ARIN 37

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Draft Policy ARIN-2015-2

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Problem statement

- Organizations that obtain a 24 month supply of IP addresses via the transfer market and then have an unexpected change in business plan are unable to move IP addresses to the proper RIR within the first 12 months of receipt.

Problem statement

- The need to move the resources does not flow from ARIN policy, but rather from the requirement of certain registries outside the ARIN region to have the resources moved in order to be used there.

Current Policy Statement

- The current text of the fourth bullet of 8.4 reads:

"Source entities within the ARIN region must not have received a <u>transfer</u>, 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 M&A transfers." (Emphasis added.)

First Proposed Change

- The initial proposal would have changed the fourth bullet of 8.4 to read:

"Source entities within the ARIN region must not have received an 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 M&A transfers." (Emphasis added.)

Comments

- That proposal would allow organizations to perform inter-RIR transfers of space received via an 8.3 transfer regardless of the date transferred to ARIN . An example would be if an organization in the ARIN region acquires a block via transfer, and then 3 months later, the organization determines that it wants to launch new services out of region.

Comments (contn'd)

- Under current policy, the organization is prohibited from moving some or all of those addresses to that region's Whois if there is a need to move them to satisfy the rules of the other region requiring the movement of the resources to that region in order for them to be used there. Instead, the addresses are locked in ARIN's Whois.

Comments (contn'd)

- It is important to note that 8.3 transfers are approved for a 24 month supply, and, on occasion, a business model may change within the first 12 months after approval. In addition this will not affect the assignments and allocations issued by ARIN; they will still be subject to the 12 month restriction.

History of Proposal

- There was a lot of early discussion on PPML.
- <u>One view</u>: “This is not ARIN’s problem” and resources can be requested from another region instead.

History of Proposal (contn'd)

- Response: ARIN members operating global networks prefer to deal with one RIR as much as possible and this policy would reduce incentives to game the system by using 8.2 and then 8.4 which just creates unnecessary cost and work.

History of Proposal (contn'd)

- An amendment to the proposal was considered that would introduce a requirement that there must be some form of affiliate relationship between the source and recipient entity that will make it more likely that eliminating the 12 month anti-flip period in that situation will meet the needs of multi-region network operators without encouraging abuse.

History of Proposal (contn'd)

- Following input received from the community at the NANOG 66 PPC and on PPML, the proposed text of the fourth bullet of 8.4 was changed to introduce an affiliation requirement.

- This modification would have added also added definitions of "affiliated" and "control" into the NRPM.

Staff and Legal

- A Staff and Legal analysis was received regarding the proposal that indicated that the policy could be implemented as written, but…

- The proposed definition of "control" would not be applied to 8.2 transfer cases, since the definition could potentially conflict with staff responsibility to ensure fully researched and vetted chain of authority documentation for merger and acquisition transfers.

Staff and Legal (contn’d)

- General Counsel expressed concerns with the proposed definitions of “affiliated” and “control” given that they need to work in a number of legal systems.

Staff and Legal (contn'd)

- General Counsel also pointed out that ARIN policy does not require number resources to be transferred to another registry in order to be used outside the region. The need to transfer resources to an affiliate that is outside of the ARIN region arises from other registries' requirements.

Current Text

- Following these developments the text was changed once again as follows:

Replace 8.4, bullet 4, to read:

‘Source entities within the ARIN region 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, unless either the source and recipient entities own or control each other or are under common ownership or control. This restriction does not include M&A transfers.’’

Additional Clarification

- As noted at the beginning of this presentation, we also made the following clarification to the problem statement:

The need to move the resources does not flow from ARIN policy, but rather from the requirement of certain registries outside the ARIN region to have the resources moved in order to be used there.

Additional Feedback

- The most recent change to the text has not resulted in any actual feedback on PPML, other than a question regarding how often this situation is encountered by ARIN.

- ARIN Staff has committed to investigate and report back.

Revised Staff and Legal

- Staff: Revised proposal can be implemented as drafted
- Legal: Prior concerns have been satisfied
- Implementation: Minimal resource impact and would occur three months after ratification by the ARIN Board

Input Sought

- Does the proposed text strike the appropriate balance between the needs of global multi-network operators and fraud mitigation?

- Is the proposed text sufficiently clear?

- Anything else?