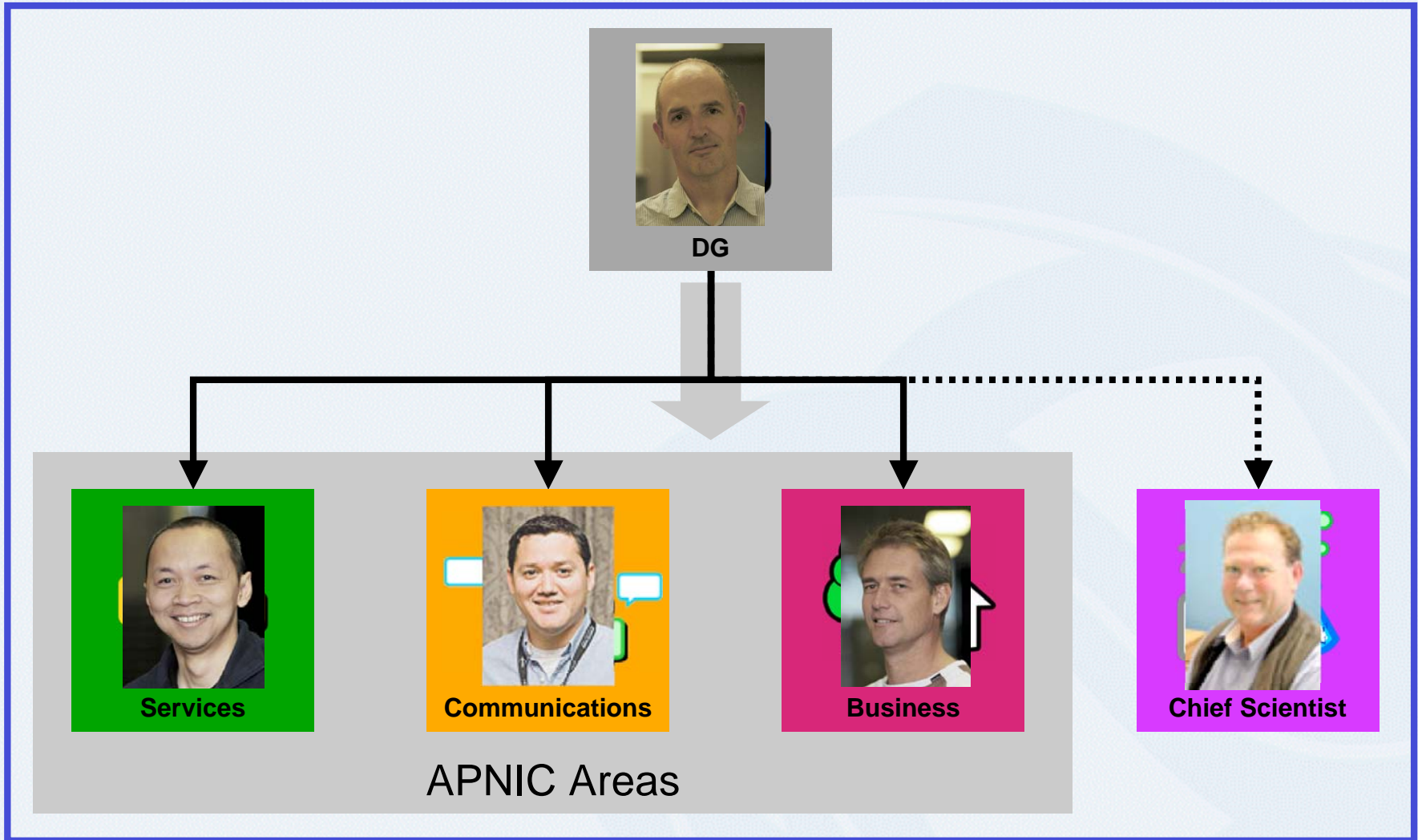




APNIC Secretariat Reports

Paul Wilson
Director General

APNIC Structure



APNIC “Executive Team”



APNIC Fee Structure Reform

- KPMG fee study launched in 2007
 - Phase I and II
- Phase I completed in 2007
 - Results delivered at APNIC 25
 - Recommendation for interim fee reform
 - AUD fee schedule implemented from 2008
- Phase II underway
 - More in Treasurer's report

APNIC fees - USD exchange rate



* Official AUD-USD exchange rate forecast for 2007, on which APNIC's budget was based.

APNIC fee currency change: Impact analysis



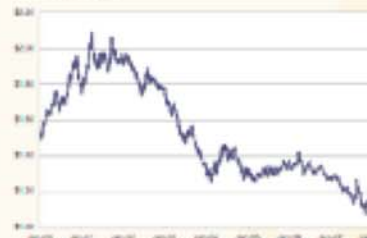
In October 2007, the APNIC Executive Council (EC) announced a change in the APNIC fee structure (beginning 1 January 2008, all APNIC fees would be charged in Australian dollars instead of US dollars).

The new fee schedule adopted by the APNIC EC is based on the old fee schedule converted at a rate of 0.7669 US dollars to each Australian dollar. This exchange rate reflects the official projected exchange rate for 2007, and was used as the basis for calculating the 2007 APNIC budget.

<http://www.apnic.net/news/2007/1626.html>

The reason for this change in our fee currency is the US dollar's ongoing decline in value, which has been undermining APNIC's revenue base and financial stability. In fact, 2007 was the first year in which APNIC operated with a significant deficit budget. As the US dollar continues to decline during the year, it was clear that changes were needed to avoid reducing APNIC services or incurring ongoing operational losses and erosion of APNIC's overall revenue.

The following diagram (Figure 1) charts the devaluation of the US dollar against the Australian dollar from 2000 to 2007, since APNIC had absorbed large fluctuations and an overall devaluation of the US dollar from 2001 to 2004, the more recent devaluation since 2005 has caused greater concern. Looking ahead, it is predicted that this decline in the value of the US dollar will continue.



▲ Figure 1: AUD-USD exchange rate: 2000-2008



Impact on APNIC income

The devaluation of the US dollar has resulted in a reduction in APNIC's income on a per-member basis as expressed in Australian dollars, APNIC's operating currency. Figure 2 charts the income received by APNIC from a member in the Small tier from 2000 to present. It is clear from this chart that APNIC's income per Small member has been reduced by well over 40% since the high point in 2001 (that is, from over \$2,000 to under \$2,000 per Small member per year).



▲ Figure 2: Fees received by APNIC from a member in the Small tier (AUD)

Impact on member fees

Figure 2 also shows the cost of APNIC membership for a Small member in Australia, and illustrates that APNIC membership costs have reduced dramatically over this period. The far right hand end of the curve indicates the new fee in Australian dollars, which is still well below the average for the whole period (shown by the red line).

The rest of the charts in this article show similar comparisons for a selection of currencies in the Asia Pacific region. Each chart shows the cost of a Small membership in that currency, the average cost for the whole period, and the new cost after the fee structure change on 1 January 2008. It is interesting to note that the exchange rate history and behaviour varies significantly across the region, and it is difficult to generalise the effect on APNIC members overall.



Fee structure vote

In a formal vote held in September 2007, the APNIC membership narrowly rejected a proposal to revise the fee structure. The proposal had two components:

1. Charge APNIC fees in Australian dollars (at the rate of 0.7669)
2. Add an increment of 7% to all fees

During discussions beforehand after the vote, it was widely agreed that the change to Australian dollars was reasonable; however, the additional increment was not as generally supported.

In making its decision in October, the APNIC EC considered the very close result of the vote and the content of discussions before concluding that the first component of the proposal was reasonable and should be accepted. The APNIC EC made the decision in line with its responsibility under the APNIC By-laws to determine APNIC fees.

This change of fee currency removes much of the financial uncertainty from the APNIC fee structure. Previously, both APNIC members and the APNIC Secretariat experienced financial uncertainty. Individual members carried their local currency's exposure against the US dollar while APNIC needed to convert the same sums from US dollars to Australian dollars. By adopting the new fee schedule, we hope that both the APNIC membership and Secretariat can enjoy a more stable financial environment that allows APNIC to concentrate on delivering relevant and helpful services with the expected levels of quality and timeliness.

- Paul Wilson

Note: The data used in this report was obtained from OANDA.com, using the 'FX history' historical currency reporting tool, and interest rate for all currencies extracted.



Resource Certification

- Provision of X.509 certificates for IP resource holdings
 - According to RFC3779
- Coordination activities
 - RIR RPKI informal working group
 - NRO ECG coordination
 - IETF RPSEC working group
 - Visit to JPNIC
- Implementation
 - MyAPNIC functionality to be launched “RSN”
 - OpenPGP implementation supported by ARIN

“Internet Governance”

- IGF
 - 3rd meeting: Hyderabad, December
 - APNIC to coordinate webcast and online participation
- ITU
 - “Telecom Asia” – Bangkok, September
 - IPv6 Workshop – Geneva, September
- OECD
 - Ministerial meeting – Seoul, June
 - Presence at workshops and ministerial
 - Joint outreach and promotion with RIPE NCC

isif  asia



- Information Society Innovation Fund
 - Competitive grants programme for innovative Internet technologies and applications
 - Successor to PAN R&D Grants Programme
 - APNIC funded to provide secretariat and administrative support

IDRC  CRDI

Internet Society 


APNIC

Asia

<http://www.isif.asia>

APNIC Survey 2009

- **Members and Stakeholder survey**
 - Bi-annual input to APNIC planning
 - Independent – Dr John Earls, KPMG
 - Anonymous response guaranteed
- **IP addressing survey**
 - Supported by community during APNIC 26
 - IPv4 consumption and contingencies
 - IPv6 transition planning
- **Schedule**
 - Preparations begin this week
 - Survey release early December
 - Report for APNIC 27, Manila, 2009

And now, more from Area Managers...

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