SMARTER PURCHASING OF IPV4 ADDRESSES FROM THE MARKET

DAVID HUBERMAN
ORACLE BARE METAL CLOUD
PRE-MARKET STEPS
PRE-MARKET STEPS
“KNOW BEFORE YOU GO!”

You know how much you want to buy, and how long it will last, right?

Secure CAPEX

- Purchase price
- Transaction fees (RIRs, NIRs, Escrow Agents)
- Broker or Exchange fees

Find quality counsel with experience in Mergers & Acquisitions

- Purchase price is key to any deal, but the purchase contract’s terms & conditions are probably more important!
- Note: Lawyers are expensive. You will need significant operating budget
PRE-MARKET STEPS

"KNOW BEFORE YOU GO!"

Keep in mind inter-RIR transfer policies. As of February 2016:

- LACNIC and AFRINIC do not allow space to enter or leave the region. This adds significant legal complexity to a deal

- Space can move freely between APNIC, ARIN, and RIPE

Have an RIR account ready to receive any purchases:

- Billing up-to-date

- Pre-approval if necessary
TIME TO FIND A SELLER
TAKE CONTROL
“BE YOUR OWN BEST ADVOCATE”

• Brokers and Exchange Operators are interested in rising prices. You want lower prices. Your interests are not aligned.

• Keep control! Keep in constant communication with all parties, and do not let others steer you in a direction you do not want to go.
THE ART OF THE DEAL
HINT: IT IS ABOUT PEOPLE

• Deal making is about people

• This is just like negotiating transit and peering

• Sellers are more likely to want to work with you if they like you

• There is high value in face-to-face meetings

• E-mail is not only a poor communication medium, in some cultures it is just not acceptable
THE DEAL
THREE PRIMARY FACTORS

• Price
• Timing of delivery
  • One delivery; or
  • Multiple tranches over time?
• “We can give you 90% of the space now, but need a few months to finish up cleaning the other 10%”
• Terms and conditions of the contract
PROTECT YOUR COMPANY
## DUE DILIGENCE
PROTECTING YOUR COMPANY

<table>
<thead>
<tr>
<th>Technical</th>
<th>Legal</th>
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<tbody>
<tr>
<td>Is the block routed?</td>
<td>Contractual obligations?</td>
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<tr>
<td>What does RIS say about routing history?</td>
<td>Any corporate liens? (If so, get a certification that the lien doesn’t encumber the addresses.)</td>
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<tr>
<td>Is it on any block lists?</td>
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<tr>
<td>Is the seller routing the blocks internally?</td>
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FRAUD
ARE YOU PARTY TO FRAUD?

30% of the market participants are committing fraud.

There are two general types of fraud:

Willful fraud vs. Unwitting fraud
FRAUD
WILLFUL FRAUD

• Intentionally selling space that is not theirs
• Intentionally selling non-registered space
• Intentionally selling space that was hijacked from the RIR
• Intentionally selling space that required them to lie to the RIR to obtain
FRAUD
UNWITTING FRAUD

• Selling space that isn’t theirs, but they don’t know it

• Big corporation problems
FRAUD
AVOIDING IT

• Rigorously vet your seller

• Do not buy from any party you do not know or cannot easily learn about

• Only use a major bank as an escrow agent
THANK YOU