

Recommended Draft Policy ARIN-2020-6: Allowance for IPv4 Allocation “Swap” Transactions via 8.3 Specified Transfers and 8.4 Inter-RIR Transfers

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Current Text (2 May 2022)

AC Assessment of Conformance with the [Principles of Internet Number Resource Policy](#):

Draft Policy 2020-6 is fair, impartial, and technically sound. The intent of this policy is to eliminate confusion by codifying existing processes for downsizing IPv4 allocations and assignments within the written policy of the NRPM. It has the apparent support of the community.

Problem Statement:

Organizations wishing to “swap out” a larger block for a smaller one in the interest of avoiding deaggregation (as opposed to breaking up their existing block and transferring only a part of it) are forbidden by existing 8.3 policy from being the source of the transfer for their larger block after receiving a smaller one for 12 months after receiving the smaller block. In practice, ARIN staff has been allowing orgs to transfer out blocks after receiving smaller ones inside of the 12-month window, but many ARIN resource holders are not aware of this. Some resource holders have worked around the restriction by creating a new org to receive the smaller block, but this practice has implications on waitlist policy, as the new org is now technically eligible to apply for wait-list space while the original org cannot.

Similar language is present in NRPM Section 8.4, as such, the practice should be sanctioned for those types of transfers as well.

Policy Statement: Clarify the conditions under 8.3 and 8.4 that explicitly allows transfer of a larger block in exchange for a smaller one as part of a renumbering plan by making the following changes in 8.3, 8.4, and 8.5:

8.5.5. Block Size

Organizations may qualify for the transfer of a larger initial block, or an additional block, by providing documentation to ARIN which details the use of at least 50% of the requested IPv4 block size within 24 months. An officer of the organization shall attest to the documentation provided to ARIN.

Add:

8.5.5.1- Transfer for the Purpose of Renumbering

Organizations with larger direct allocations or assignments than they require may receive transfer of a smaller block for the purpose of renumbering onto the smaller block if they transfer the entire larger block to a qualified recipient under section 8 within one year of receipt of transfer of the smaller block. If the larger block is not transferred within one year of receipt of the smaller block, the organization will be ineligible to receive any further transfers under this section until the larger block is transferred.

8.5.5.1.1 Smaller Block Size

Organizations may qualify to receive transfer of a smaller block by providing documentation to ARIN which details the use of at least 50% of the smaller block size within 24 months. Current use of the larger block may be used to satisfy this criteria.

Current text:

8.5.6. Efficient Utilization of Previous Blocks

Organizations with direct assignments or allocations from ARIN must have efficiently utilized at least 50% of their cumulative IPv4 address blocks in order to receive additional space. This includes all space reassigned to their customers.

Add:

8.5.6.1 Transfer for the Purpose of Renumbering

Organizations receiving transfer of a smaller block under section 8.5.5.1 may deduct the larger block they are transferring to a qualified recipient when calculating their efficient utilization of previous blocks under section 8.5.6.

Current Text:

Sections 8.3 and 8.4, under “Conditions on Source Of the Transfer”: “The source entity must not have received a transfer, allocation, or assignment of IPv4 number resources from ARIN for the 12 months prior to the approval of a transfer request. This restriction does not include 8.2 transfers.

Change to:

With the exception of M&A transfers under section 8.2, the source entity must not have received a transfer, allocation, or assignment from ARIN for the past 12 months. This requirement may be waived by ARIN for transfers made in connection with a renumbering exercise designed to more efficiently utilize number resources under section 8.5.5.1.

Timetable for Implementation: Immediate

Staff and Legal Review (7 December 2021)

Staff Understanding

ARIN-2020-6 would allow organizations, by request, to receive a smaller IPv4 block to renumber into prior to conducting a specified transfer under NRPM 8.3. or 8.4. Further, it seeks to prevent organizations from creating new Org IDs just to receive a smaller block so that the larger block may be transferred.

This Draft Policy would effectively codify the practice of obtaining and renumbering into a smaller block prior to conducting a transfer as a source, preventing the need for workarounds.

Staff recommends changing the verbiage of:

If the larger block is not transferred within one year of receipt of the smaller block, the smaller block will be ineligible for transfer under sections 8.3 and 8.4, and the organization will be ineligible to receive any further transfers under this policy.

To:

If the larger block is not transferred within one year of receipt of the smaller block, the organization will be ineligible to receive any further transfers under this section until the larger block is transferred.

With regard to proposed 8.3 and 8.4 “Conditions on Source of the Transfer” text, there is potential ambiguity; staff suggests consideration of more direct language that states for transfers made to fulfill the requirements of 8.5.5.1 rather than a general reference to transfers in connection to other requirements.

Finally, it is notable that the officer attestation requirement stated in 8.5.5.1.1 (carried over from current 8.5.5 language) has been deprecated for IPv4 requests. Staff suggests removing this language, either as a part of this Draft Policy or in a future change for consideration.

Implementable as Written?: Yes

Impact on ARIN Registry Operations and Services:

None.

Legal Review:

In concept, the proposed policy does not have any material legal issue; however, legal suggests considering the clarifications proposed in Staff Understanding as it may avoid confusion in terms of interpretation and implementation.

Implementation Timeframe Estimate: 3 months

Implementation Requirements:

- Staff training
- Updates to public documentation
- Updates to internal procedures and guidelines
- Restricting waitlist space from use in these scenarios

Proposal/Draft Policy Text Assessed: [26 August 2021 Version](#)

Relevant Votes/Floor Counts:

ARIN 50 - 142 in attendance, 58 for 0 against

11/17/22 AC Teleconference – Vote to advance to Board of Trustees for Adoption was unanimous.