



Members Meeting Agenda

April 5, 2000

8:30 Doors Open - Continental Breakfast

9:00 Meeting Called to Order

9:05 Adoption of Meeting Agenda

9:10 Board of Trustees Presentation - John Curran

9:30 AC Presentation - Alec Peterson

10:00 Treasurer's Report - Michael Straty

10:15 Coffee Break

10:30 ICANN/ARIN Contract Discussion - Kim Hubbard

11:30 Revising Fees for Upgrades - Kim Hubbard

12:00 Noon - Adjourn

Treasurer's Report

Statement of Financial Activities, July 1, 1999-March 15, 2000

		Jul 1, '99 - Mar 15, 2000
Income		
	Registrations	\$ 3,117,918.33
	Transfers, Maintenance, and other Rev	\$ 46,373.40
	Membership Dues	\$ 21,000.00
	Interest and Dividends	\$ 87,886.86
	Contributions	\$ 8,776.45
	Total Revenue	\$ 3,281,955.04
Expense		
	Program Services	
	Engineering	\$ 734,069.58
	Registration Services	\$ 517,413.17
	Member Services	\$ 140,968.75
	Total Program Services	\$ 1,392,451.50
	Administration	\$ 437,246.63
	Total Expenses	\$ 1,829,698.13
	Change in Net Assets	\$ 1,452,256.91
	Net assets, July 1, 1999	\$ 732,205.00
	Net assets March 15, 2000	\$ 2,184,461.91

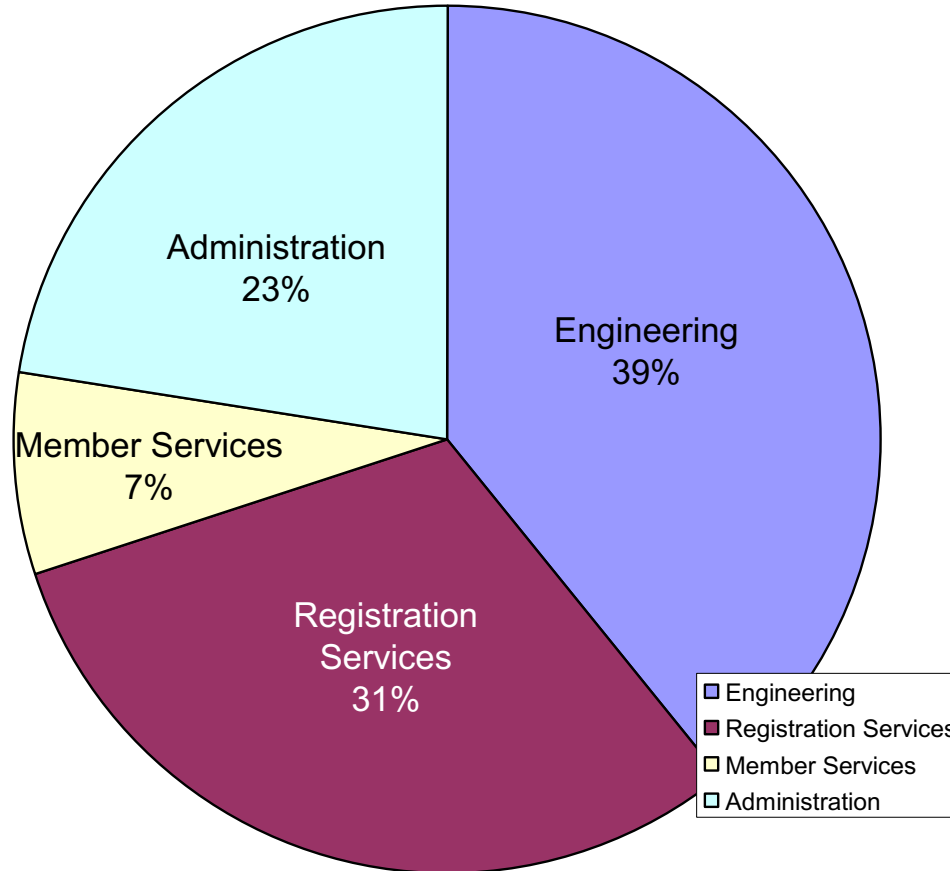
Treasurer's Report

Statement of Financial Position as of March 15, 2000

Assets	
Current Assets	
Cash and Cash equivalents	\$ 3,699,206.70
Accounts Receivable	\$ 20,202.26
Prepaid Expenses	\$ 5,821.40
TOTAL CURRENT ASSETS	\$ 3,725,230.36
Investments	\$ 593,181.40
Fixed Assets	
Furniture and Equipment	\$ 602,219.53
Leased Equipment	\$ 186,795.00
	\$ 789,014.53
Less accumulated depreciation and amortization	\$ (558,348.26)
	\$ 230,666.27
TOTAL ASSETS	\$ 4,549,078.03
Liabilities and Net Assets	
Current liabilities	
Accounts Payable and accrued expenses	\$ 89,571.96
Deferred Revenue	\$ 2,224,559.70
	\$ 2,314,131.66
Capital Lease obligation	\$ 50,484.42
Net Assets - Unrestricted	\$ 2,184,461.95
TOTAL LIABILITIES AND NET ASSETS	\$ 4,549,078.03

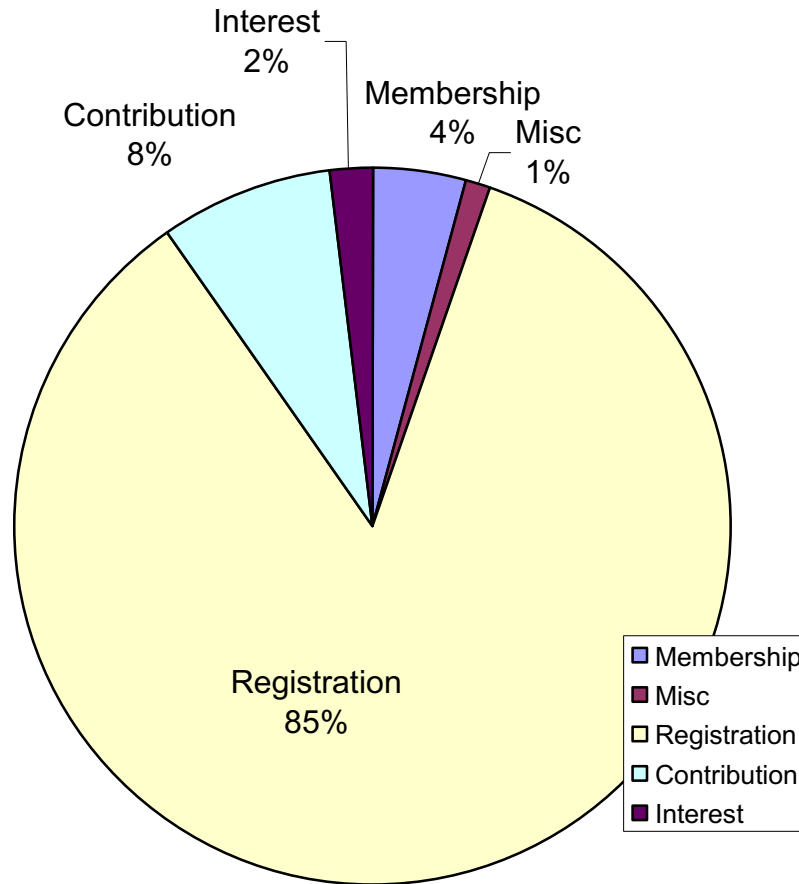
Treasurer's Report

Expenses by Department Since Startup



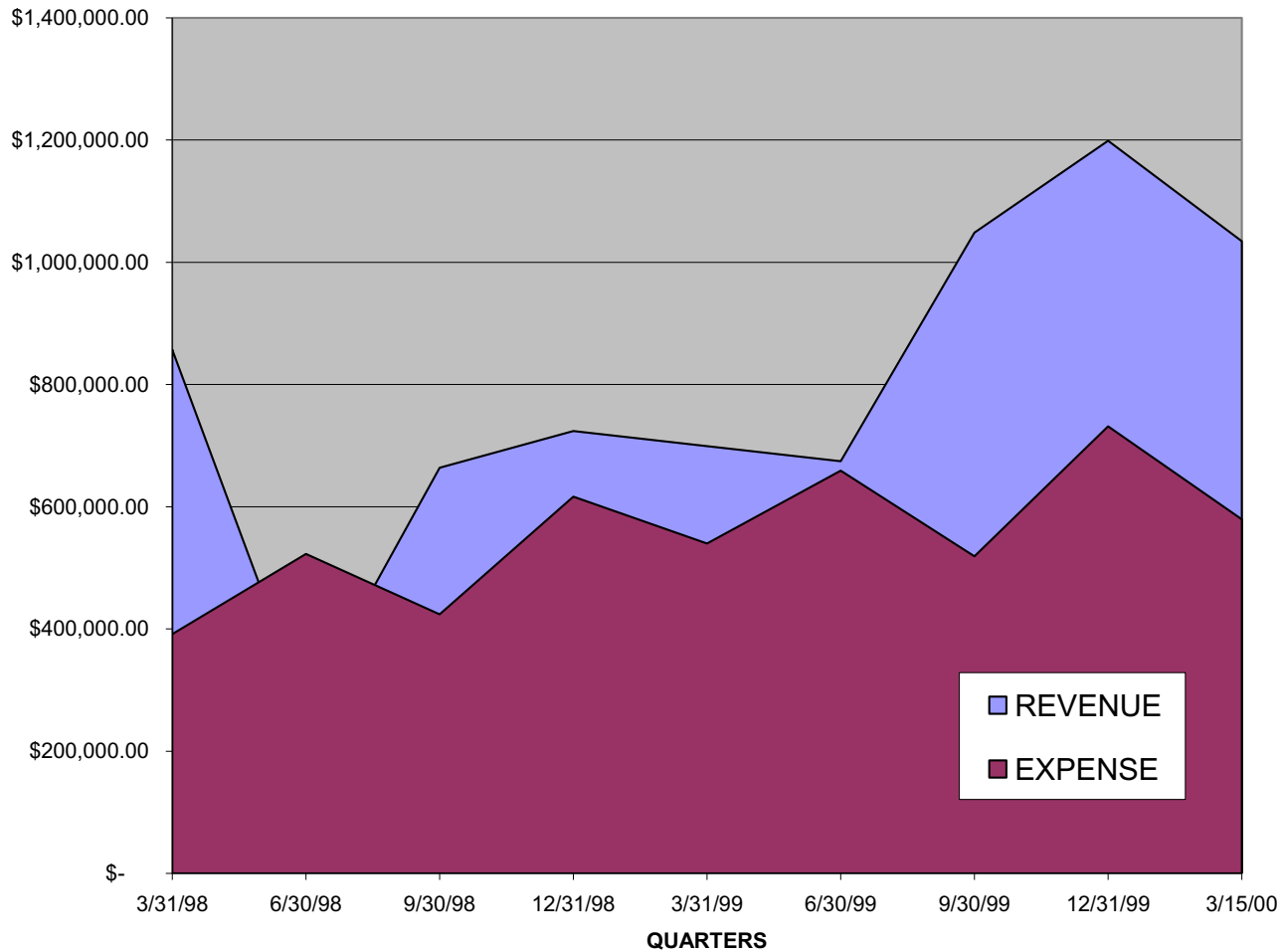
Treasurer's Report

ARIN Revenue by Category Since Startup



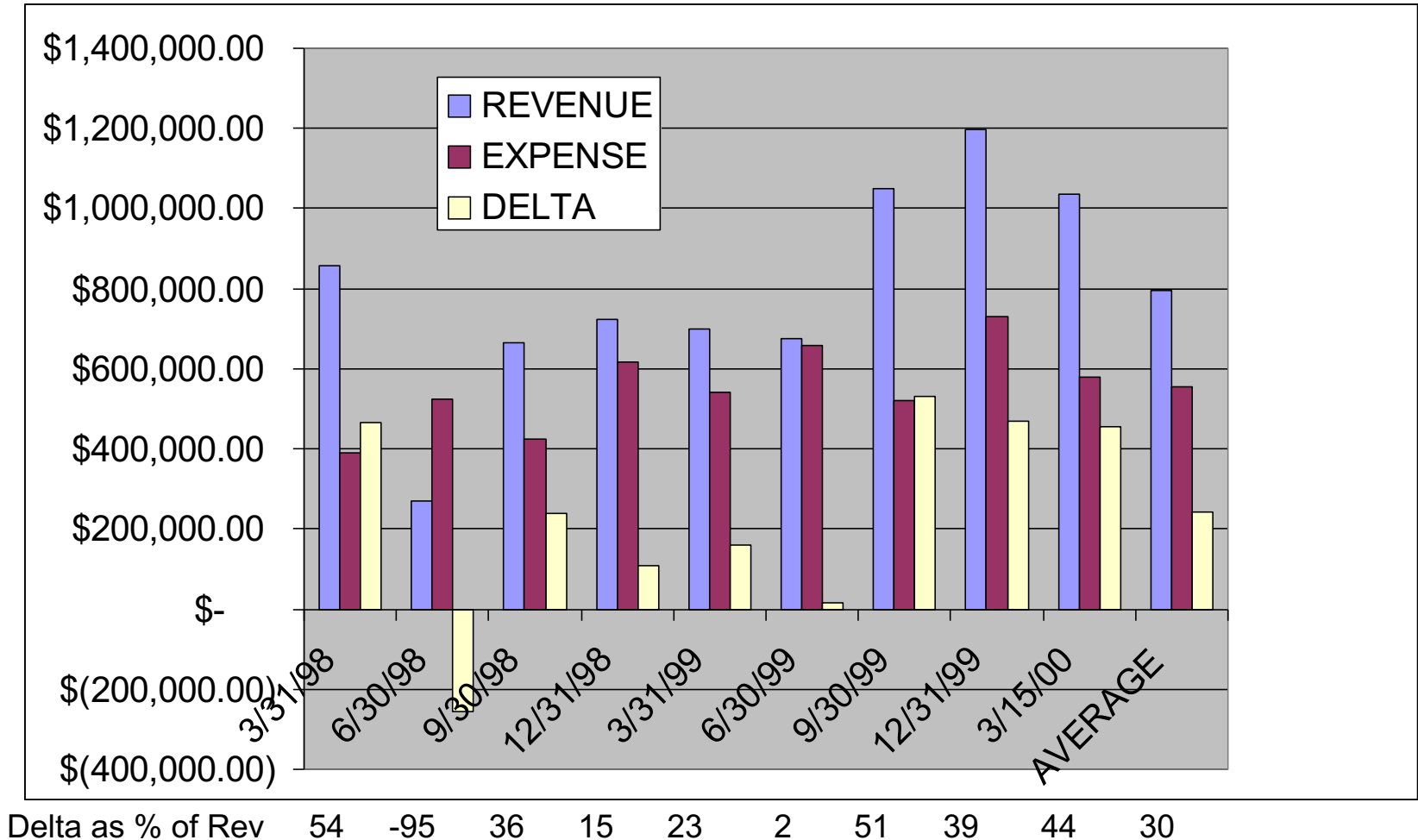
Treasurer's Report

ARIN Revenue vs Expense Since Startup



Treasurer's Report

Revenue vs Expense and Delta Since Startup



ICANN / ARIN Contract

- Contract currently in draft form
- Addresses critical objectives
 - Mutual contractual recognition of each party
 - Provides stable transfer payment from ARIN to ICANN
 - Ensures timely delegation of addresses from ICANN
 - Creates dispute resolution mechanisms

- Addresses critical objectives
 - Describes ARIN's consent policy for organizing portions of region into new RIRs
 - ARIN is sole dispenser of numbering resources in its region, including
 - IP space (IPv4 and IPv6), reverse lookup, related identifiers in inter-domain routing, and ASNs
 - Calls for RIRs to have similar duties, responsibilities, and benefits

- Addresses other objectives
 - Outlines requirements and procedures in gaining consensus among Internet stakeholders
 - Acknowledges ARIN's and ICANN's rights to perform

- ARIN's Rights and Responsibilities
 - Perform numbering functions in accordance with (IAW) consensus policies
 - Manage relationship with members
 - Participate in ASO or RIRs
 - Act IAW its policies
 - Maintain its RIR status in region
 - Serve interests of its members

- ICANN's Rights and Responsibilities
 - Define global policies derived from consensus policies
 - Distribute numbering resources to RIRs
 - Establish other RIRs as appropriate
 - Unless acting through the ASO or consensus policies, will not:
 - Attempt to influence ARIN's functions, practices, or implementation of its guidelines
 - Act as a registry nor allocate space to any party except approved RIRs
 - Treat RIRs inequitably

- ICANN's Duties to ARIN
 - Distribute requested numbering resources within 7 business days of the request or explain why not
 - Will not act as a registry nor authorize allocations by any party other than approved RIRs
 - Will not allocate or authorize allocation of numbers to any entity in ARIN's region other than ARIN

- ICANN's Duties to ARIN
 - Function in an open, transparent manner
 - Will not apply practices inequitably nor single out ARIN for disparate treatment
 - Ensure adequate appeal procedures
 - Promote ARIN's efforts to manage and conserve numbering resources

- ARIN's Duties to ICANN
 - Recognize consensus policies subject to limitations of the ASO MoU
 - Provide financial support
 - Allocate numbering resources assigned by ICANN IAW ARIN's guidelines

- Establishing New RIRs or Redefining Regions
 - Only through consensus policies or voluntary consent of RIRs and the ASO
 - On a percentage basis ARIN's financial support may reduce, but not increase, by way of separate agreement

- Financial Support
 - RIRs collectively provide 10% of ICANN's annual budget or \$420K whichever is less
 - ARIN is responsible for 35%
 - ARIN pays initial share in increments of 50%, 25% and 25%
 - Subsequent years in 4 equal installments with amounts to be negotiated between RIRs
 - Any proposed increase will be negotiated and granted only through a consensus policy
 - In event of ICANN non-performance, ARIN's financial responsibility is suspended

- Dispute Resolution
 - Amicable resolution
 - Litigation, and temporary or injunctive relief
 - Arbitration by three arbiters
- Contract period
 - 10 years with 3-year automatic renewal unless notice provided otherwise
 - If ICANN terminates contract or is unable to perform:
 - ARIN maintains its rights and responsibilities
 - ICANN shall transfer number resources to RIRs

Revising Fees for Upgrades

- ARIN has four subscription categories based on allocation size
- When an additional allocation upgrades a subscriber to a higher category, they must pay:
 - The difference in category fees
 - An annual fee at the higher rate
- Proposed policy change
 - Subscriber would not be subject to the difference in category fees
 - Allows immediate allocation
 - Eliminates billing cycle

Revising Fees for Upgrades

- Exception
 - If request is made during 60-day billing cycle, subscriber pays difference in category fees
 - As an alternative, subscriber may choose to defer payment until after the billing cycle to avoid paying the difference in category fees

Revising Fees for Upgrades

- Applies to IPv4 only
- Category upgrade revenues are 9% of ARIN's total annual revenue
- ARIN is financially able to accommodate this change