

Review of APNIC Fee Structure v2.3

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NIDA

National Internet Development
Agency of Korea

Tunis Agenda for the Information Society

38. We call for the reinforcement of

specialized regional Internet resource management institutions

to guarantee the national interest and rights of countries in that particular region to manage their own Internet resources,

while maintaining global coordination in this area.

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1 APNIC Fee Model v2.3

Rationale

● Overall revenue stability

- There has been no adjustment for the effects of inflation or foreign exchange variations in the APNIC membership fee structure since 1996.
- For 4 years APNIC has operated on balanced budgets with no operational surplus. At the same time, operational activities and services have increased.
- *The proposed fee structure produces no change in expected APNIC revenues. It has been suggested that it should be designed to produce an increase, compensating for inflation and foreign exchange fluctuations.*
- *It is also proposed to allow limited adjustments to annual fees, based on annual review of APNIC budget and activities by the APNIC Executive Council.*

1 APNIC Fee Model v2.3

Rationale

Annual fee calculation

- The proposed new fee structure has an annual fee based on IP address holdings.
- *It is proposed that the annual membership fee would double with each additional 2 bits of IPv4, starting with a fee of US \$400 per annum for members holding a /24. In the case of IPv6, the fee would double with each 4 bits, from a minimum level of \$ 400 for a /48 holding.*
- Under the current tiered structure, large increases in fees can be incurred as a result of small allocations or transfers of address space.
- *The new structure proposes a continuous formula which calculates fees on the basis of total address holdings, without the use of defined “tiers”.*

1 APNIC Fee Model v2.3

Rationale

NIRs

- NIR's one-off "per address" fee can result in very large payments to APNIC.
- Most NIRs pay the maximum annual fee of \$40,000, even though they may provide services to hundreds of ISPs.
- This NIR fee structure is problematic for both APNIC and the NIRs themselves, because of the high and unpredictable allocation fees, and the relatively low annual fees.
- *Under the proposed new structure, NIR fees would be assessed according to individual ISP address holdings, using the same fee structure as regular members. An overall discount would be provided in recognition of services provided by the NIR.*
- *Under the new structure, it is proposed that NIR per-address fees should be abolished.*

1 APNIC Fee Model v2.3

Rationale

● **Non-Member and Historical resources holdings**

- Currently APNIC's non-member resource holders, and holders of historical address space, are charged under a structure which is quite different from the membership fee structure.
- *It is proposed that non-members and historical resource holders should be charged under the same fee structure as APNIC members holding "current" resources.*

● **Voting entitlements**

- Currently APNIC members are entitled to exercise voting rights in direct proportion with their annual fee contributions to APNIC. It is not proposed to change this aspect of the APNIC membership structure.

2 KRNIC Analysis

KRNIC Payment

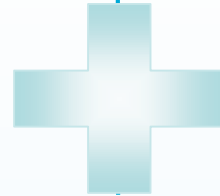
USD 413,399

NIR Fee
(Before Direct Allocation)

USD 127,795



USD 40,000



NIR's Member Fee
(After Direct Allocation)

USD 285,604



USD 0

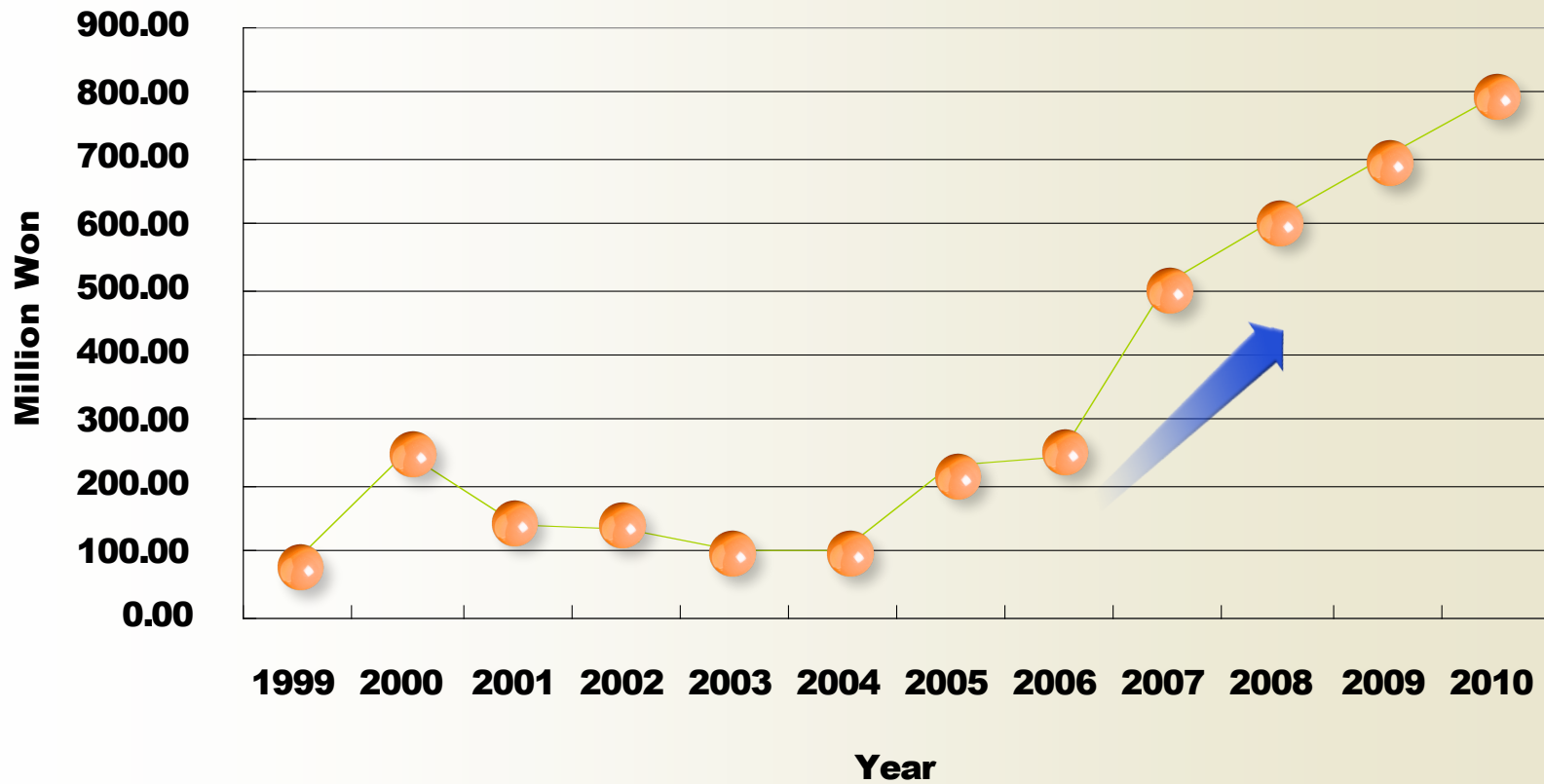


cf. 2005 KRNIC payment(USD 229,210.38)

= membership fee(USD 40,000) + per address fee(USD 189,210.38)

2 KRNIC Analysis

Impact on KRNIC

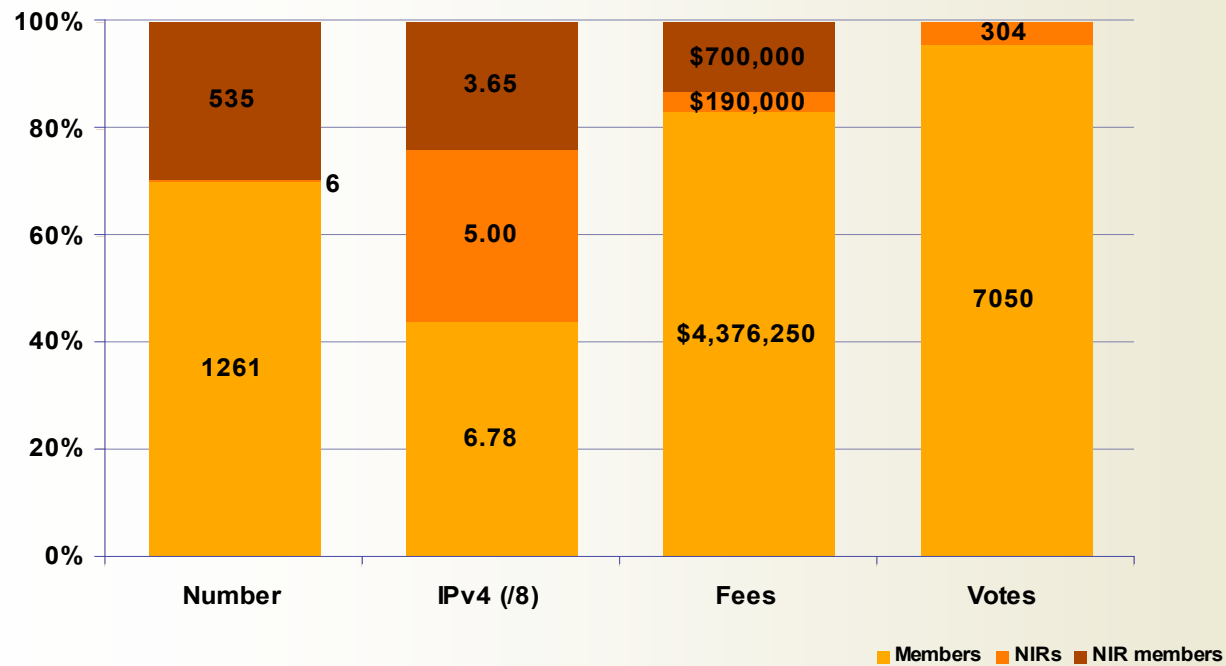


3 KRNIC Suggestion

Agreed Point

NIR Should expand its contribution !

- Responsibilities of NIR for AP community



3 KRNIC Suggestion

Counter Facts

● **NIR's Member is not APNIC's Member**

- Direct Allocation is not Membership Agreement
- APNIC 103 Operational policies for NIR in the APNIC region
 - 4. Transfer of members between APNIC and an NIR
- NIR is not Bill collector, 有名無實 NIR

● **NIR Fees increase too much (KRNIC 200%)**

- NIR : 138% & NIRs' Member : 52%

● **Voting Rights and member contribution is decided according to membership tiers. – “inseparable”**

- APNIC 081 APNIC Fee Schedule
 - 1.2 Voting Rights

3 KRNIC Suggestion

KRNIC Modified Suggestion

- **NIR and its members should be treated as one body**
- **NIR fees should be increased gradually, and Biz plan firstly needs approval beforehand**
 - Setting up the total APNIC budget based on Business Plan by member decision
 - Setting up NIR portion (X%) out of the total APNIC budget (100 %)
 - Each NIR pays out of NIR portion(X%) based on # of their own IP holding
- **Voting rights should be changed with Fee schedule**

Thank You

The background is a vibrant blue with a light blue grid pattern. A thick, dark blue, glossy ribbon-like shape curves from the bottom left towards the center. In the bottom left corner, there is a circular globe showing the outline of Southeast Asia. The globe is surrounded by several concentric, glowing rings of binary code (0s and 1s). In the bottom right corner, there are two glowing, spherical light effects. The overall aesthetic is clean, modern, and tech-oriented.