



RIPE NCC
RIPE NETWORK COORDINATION CENTRE

RIPE NCC Charging Scheme

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What is the Charging Scheme?



- The costs of the RIPE NCC are detailed in the Activity Plan and Budget - members provide their input and it's approved by the Executive Board
- As a membership organisation, all members are expected to contribute to covering the costs of the RIPE NCC
- The Charging Scheme is the means by which the RIPE NCC ensures it collects sufficient funds to execute its promise to members documented in the Activity Plan and Budget



The Past

1992-2013



- Until 1997 - sign-up fee and voluntary charging model
- Study in 1996 to look at usage-based charging model (ripe-143)
- Proposed three options - members voted for size-based charging categories: Large, Medium, Small
- Distribution of fees into these categories according to algorithm:

$$S(\text{reg}) = \sum_{i=1}^N a_i * t_i$$

a_i = Scoring unit

t_i = Time function of allocation/assignment i (year of allocation – 1992)

N = Number of allocations/assignments

1992-2013



- This model applied until 2013, with some alterations along the way:
 - Added categories (Extra Small and Extra Large in 2004)
 - Refinements of the algorithm (including to reflect Direct End User Assignment policy)
 - Use of a “take-over fee” then “administration fee” for members who took over closed LIRs or their allocations (abolished in 2009)
 - Addition/removal of ASNs, IPv4 PI, special purpose IPv6
 - One-time rebate of surplus in 2007



The Present

2013-Present



- Charging Scheme Task Force set broad principles in 2012:
 - The scheme should be applicable for many years
 - There should be stable fees per member
 - A small number of members should not pay most of the fees
- In 2012, three options were presented to members at the GM
 - One LIR-one fee model - approved by members
 - Self-categorisation model - possibility to self-select small, medium or large
 - Updated version of previous model - more categories, similar algorithm

2013-Present



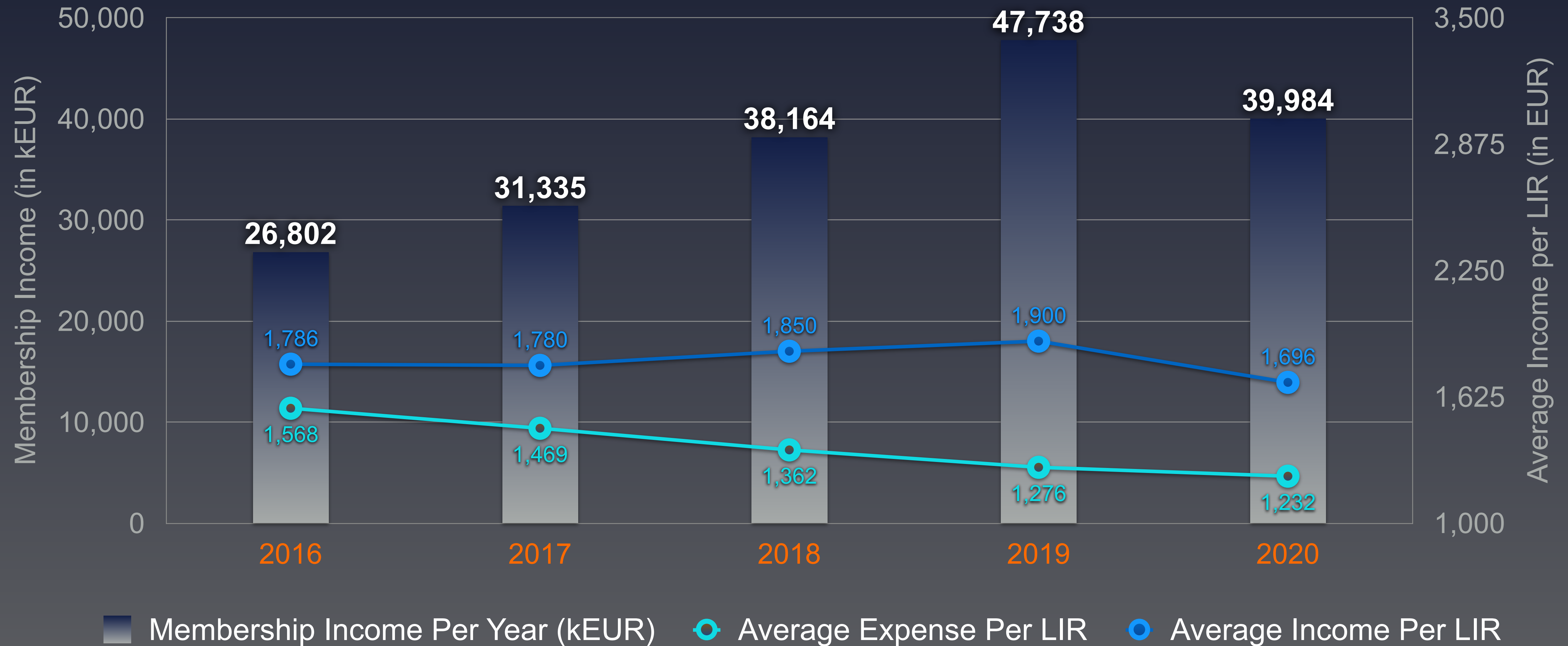
- The “One LIR-One Fee” model has been in place since 2013
- There is a separate charge for PI assignments:
 - IPv4 and IPv6 PI assignments
 - Anycast assignments
 - IPv4 and IPv6 IXP assignments
 - Legacy IPv4 resource registrations through a sponsoring LIR
- A resolution on charging separately for ASNs was rejected in 2015

2013-Present



- Since 2005, the sign-up fee has remained at EUR 2,000
- Since 2013, PI is EUR 50 per assignment
- Since 2015, members have voted to have surplus redistributed to the membership
 - This has effectively reduced the annual fee by EUR 300-600 since initiated
 - 46 million has been redistributed to the membership since this mechanism was introduced (average of 7.6 million per year)
- The RIPE Meeting fees and the Certified Professionals exam fees are not included in the Charging Scheme

Membership Income vs Costs





The Future

Time to Reassess



- The Board sees that the current charging scheme model has given equality, predictability and simplicity to members
- But the environment has changed:
 - IPv4 has effectively finished - a /24 is available to new LIRs who join a waiting list
 - Rapid membership growth is over and the membership might contract in the coming years
 - Complexity of maintaining the registry has increased - transfers, M&As, etc. take a lot of resources
- After ten years, it's a good time to review the model we use to fund our operations

Questions for you...



- What are the main flaws (if any) that you see with the current model?
- Should there be a new administration fee for resource-intensive requests, e.g. for transfers as happens in the other RIRs?
- Should the sign-up fee be lower to allow more people to enter the market as independent network operators?
- Should there be a separate charge for ASNs?
- Should the charging model be used to encourage IPv6 take-up?

And what about policy?



- Under current policy:
 - IPv4 resources must be retained for two years before they can be transferred
 - New LIRs are entitled to join a waiting list for a /24
- Should policy lead the way in issues relating to membership charging?
- Should policy be formed that accommodates the needs of the membership in relation to charging?

Proposed way forward



- Take input at this GM
- Bring discussion to the members-discuss list together with more detailed information on implications of different elements
- Look at other forums such as Open Houses to discuss issues more fully
- Form options on a model to use going forward and bring to the November GM for members to vote on



Questions

