RIPE NCC Charging Scheme 2012

Introduction
The RIPE NCC Executive Board, together with the RIPE NCC Senior Management, presents a new Charging Scheme model to the RIPE NCC membership at the RIPE NCC General Meeting in November 2011.

The Executive Board realises that, based on feedback, the current Charging Scheme model is complex and makes it difficult for individual members to easily determine their own fees.

The model proposed for 2012 is based on feedback received from the membership and on the need to provide more fairness and transparency for members, taking into account legal and fiscal constraints.

Definitions
Members: Contributors that pay an annual service fee that allows them to request Internet number resources, for their own infrastructure and customer networks, and receive further services from the RIPE NCC.

Direct Assignment Users: End Users who sign a contract directly with the RIPE NCC and pay an annual maintenance fee that allows them to request independent Internet number resources for their own infrastructure only, and who do not receive any further services from the RIPE NCC.

Independent Internet Number Resources: Independent Internet number resources such as IPv4 and IPv6 PI assignments, AS numbers, Anycasting and IPv6 IXP assignments.

Aggregatable Internet Number Resources: Aggregatable Internet number resources such as IPv4 and IPv6 PA allocations.

Note on Direct Assignment Users and PI Assignments
In the text below, all references to Direct Assignment Users and PI assignments relate only to those who have a contract directly with the RIPE NCC. Under the proposed Charging Scheme model, Direct Assignment Users who have a contract directly with the RIPE NCC will become members.

The RIPE NCC remains outside the contractual relationship between End Users requesting PI space and their sponsoring LIR. In the Charging Scheme 2012, the fee for PI assignments applies to both Direct Assignment Users and LIRs requesting PI address space.

Charging Scheme Principles

The new Charging Scheme will ensure that the four main principles of the RIPE NCC's Charging Scheme are clearly visible.

- *Transparency:* by enabling members to easily determine their fees and understand what their fees are used for

- *Continuity:* a stable Charging Scheme model that takes future scenarios, such as IPv4 depletion, into account

- S*implicity*: to guarantee that all members can understand the Charging Scheme easily

- *Fairness:* although this final principle may be difficult to achieve with such a diverse membership, the Charging Scheme needs to be perceived by a large majority as fair to all members

Organisational Principles

The new Charging Scheme model will adhere to the following well-established RIPE NCC organisational principles:

- The RIPE NCC provides member-only services and products as well as public services and products. To use member-only services and products, an organisation must be a member of the RIPE NCC.

- The membership fee that the RIPE NCC charges its members also covers the costs of the development of public services and products. The RIPE NCC develops and maintains various products and services, such as DNS services, for the benefit and stability of the Internet as a whole.

- The overall RIPE NCC costs are shared among the entire membership.

- Although all members are equal in terms of their rights and obligations, there are differences in the fees that members are charged.

- The annual service fee charged to each member is based on the membership category they fall into.

- A member's category is determined by the amount of Internet number resources that the member is responsible for and the products and services they use. In principle, the number of Internet number resources held by a member is proportional to the services and products that a member benefits from.

- The RIPE NCC operates as a not-for-profit organisation and its income is derived solely from membership fees. The organisation aims to break even on its budget each year.

Features of the Charging Scheme Model 2012

- All contracts for any RIPE NCC products or services will be between the RIPE NCC and a member. This means that Direct Assignment Users and other separate service contract holders, such as DNSMON subscribers, must be a RIPE NCC member.
- A member's size category is determined by the amount of Internet number resources, Provider Independent (PI) and Provider Aggregatable (PA), they hold and certain other services and products they use, such as the DNSMON service.

- Ten membership categories are proposed. The current Charging Scheme 2011 has five categories. The additional categories are for members holding a small allocation (such as legacy resource holders or direct End Users) and for members holding very large allocations or many different allocations/assignments.
- The sign-up fees will be reduced from EUR 2,000 to EUR 1,000. 3XS members will pay a reduced sign-up fee of EUR 250.

- There is an additional charge of EUR 50 for each IPv4 PI assignment. IPv6 PI assignments will not have an additional charge.
- There will be no service fee and no sign-up fee for legacy resource holders who become RIPE NCC members. These fees are waived only for those members who do not request any new Internet number resources, use any RIPE NCC products and services or who are Direct Assignment Users.
- All members can access all RIPE NCC services and products. However, for certain services and products, members may be required to have a minimum category level to be able to access them.
- Legacy resources are not taken into account when determining which membership category existing RIPE NCC members fit into.
- For the 2012 Charging Scheme, the RIPE NCC proposes that no fees will be charged for the work involved in assigning and allocating IPv6 Internet number resources to members during that year.

Charging Scheme 2012 Overview

	IPv4 in / [1]	IPv6 in / [1]	ASN	DNSMON[2]	NRTM[2]	Annual Fee	Sign-up Fee
3XS	< 22	< 32	0 <=1	No	Yes	€250	€250
2XS	22	32	1 <=2	No	Yes	€750	€1,000
XS	>22, <=21	>32, <=29	2 <= 4	No	Yes	€1,000	-
S	>21, <=20	>29, <=26	4 <= 8	No	Yes	€1,400	-
M	>20, <=19	>26, <=24	8 <= 16	Small	Yes	€2,000	-
L	>19, <=16	>24, <=20	16 <= 32	Small	Yes	€3,000	-
XL	>16, <=14	>20, <=16	32 <= 48	Medium	Yes	€4,500	-
2XL	>14, <=12	>16	48 <= 64	Large	Yes	€6,500	-
3XL	>12, <=9	-	64 <= 128	-	Yes	€10,000	-
4XL	>9	-	>129	-	Yes	€15,000	-
Per IPv4 PI Assignment		€50					

Note 1: All IPv4 and IPv6 addresses (Provider Independent and Provider Aggregatable) are taken into account.

Note 2: The RIPE NCC provides member-only services and products as well as

public services and products. To use member-only services and products, an organisation must be a member of the RIPE NCC.

For 2012, it is proposed that DNS Monitoring (DNSMON) and Near Real-Time Mirroring (NRTM) be included in the Charging Scheme. Organisations will need to become members to use these services, even if they do not hold Internet number resources. In the future, other services could be added. The categories mentioned in the DNSMON service column refer to the equivalent categories of the current DNSMON service fees according to the DNSMON agreement.

Change matrix of Charging Scheme 2012

	Category 2011				
Category 2012	**XS**	**S**	**M**	**L**	**XL**
3XS	5%	-	-	-	-
2XS	4%	-	-	-	-
XS	61%	14%	-	-	-
S	19%	27%	-	-	-
M	7%	32%	0%	-	-
L	4%	27%	67%	-	-
XL	0%	0%	30%	26%	-
2XL	0%	-	2%	57%	3%
3XL	0%	-	1%	14%	88%
4XL	0%	0%	0%	3%	9%
Total	100%	100%	100%	100%	100%

Note: In the table above, "-" indicates that no registries are expected to move to a particular category. 0% indicates a figure less than 0.5%.