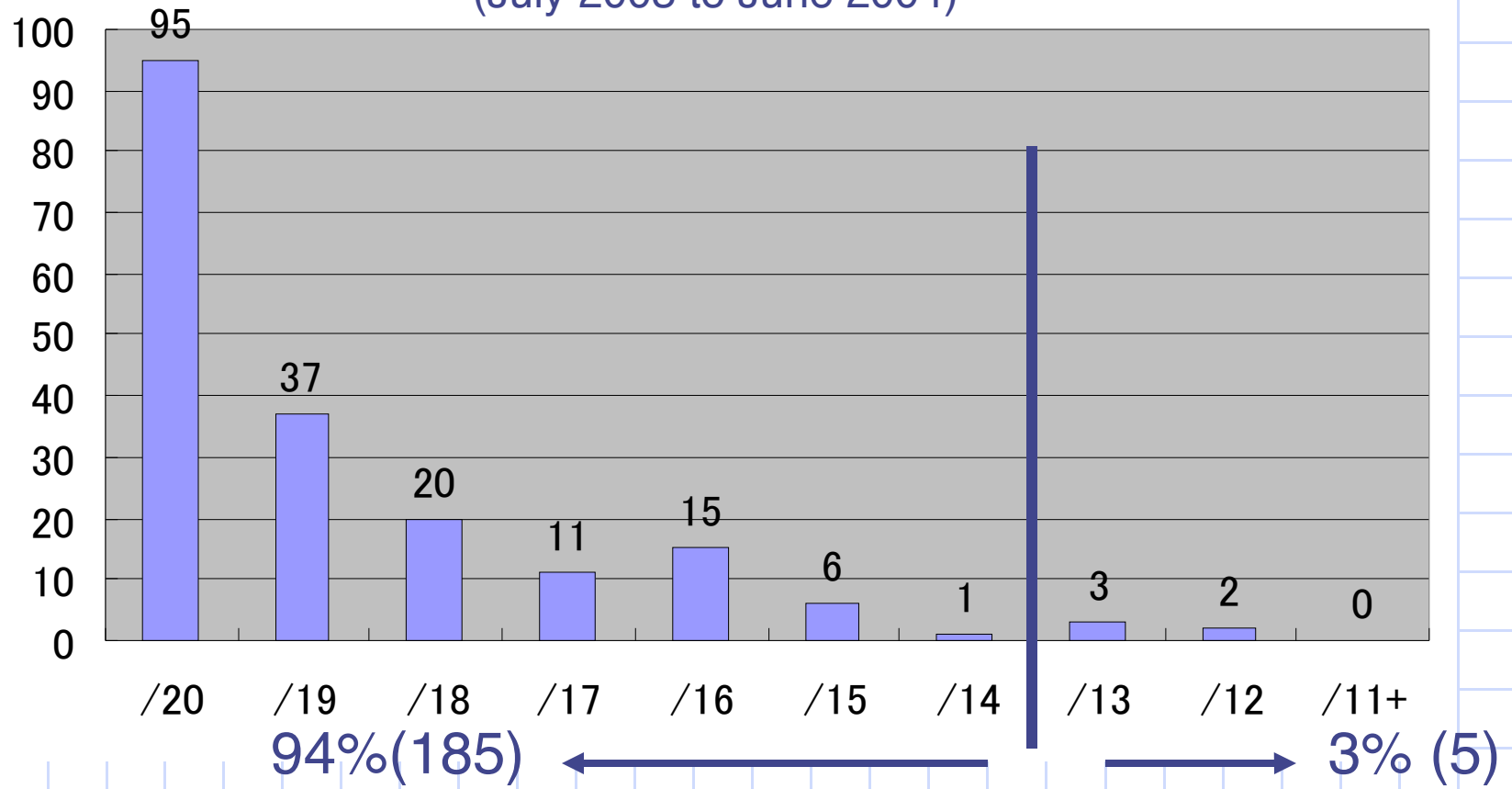


Proposed fee scheme – cont.



Why /14 (IPv4)?

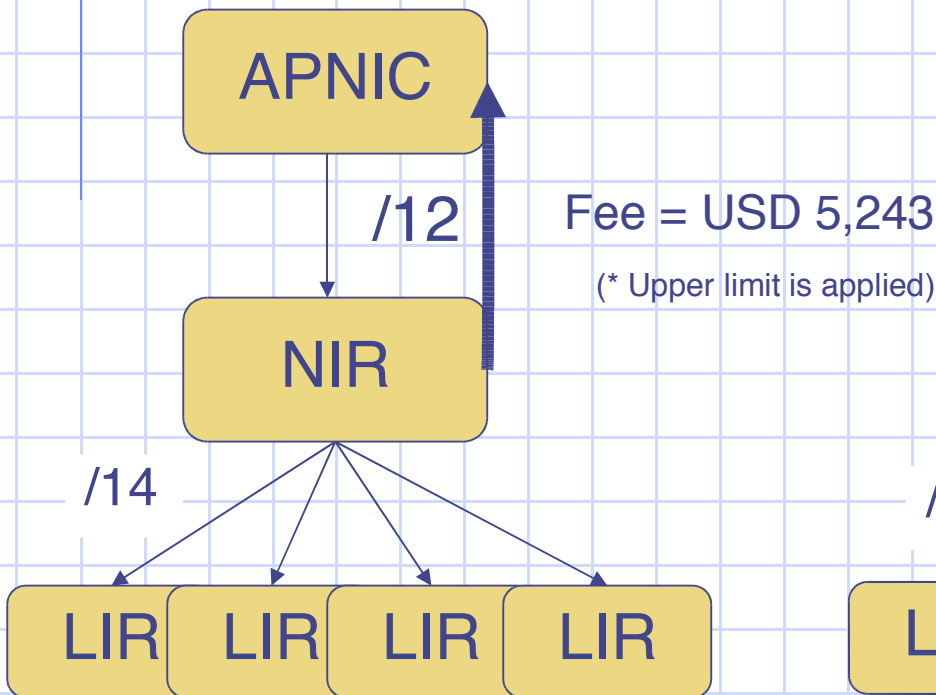
JPNIC Allocation made to its members
(July 2003 to June 2004)



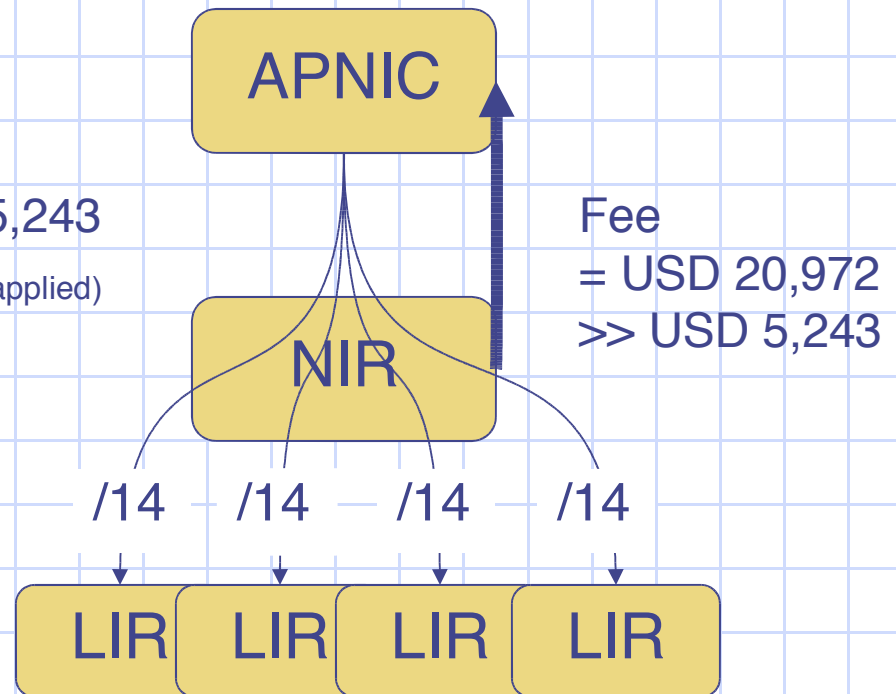
Comparison of allocations from NIR pool/APNIC pool

In case of /12 allocation...

(1) Allocation from NIR pool



(2) Allocation from APNIC pool



per address fee is calculated as USD0.02/address (JPNIC's case)

Benefits/disadvantages

◆ This proposal;

For NIRs and their members

Can avoid huge allocation fee

For APNIC

Can prevent significant revenue loss from NIRs since there's not so many large allocation request (subject to APNIC review)

For APNIC members

No negative impact on current APNIC members

Implementation

◆ Proposed timeframe

Since some JPNIC members are very likely to request “huge” allocation, this should be implemented soon after the consensus reached on the ML and APNIC EC endorsement

◆ Documents to be changed

APNIC-103 “Operational Policies for National Internet Registries in the APNIC region”

Questions?

