



Proposed Fee Model Beginning 2013

Fee Structure Goals

1. Equitable Fees based on costs

Members receiving comparable services should have comparable fees where feasible

Not striving for precise cost recovery but fair and reasonable distribution of expenses

Fee Structure Goals

2. Avoid creating disincentives for adoption of industry-wide initiatives

While recovering new costs is important, an inclusive approach is sometimes needed.

Examples:

- IPv6 deployment*
- Resource certification*

Fee Structure Goals

3. Target an ARIN that meets the community's needs based on long-term post-IPv4-runout expenses:

Will require ongoing dialogue with the members on their expectations as well as careful monitoring of reserves

Fee Structure Goals

4. Maintain and reduce where possible costs for smaller Internet organizations

The success of the Internet is fueled by the innovation and enthusiasm of many smaller participants, and ARIN's fee schedule should support and encourage such parties

Requires "spreading out" of the fee categories

Fee Structure Goals

5. Promote open membership structure for those with bona fide interest

ARIN has put significant consideration into membership structure to allow for involvement of interested parties while minimizing risk of improper capture

Need to preserve this while maximizing openness of membership

Recent Revenue History

Revenue	2008	2009	2010	2011	2012 Projected
ASN Initials	\$ 849,626	\$ 767,587	\$ 710,709	\$ 677,837	\$ 34,492
Assignments	\$ 554,250	\$ 511,250	\$ 888,750	\$ 1,415,250	\$ 1,352,500
IPv4 Allocations	\$ 9,011,175	\$ 9,530,423	\$ 9,989,196	\$10,393,760	\$10,577,592
IPv6 Allocations	\$ 28,600	\$ 82,775	\$ 213,813	\$ 424,684	\$ 807,004
Other	\$ 1,129,146	\$ 1,544,134	\$ 1,372,510	\$ 1,455,200	\$ 1,465,500
Registration Revenue	\$11,572,797	\$12,436,169	\$13,174,978	\$14,366,731	\$14,837,090
Investment Revenue Budgeted @ 4.5%	(\$ 5,994,514)	\$ 5,464,899	\$ 2,917,326	(\$ 355,285)	\$ 500,000
TOTAL REVENUE	\$5,578,283	\$17,901,068	\$16,092,304	\$14,011,446	\$15,337,090

Proposed Fee Structure

- *Finalize transition from “fee for numbers” to “fee for registration services”*
- *Align IPv4 and IPv6 fee schedules into single set of registration services plans based on total resources held*
- *Remove unlimited registry services for a \$100 annual maintenance fee and replace with per address block and per ASN maintenance fees*
- *Make sure registration service plans are very low cost and suitable for smallest organizations (e.g. adding XX-Small category)*

Registration Services Subscription – Current Categories

RSSP Size Category	IPv4 Resources	IPv6 Resources
XX-Small	n/a	n/a
X-Small	Smaller than /20	/40 to /32
Small	/20 to /19	/31 to /30
Medium	Larger than /19, up to /16	/29 to /27
Large	Larger than /16, up to /14	/26 to /22
X-Large	Larger than /14	Larger than /22
XX-Large	n/a	n/a

Proposed Registration Services Subscription - Fee Structure

RSSP Size Category	Annual Fee	Total IPv4 Resources	Total IPv6 Resources
XX-Small	\$ 500	/22 or Smaller	/48 or Smaller
X-Small	\$ 1,000	Larger than /22, up to and including /20	Larger than /48, up to and including /36
Small	\$ 2,000	Larger than /20, up to and including /18	Larger than /36, up to and including /32
Medium	\$ 4,000	Larger than /18, up to and including /16	Larger than /32, up to and including /28
Large	\$ 8,000	Larger than /16, up to and including /14	Larger than /28, up to and including /24
X-Large	\$16,000	Larger than /14, up to and including /12	Larger than /24, up to and including /20
XX-Large	\$32,000	Larger than /12	Larger than /20

Registration Services Subscription-Fee Category Migration

IPv4 Category Structure	2011 Category Breakdown	New Category Breakdown <i>XX-Small</i> (\$500)	<i>X-Small</i> (\$1,000)	<i>Small</i> (\$2,000)	<i>Medium</i> (\$4,000)	<i>Large</i> (\$8,000)	<i>X-Large</i> (\$16,000)	<i>XX-Large</i> (\$32,000)
XX-Small	n/a							
X-Small	948	363	517	68				
Small	2,240	1	616	1,439	184			
Medium	630			92	388	138	11	1
Large	106				2	54	48	2
X-Large	73					2	18	53
XX-Large	n/a							
	Total in each new category	364	1,133	1,599	574	194	77	56

Overview of Category/Fee Changes

X-Small to Small	68	\$1,250 to \$ 2,000
Small to Medium	184	\$2,250 to \$ 4,000
Medium to Large	138	\$4,500 to \$ 8,000
Medium to X-Large	11	\$4,500 to \$16,000
Medium to XX-Large	1	\$4,500 to \$32,000
Large to X-Large	48	\$9,000 to \$16,000
Large to XX-Large	2	\$9,000 to \$32,000
X-Large to XX Large	<u>53</u>	\$18,000 to \$32,000

505 Members see an increase

3492 Members see a decrease

Proposed RSSP Revenue Change

IPv4 Category Structure	Projected Category Structure after Cumulative Migration	Current Fee	Proposed Fee	Net Revenue	% of Total	2011 Current Fee Revenues	% of Total
XX–Small	364	<i>n/a</i>	\$500	\$182,000	1.60%	<i>n/a</i>	
X–Small	1,133	\$1,250	\$1,000	\$1,133,000	9.98%	\$1,245,000	11.51%
Small	1,599	\$2,250	\$2,000	\$3,198,000	28.17%	\$4,506,000	41.65%
Medium	574	\$4,500	\$4,000	\$2,296,000	20.22%	\$2,835,000	26.21%
Large	194	\$9,000	\$8,000	\$1,552,000	13.67%	\$909,000	8.40%
X–Large	77	\$18,000	\$16,000	\$1,232,000	10.85%	\$1,323,000	12.23%
XX–Large	56	<i>n/a</i>	\$32,000	\$1,760,000	15.50%	<i>n/a</i>	
Totals				\$11,353,000		\$10,818,000	

2013 Revenue Distribution under proposed fees

Line Items	Estimated #	Proposed Fee	2013 Projected Revenue
Registration Services Subscription Plan Fees (Annual)	3,997	\$ 500 - \$ 32,000	\$11,353,000
Maintenance Fees for ASNs (Annual)	10,416	\$ 100 per ASN	\$ 1,041,600
Maintenance Fees for End-user Address Blocks (Annual)	3,500 orgs.	\$100 per IP Address Block	\$ 970,000
End-user Address Request Fees (One Time)	743	\$ 500 - \$32,000	\$ 897,000
ASN Request Fees (One Time)	1,428	\$ 550 per Request	\$ 785,400
Transfers Request Fees (One Time)	400	\$ 500 per Request	\$ 200,000
Other (STLS Fees, membership, contributions, other)			\$ 174,400
Total			\$ 15,421,400

The End