

Statement of the ARIN Board on Transfer Policy Status and Timing

The ARIN Board offers this statement to clarify the Board's sense of urgency regarding present Transfer Policy discussions, and the reasons for the Board's approach towards resolution via policy proposal 2009-1.

History

Until the recent Board action, the ARIN "transfer" policy only permitted transfers of Internet resources, such as IP addresses and autonomous system numbers, from one party to another when one party bought another, or bought an entire line of business. In either case, the acquiring party would receive the resources because the resources would remain associated with the underlying assets that were transferred to the new party.

In October 2007, the ARIN Board noted that revisions to the ARIN transfer policy might be appropriate in light of possible future shortages of IPv4 space. In that context, the ARIN Board sent a message to the ARIN Advisory Council (ARIN AC) asking them to consider developing a new transfer policy for presentation to the ARIN community.

The ARIN AC spent 2008 considering a new ARIN transfer policy, and forwarded proposed policy 2008-6 to the ARIN Board for consideration in January 2009.

[<https://www.arin.net/policy/proposals/2008_6.html>](https://www.arin.net/policy/proposals/2008_6.html)

The primary change provided by the new transfer policy was to permit ARIN to allow the transfer of IP resources between two parties without the requirement that network assets associated with these IP resources also be transferred.

The Board approved this policy on February 6th, 2009, with implementation conditional upon revisions to address a number of critical risks.

The Board considered the question of timing of implementation of this policy. The Board took into account the timing suggestion accompanying the proposal, community discussions to date, the advice of experts, and the dynamics of the underlying policy decision. As described in greater detail below, the Board believes it is preferable to implement policy 2008-6 as revised without the further delay that would be imposed by another complete policy proposal cycle. The Board also considers an immediate implementation to be within the AC's timing advice.

The Board has also proposed policy 2009-1, consisting of a number of revisions and clarifications to 2008-6 deemed necessary in the fulfillment of the Board's fiduciary and organizational responsibilities and per the advice of ARIN's legal counsel. Policy proposal 2009-1 was introduced using the perhaps inappropriately named "emergency process," since that's the only method available to the Board under the current Policy Development Process. The Board believes that the issues addressed by 2008-6 and 2009-

1 are of the utmost importance and require prompt action, and this should be divorced from any argument about the propriety of the word "emergency."

With Policy 2008-6 already having been discussed and approved, the modifications proposed in 2009-1 are an important topic of discussion between now and the conclusion of the ARIN meeting in San Antonio. The Board is committed to ARIN's mission of efficient management and conservation of scarce numbering resources, and views a timely transfer policy as an effective method for achieving redeployment of otherwise underutilized numbering resources.

Timing Considerations

If ARIN is to reduce the requirements for transfers, ARIN then faces the question of when to change the requirements.

The Board considers that immediate implementation of a revised 2008-6 will have a numerically small, but qualitatively significant, effect. ARIN's prior transfer policy could be applied only in very specific and constrained circumstances, and was inapplicable to the majority of the diverse spectrum of real-world business and operational requirements encountered by ARIN's constituency. One of the principal purposes of a liberalized transfer policy is to permit transfers among legitimate ARIN constituents who can justify their need, and who wish to receive addresses (perhaps ones which they are already using) from a specific donor rather than from ARIN's free pool while it still exists. Since there is the potential for many such unrecognized transactions and transfers, the Board anticipates that a revised 2008-6 will give ARIN staff an invaluable tool to assist ARIN's constituents in aligning WHOIS contact data with operationally responsible parties.

Furthermore, an announcement of the availability of a new transfer policy could facilitate networks' planning in important ways. For example, such an announcement can help network administrators demonstrate the business benefit and revenue opportunity associated with IPv6 readiness and early IPv6 deployment – thereby supporting network administrators' efforts to prepare for IPv6.

Relationships with legacy address holders also benefit from immediate adoption of a revised transfer policy. Immediate implementation encourages legacy holders to sign ARIN's Legacy RSA ("LRSA") agreements to clarify and confirm their right to perform address transfers. The LRSA agreements help normalize ARIN's relationships with address holders, and solid relationships with legacy address holders help improve accuracy of the WHOIS database.

Prompt implementation is also consistent with ARIN's policy process: The ARIN community has generally expressed a favorable view of the 2008-6 approach to reducing the requirements for transfers, and the ARIN community deserves to know that such transfers will in fact be available when networks are ready to make such transfers.

The Board considers that immediate implementation of the proposed transfer policy is consistent with the AC's proposed approach. In the discussion accompanying 2008-6, the AC suggested that the policy be implemented when one of two conditions occurred: 1) "the free-pool of IANA addresses is exhausted," or 2) "IPv4 address resources in the ARIN Region reach a threshold of scarcity recognized by the ARIN Board of Trustees as requiring this policy implementation." It is the judgment of the Board that the second criterion has already been satisfied, in light of a number of unfortunate conditions: the looming scarcity of IPv4 addresses and the consequent possibility of an accelerating "run on the bank," and the decaying accuracy of the WHOIS contact database as the probable number of unacknowledged transfers accumulate. Absent timely implementation of a more comprehensive transfer policy, such as 2008-6, ARIN would need to devote significantly more resources to ferreting out fraudulent transfers. But with immediate implementation of the proposed transfer policy, ARIN can avoid the many costs (legal fees as well as diversion of management attention) that would result from attempting to continue to enforce the current transfer position. The moral and operational uncertainty that result from selective enforcement of a policy that does not match its constituents' actual behavior is also a significant consideration in favor of immediate implementation.

The Board's Policy Proposal 2009-1

The Board has acted under section 7.1 of the Policy Development Process, to introduce policy proposal 2009-1, seeking community input on several issues that remain to be resolved in the wake of the adoption of policy 2008-6.

The differences between policy proposal 2009-1 and policy 2008-6 are:

- 1) Policy proposal 2009-1 does not have the delayed timetable for implementation;
- 2) It makes explicit that resources are returned to ARIN before being redistributed to the designated recipient;
- 3) It eliminates the sunset clause, which, if retained, would introduce unpredictability in network planning;
- 4) It explicitly limits use of the policy to parties in the ARIN region, clearly ruling out interregional transfers, since those are an easily-separable matter of great additional controversy;
- 5) It refers to "number resources" rather than specifically IPv4 addresses, in an effort to retain simplicity and policy uniformity within the Number Resource Policy Manual; and
- 6) It clarifies the NRPM definition of "organization" in a way that the Board considers should prevent gaming of the transfer policy by malefactors, a matter the community had expressed significant concern about in the discussion of policy proposal 2008-6.

The Board has provided a specific proposal for accelerated community comment in order to better evaluate policy on these issues. The Board is pleased to see that ARIN members are already actively evaluating all these differences and providing analysis of their relative desirability.

The Board recognizes that it is unusual for the Board to draft a policy proposal. In this instance, the Board believes its drafting was appropriate both for its close ties to existing proposed policy, and for the valuable, timely feedback likely to result from widespread public discussion of the specific provisions of 2009-1. Crucially, the Board believes the ordinary policy process may not be adequate given the complexity of transfer policy questions and given the limited time now available: it took 16 months for the standard process to produce policy proposal 2008-6, and with IPv4 scarcity drawing near, there is not time to reiterate that same lengthy process. The Board also believes that finalizing a revised transfer policy is important for letting resource holders know that they will have a stable policy for their planning purposes. For these reasons, the Board elected to propose 2009-1 via the emergency policy process.