Draft Policy ARIN 2015-2
Modify 8.4 (Inter-RIR Transfers to Specified Recipients)

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Problem Statement

- Organizations that obtain a 24 month supply of IP addresses via the transfer market and then have an unexpected change in business plan are unable to move IP addresses to the proper RIR within the first 12 months of receipt.

Current Policy Statement

- Current Text of fourth bullet of 8.4 reads:

"Source entities within the ARIN region must not have received a transfer, allocation, or assignment of IPv4 number resources from ARIN for the 12 months prior to the approval of a transfer request. This restriction does not include M&A transfers." (Emphasis added.)

Proposed Policy Statement

- Current Text of fourth bullet of 8.4 to be changed to read:

"Source entities within the ARIN region must not have received an allocation, or assignment of IPv4 number resources from ARIN for the 12 months prior to the approval of a transfer request. This restriction does not include M&A transfers." (Emphasis added.)

Comments

- The proposal would allow organizations to perform inter-RIR transfers of space received via an 8.3 transfer regardless of the date transferred to ARIN . An example would be if an organization in the ARIN region acquires a block via transfer, and then 3 months later, the organization determines that it wants to launch new services out of region. Under current policy, the organization is prohibited from moving some or all of those addresses to that region's Whois; the numbers are locked in ARIN's Whois.

Comments (continued)

- It is important to note that 8.3 transfers are approved for a 24 month supply, and, on occasion, a business model may change within the first 12 months after approval. In addition this will not affect the assignments and allocations issued by ARIN they will still be subject to the 12 month restriction.

Discussion

- There has been a lot of discussion on PPML.
- One view: “This is not ARIN’s problem” and resources can be requested from another region instead.
- Response: ARIN members operating global networks prefer to deal with one RIR as much as possible and this policy would reduce incentives to game the system by using 8.2 and then 8.4 which just creates unnecessary cost and work.

Discussion (continued)

- An amendment to the proposal now being considered would introduce a requirement that there must be some form of affiliate relationship between the source and recipient entity that will make it more likely that eliminating the 12 month anti-flip period in that situation will meet the needs of multi-region network operators without encouraging abuse.
- The proposed amendment is based on US statutory provisions defining ownership and control (i.e., affiliation).

Discussion (continued)

- Current Text of fourth bullet of 8.4 would be changed to read:

“Source entities within the ARIN region must not have received a transfer, allocation, or assignment of IPv4 number resources from ARIN for the 12 months prior to the approval of a transfer request, unless the source entities directly, or indirectly through one or more intermediaries, control, are controlled by, or are under common control with the recipient entities outside the ARIN region. This restriction does not include M&A transfers.” (Emphasis added.)

Discussion (continued)

- A new section 2.17 would also be added to the NRPM to define control as follows:

The term “control” means the possession, directly or indirectly, through the ownership of voting securities, by contract, arrangement, understanding, relationship or otherwise, of the power to direct or cause the direction of the management and policies of a person. The beneficial ownership of more than 50 percent of a corporation's voting shares shall be deemed to constitute control.

PPC Input Sought

- Comments?