

25 November 2008

Note:

To: Members of APTLD

From: Board of APTLD

Re: Topic for Discussion – Membership Fees of Ordinary Members

Background - Facts

- The membership fee that an APTLD ordinary member pays is determined by the member himself on a voluntary self-select basis. The table below illustrates the fee bands available, and APTLD's recommendation on the fee band to choose based on the number of registered domain names under the ccTLD or the annual revenue of the member.

Band	Fee	# of Domains	US\$ equivalent Revenue
1	US\$150	<1,000	<\$10,000
2	US\$500	<5,000	<\$50,000
3	US\$1,500	<30,000	<\$200,000
4	US\$3,000	<60,000	<\$400,000
5	US\$5,000	<100,000	<\$500,000
6	US\$7,500	<200,000	<\$750,000
7	US\$10,000	<250,000	<\$1,000,000
8	US\$15,000	<500,000	<\$2,000,000
9	US\$20,000	<750,000	<\$5,000,000
10	US\$25,000	>750,000	>\$5,000,000

- The membership fee of APTLD associate member is also determined by the member himself on a voluntary self-select basis, based on the same table. The number of domain names and revenue are not as relevant for associate members.
- Of the 34 ordinary members in 2008, 20 have elected to pay less than the fee bands guidelines applicable to them.¹
- The self-select nature makes revenue prediction for APTLD less certain and budgeting more difficult.

Comments

- It is not fair to those who pay according to their recommended fee bands when others are paying less than the recommended fee bands.
- In particular, of the 8 Board members in 2008, only 4 have paid fees according to the recommended fee bands. The Board is expected to lead by example in this respect.

Issues

- Should APTLD continue to adopt the voluntary self-select mechanism for membership fee selection? If yes,
 - how can we ensure fairness among members knowing that some members will continue to pay less than the recommended fee band?

¹ This is based on our assessment of the number of names registered available to us either publicly or privately. Not all ccTLDs disclose their number of registrations

- b. how can we ensure certainty of income for planning activities for a new year?
2. If APTLD decides to move to a non-voluntary scheme,
 - a. should we give special considerations to those who have justifiable reasons to pay less than the recommended level in a particular year? What might be some justifiable reasons?
 - b. how many existing ordinary and associate members will decide not to continue their membership? What will be the impact on our revenue? What will be the impact on our Mission?
3. Irrespective of whether we will adopt a non-voluntary scheme or not, should we make any adjustments to the existing fee bands? In particular,
 - a. the difference between the lowest and highest fees is very large (166x) whereas the difference is smaller in the case of CENTR (18x - lowest: EUR2,500, highest: EUR45,000, 7 bands) and LACTLD (30x - lowest US\$500, Highest US\$15,000, 7 bands) Should we reduce the “gap” and the number of bands?
4. Other considerations if we are to continue with a voluntary self-select scheme
 - a. Should we tie voting rights to the amount members pay?
 - i. For the Approval of the Budget?
 - ii. For Election of Directors?

Proposal

The Board would like to solicit members' views on the above issues before preparing a proposal on membership fee reform. As we normally collect membership fees starting January and by no means later than February in a new year, any new scheme so proposed and approved by members can only take effect from year 2010 onwards.