



Recommended Draft Policy
ARIN-2014-1
Out of Region Use

2014-1 History

1. Origin: ARIN-prop-192 from December 2013
2. AC Shepherds: Milton Mueller, Tina Morris
3. Presented at:
 - PPC at NANOG 60
 - ARIN 33
 - PPC at NANOG 61
 - PPC at NANOG 62
 - ARIN 34
4. Advanced to Recommended Draft Policy in December 2014
5. Text Online & in Discussion Guide
https://www.arin.net/policy/proposals/2014_1.html

- **Staff Understanding**

This policy would allow out of region use of ARIN issued resources as long as the requesting organization is presently an ARIN registry customer and currently using the equivalent of a /22 IPv4 block, or a /44 IPv6 block, or an ASN on infrastructure physically located within the ARIN region. An officer attestation would be required to verify that the resource request is not a duplicate of one made to another RIR.

Staff Comments

1. Current ARIN policy requires organizations to show a justified need for resources to be used specifically within the ARIN region in order to receive number resources from ARIN. If the draft policy were adopted, ARIN number resources could be requested for use in another region.
2. When processing resource requests for use in another region under this policy, ARIN staff would include any address space registered through another RIR and currently used (or available to be used) within that region in its evaluation of the organization's justified need based on current ARIN policy.
3. This policy adds a new requirement that staff review utilization outside of the ARIN region, which will require additional time, and could delay the review and processing of requests of this type as well as other request types that ARIN currently handles.
4. This policy would be placed in the NRPM as "2.17 Out of Region Use".

Legal Assessment

1. Counsel supports the issuance of resources to entities in the ARIN region that need number resources that will be used in this region and in the remainder of the world. ARIN currently issues resources for these needs based on a needs based allocation methodology. This proposed revised policy now requires that there be /22 of deployed IPv4 resources in the ARIN service region, and once that installation exists it allows all of the recipients' needs outside the ARIN service region to be met by ARIN. The requirement of a meaningful physical presence of the recipient in the service region was absent from the prior version, and is an improvement. (The draft policy does not explicitly spell out that the recipient must have an actual physical presence, as well as a corporate legal entity, in the ARIN region, but implies the requirement indirectly by stating that the requester must presently be using resources in the ARIN region and thus already comply with ARIN's existing requirements.

Legal Assessment

2. The single remaining aspect that continues to create legal and policy concern is that the policy as written and interpreted calls for ARIN to allocate resources solely for use out of the ARIN service region. By definition, those resources should be obtained from the RIR(s) in the service region(s) where the need exists. Counsel would strongly prefer that the policy require that there be a requirement that some of the resources being allocated be needed in the ARIN region. Such a modest limit would be consistent with ICP-2; it would be consistent with ARIN's stewardship responsibility to allocate the waning pool of IPv4 number resources, and will still meet the needs of ARIN based multinational entities who need resources across the globe.

Legal Assessment

3. This draft policy is inconsistent with ICP2. ARIN is governed by ICANN ICP-2, which calls for establishment of a single RIR to serve each region. ICP2 further notes that multiple RIRs serving in a single region is likely to lead to difficulty for co-ordination and co-operation between the RIRs as well as confusion for the community within the region. The implication of that governance structure is that each RIR can and should serve primarily its service region. Adoption of this policy will result in ARIN effectively providing significant registry services to ARIN qualified recipients in other RIR regions, and such a change should not be undertaken lightly but instead only after the framework provided in ICP-2 is updated (based on global discussion and consent) - to proceed otherwise would undermines ICP-2 and encourages parties to set aside its principles in an uncoordinated manner, risking in the very "confusion for the community" that ICP-2 helps deter at present.

Legal Assessment

4. ARIN cannot perform business functions contemplated in the policy with certain countries, and related public or private entities, such as relationships to Cuba, Iran and North Korea under U.S. law. This has not historically been an issue for ARIN prior to this proposed policy. It may be necessary to require ARIN's implementation of this policy to require a certification that none of the resources will be deployed contrary to U.S., Canada or Caribbean nations law in this respect. If the draft policy is adopted and ARIN provides resources to qualifying entities for use outside of the region, it is essential that the present requirement for dispute resolution via arbitration at a location in ARIN's service region as currently required in the RSA be maintained to assist in reducing the risk of ARIN becoming subject to the venue, jurisdiction and laws of legal forums outside the ARIN service region.

Implementation

- This policy would have significant resource impact from an implementation aspect. It is estimated that implementation would occur within 5-6 months after ratification by the ARIN Board of Trustees. The following would be needed in order to implement:
 - Updated guidelines and internal procedures
 - Staff training
 - Additional time to review resource requests for out of region use as out of region utilization would now need to be included in the analysis of these requests
 - Engineering efforts to handle out of region business rules may be substantial.

Presentation by the AC

Recommended Draft Policy ARIN-2014-1 “Out of Region Use”

Milton Mueller, Tina Morris AC Shepherds

Presented by David Farmer

Summary

- This policy would allow out of region use of ARIN issued resources as long as the requesting organization is presently an ARIN registry customer and currently using the equivalent of a /22 IPv4 block, or a /44 IPv6 block, or an ASN on infrastructure physically located within the ARIN region. An officer attestation would be required to verify that the resource request is not a duplicate of one made to another RIR.
- If adopted, the current draft policy would not require any of the resources sought to be utilized in the ARIN region.

Problem statement

- “Current policy neither clearly forbids nor clearly permits out of region use of ARIN registered resources. This has created confusion and controversy within the ARIN community for some time. Earlier work on this issue has explored several options to restrict or otherwise limit out of region use. None of these options have gained consensus within the community. The next logical option is a proposal that clearly permits out of region use while addressing some of the concerns expressed about unlimited openness to out of region use.”
 - Staff has been counting utilization as in-region only when the least specific prefix is routed from within the region.

Staff and Legal Review

- Requirement for in-region nexus improved the proposal
- Concerns about the policy's consistency with ICP-2, since none of the resources being sought need to be used within the region
- Counsel has expressed concern that the absence of any need for in-ARIN region resources will result in additional fraudulent requests to ARIN from entities with marginal or no actual ties to ARIN region
- Is 2014-1 a significant change that will affect the way we engage with other RIRs via global and transfer policies?
- An out of region entity might set up a router in the US to route a /22 through that location and tunnel the rest back to a country with no cooperative relationship with the region
- But no legal reasons prevent its implementation, if it is desire of the community

A Little About ICP-2

- Defines Criteria for the Creation of New RIRs
- Is not itself Internet Number Resource Policy, but has an important role in defining aspects of the RIR System
- Requires Non-Overlapping RIR Service Regions when new RIRs are created.
- Does not discuss directly the relationship between the use of resources and RIR Service Regions
- Debate is ongoing whether the lack of 2014-1 having any requirement for in-ARIN region use of resources sought would be consistent with ICP-2
- Details about ICANN's Internet Coordination Policy 2 (ICP-2) can be found here:
<https://www.icann.org/resources/pages/new-rirs-criteria-2012-02-25-en>

Out of region use and IPv4 scarcity

- ARIN's free pool of IPv4 has been the target of increased questionable or fraudulent applications since runout of IPv4 resources in RIPE/NCC and APNIC
- In 2011 when APNIC's IPv4 austerity policy started, ARIN staff began seeing requests that were intended to conform technically to ARIN requirements but not with the spirit
 - As staff gained experience with these types of requests, it was realized that they were not obtaining any justification data that could be verified
 - But policy regarding out-of-region requests (as noted in the problem statement) was ambiguous
 - There is concern that 2014-1 (if enacted before ARIN runout) would increase the number of fraudulent requests.
- But would 2014-1 go into effect before exhaustion?
 - In a post-depletion world 2014-1 would affect the transfer market and IPv6 only
 - Could its implementation be triggered after free pool is gone?