

ARIN

XXXIX



22-25 April 2012 • Vancouver, BC

Treasurer

Paul Andersen

Summary

- 2011 **Draft** Financial Results
- 2012 Q1 Unaudited Results
- Reserves
- Fees

Financial Results 2011

Draft Audit – pre Board Adaption

- 2011 – Through December 31st
- Registration Revenue **\$14,366,665**
 - IPv4 Registrations = \$10,393,759
 - All Other = \$ 3,972,971
- 2011 Expenses **\$15,062,078**
- Operating Result **(\$ 695,423)**
- 2011 Investment Result **(\$ 355,211)**
- Net to Reserves **(\$1,016,951)**



Functional Expense Comparisons

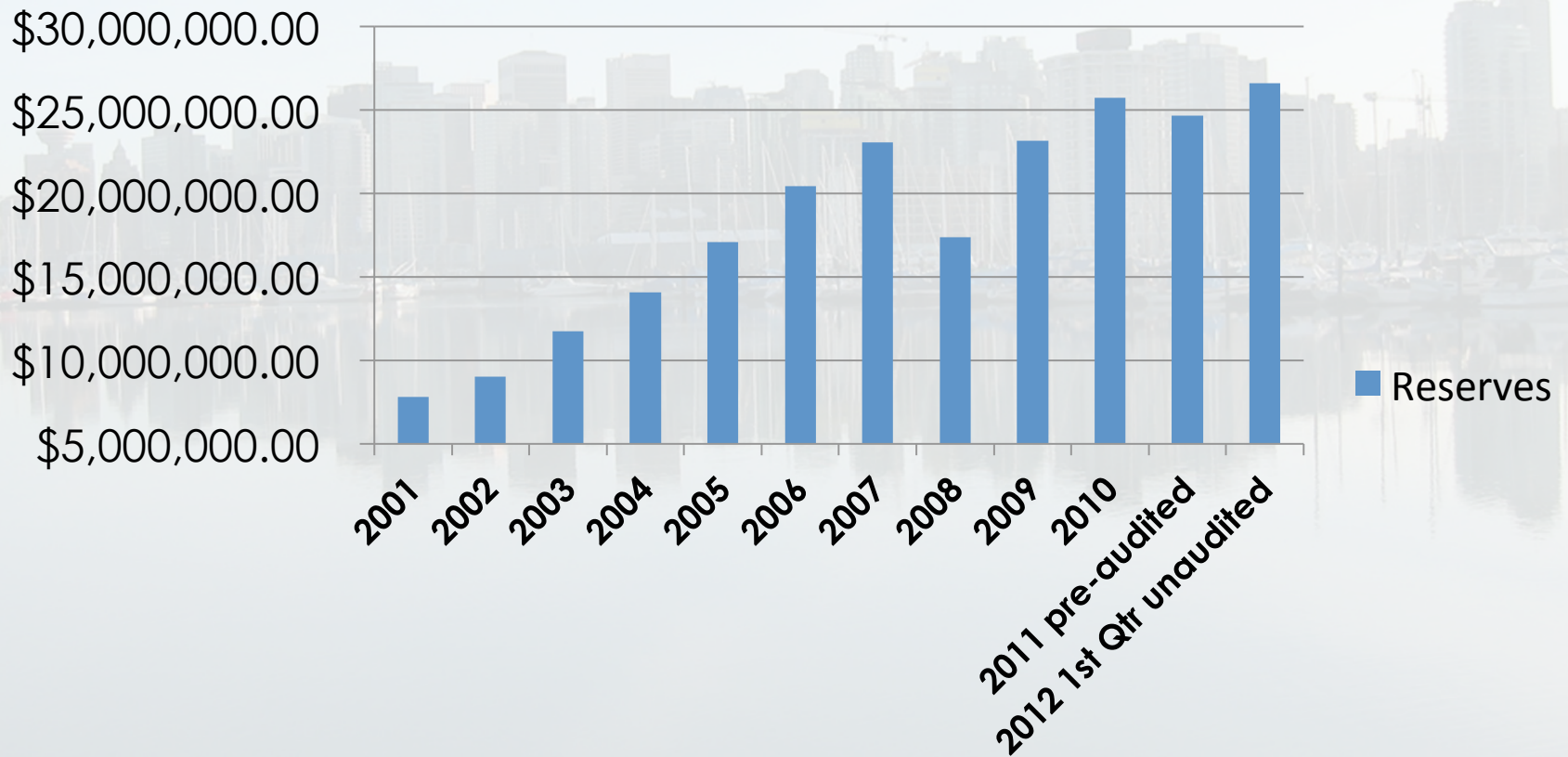
Selected Expense Categories that had Material Changes	2011	2010
Salaries	\$7,228,849	\$6,811,920
Depreciation	\$1,619,577	\$1,327,933
Communications	\$ 881,280	\$ 675,968
Equipment and Software Support	\$ 464,547	\$ 414,514
Legal	\$1,029,916	\$ 434,491
Rent	\$ 378,358	\$ 430,462
NRO	\$ 80,068	\$ 46,345
All other Line Items	\$3,379,483	\$3,391,816
Total	\$15,062,078	\$13,533,449

Financial Results 1st Qtr. 2012

- 2012 – through March 31st
- Registration Revenue **\$3,666,318**
 - IPv4 Registrations = \$2,773,500
 - All Other = \$ 838,845
- 2012 Expenses **\$3,589,658**
- Operating Result **\$ 76,660**
- 2012 Investment Result **\$1,865,799**
- Net to Reserves **\$1,942,459**

End of Year Reserve Balance

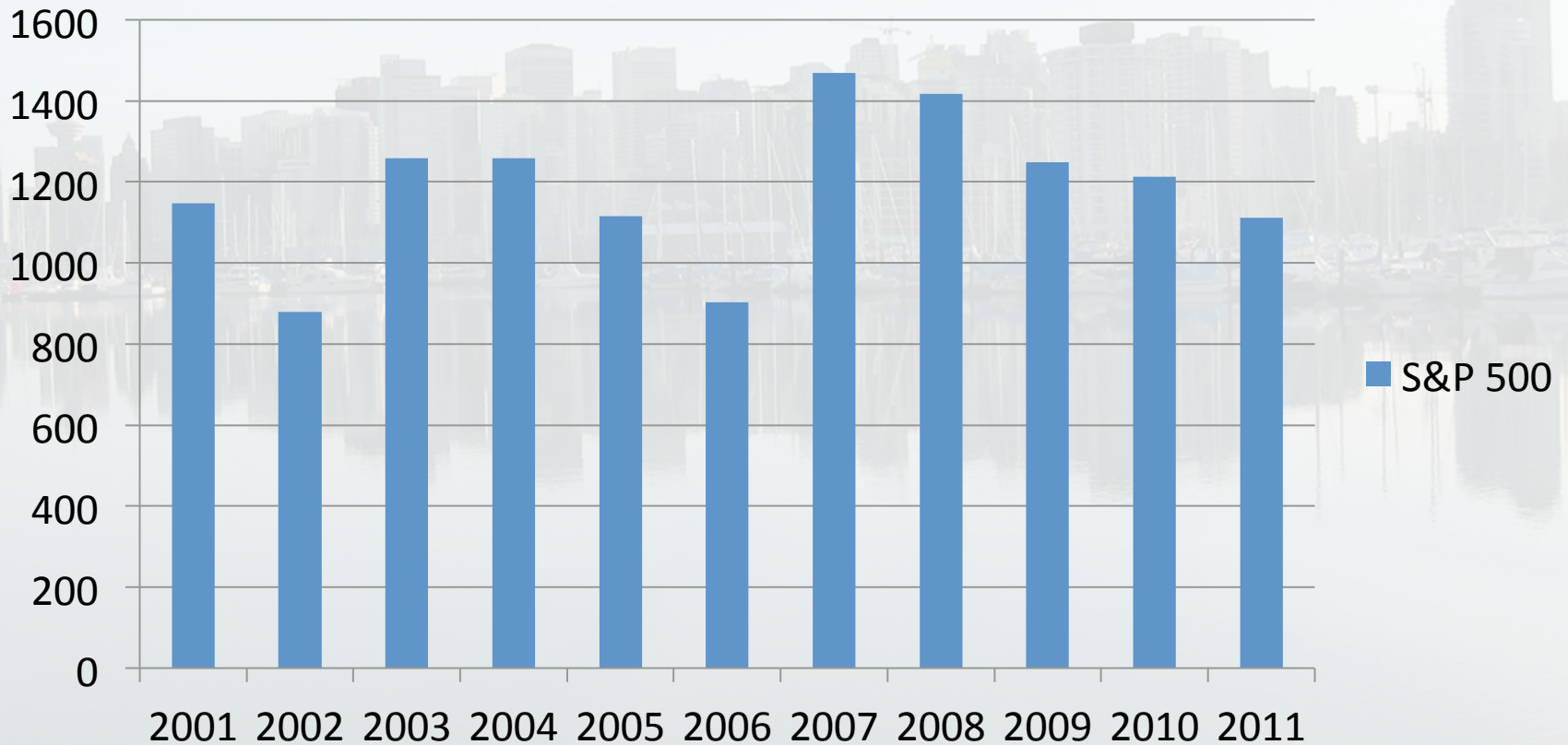
Reserves



The S&P 500

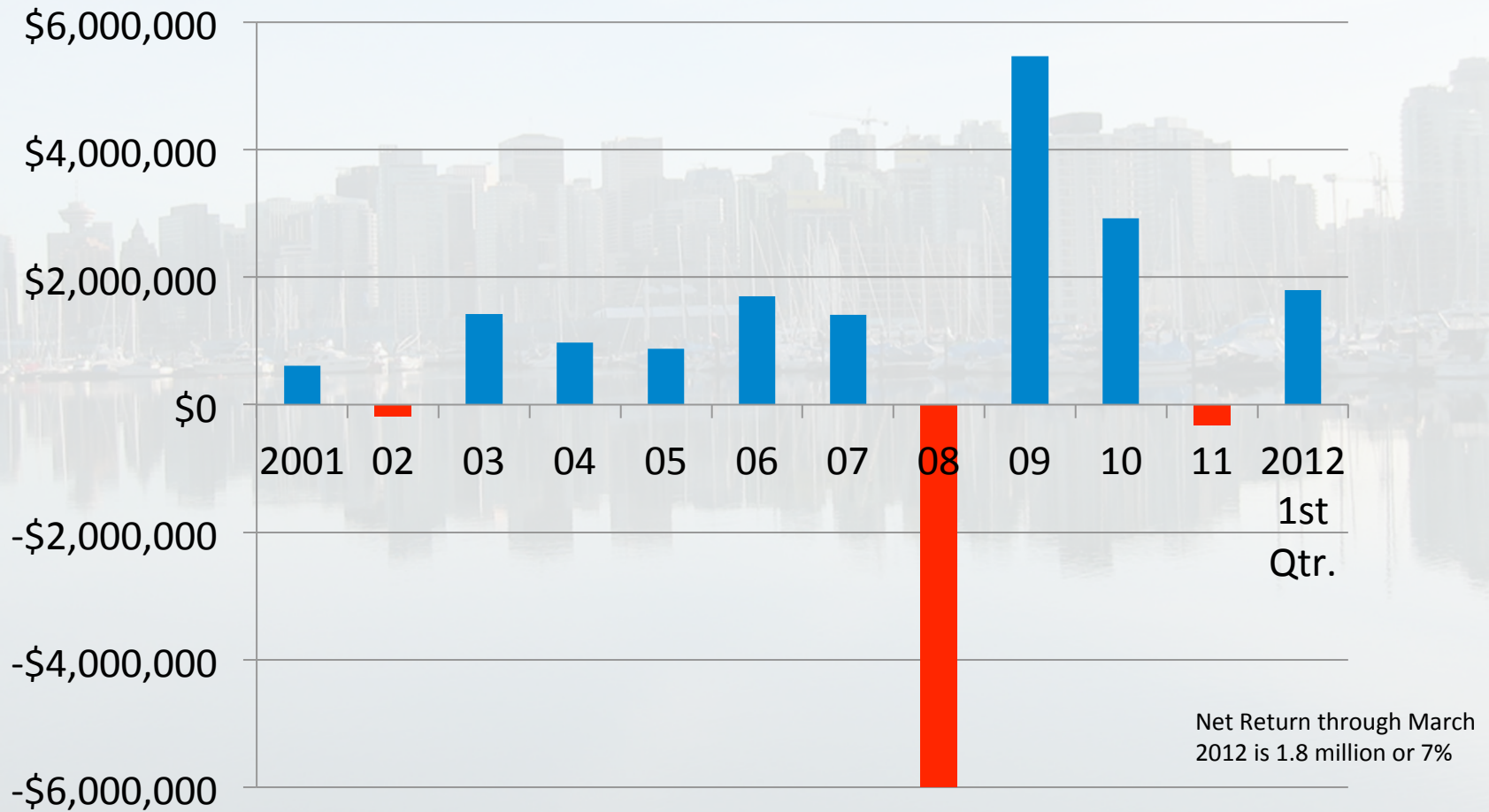
Year end 2001 = 1148 & Year end 2011 = 1112

S&P 500



Investment Return History

The Net Investment Gain Since 2000 is \$10,700,000



ARINXXIX



Reserve Policy

- **ARIN is to keep 1 to 2 years of operating expenses in reserve**
- **Currently at 1.5 of operating expense**
 - 2012 budget = 16.92 Million
 - Current Reserve = 24.65 Million
- **Board would like management to draw reserves down to one year**
 - Last 3 years budgets have called for a reserve draw



Fee Discussion

- **Current Fees were established at ARIN's inception in 1997**
 - IPv4 & IPv6 Allocations – recurring renewal fees annually
 - IPv4 & IPv6 Assignments – initial fee, then minimal maintenance fee
 - Autonomous System Numbers - \$500 initial fee, then minimal maintenance fee
 - Other fees – transfers, membership, conference fees

The Goals of a New Fee Structure

- **Equitable Fees based on costs**
- **Avoid creating disincentives for adoption of industry-wide initiatives**
- **Target a smaller ARIN based on long-term post-IPv4-runout expenses**
- **Maintain and reduce where possible costs for smaller Internet organizations**
- **Promote open membership structure for those with bona fide interest**

Questions with Current Structure

- **Is the \$100 maintenance fee paid by end-users for registration services for any number of IPv4 address blocks of any size equitable and fair?**
 - ISPs pay much more annually for the registry services despite very similar services and workload
 - IPv6 registry services fees are the same for end-users & ISPs
- **Should we focus on “fee per block” (which best reflects costs) or relative “fee per IPv4 address/IPv6 network” or somewhere in between?**
- **Should paid membership (including vote) be available for interested parties which do not hold number resources?**

Timeline

- Board Strategic Discussion on fee issues
 - August 2011 and January 2012
- Staff review of fee goals and issues
 - April 2012
- Board request for input from membership
 - **Today**
- FinCom & Board consideration towards initial draft
 - July & August 2012
- Request for feedback on proposed changes
 - September 2012
- Final Presentation to community
 - October Member Meeting 2012
- Target effective date of January 1, 2013

Thank You

