

MICE UG 24 Minutes

Meeting called to order on Wednesday, July 12th at 15:03 Central at SDN Communications, Sioux Falls, SD.

Roll Call

- Number of Voting Members in Attendance: 15
- Number of Non-Voting Participants in Attendance: 0
- Number of Pending Connections in Attendance: 0
- Number of Guests in Attendance: 6
- Percentage of Voting Members in Attendance: 19%
- See attendance sheet for further information

Approval of Minutes

- UG 23
 - Motion by Dean Bahls (CNS), Second by Anthony Anderberg (NU-Telecom), Motion Passes

Introduction

- Jay Hanke did a presentation on Internet peering, including general overview, inception of MICE, MICE port fees, and remote switches.

Reports

- Board of Governors Report
 - New members
 - Fibercomm
 - Yomura Corporation
 - Zayo
 - There was a discussion on what is required to be a new member, including an establishment process.
 - Going forward, MICE will start asking for a tax ID number from members. This will allow for better accountability with the IRS and better tracking of who the members are.
 - There is at least some interest from the board to limit voting power of subsidiaries of other voting members.
 - MICE still has still not received billing contact information for the following organizations:
 - Fastly
 - Integra Telecom (now Electric Lightwave, subsidiary of Zayo)
 - Limelight Networks
 - Visionary Communications
 - Yahoo!
- Financial Report by Kayla Olsen, MICE Treasurer
 - There was a \$250 member contribution made earlier this year.
 - MICE has billed out about \$38,000 or \$38,250 if you count the previously mentioned member contribution.

- MICE has received \$26,700 of billed out port fees. That is 70% paid. There is still \$11,500 in Accounts Receivable. However, Kayla is expecting \$8,000 in payments by the end of the month, which would reduce the Accounts Receivable to \$3,500. Kayla seems optimistic.
- Missing Accounts Payable information from 5 organizations.
- Bills Paid
 - \$300 to ARIN earlier this year.
- Account Balances
 - Checking: \$30,000
 - PayPal: \$0.00
- After Kayla completed her report, a discussion began about disconnecting non-paying members. Specifically, will MICE ever do it, and after how long of non-payment? Short answer is: MICE will not be disconnecting for non-payment at this time, but a disconnection policy will be developed if the need arises. Other comments/suggestions include:
 - We should at least require a member to be in good standing before they are allowed to make upgrades.
 - We need to make money to operate.
 - The decision to disconnect a member should be done on a case-by-case basis, and done with a vote.
 - Nobody has not paid long enough for us to want to disconnect anybody yet. We should focus on solving this issue when it actually needs solving.
- Industry Reports
 - Reid Fishler says he is unable to attend some meeting in Toronto. Reid asked if somebody else willing to go. Cologix says that they can send somebody, as they have facilities in Canada.
 - Richard Laager suggests mentioning that you are also at MICE when connecting at other Internet Exchanges. It seems to get more people interested in MICE.
 - Reid Fishler noted that MICE is generally one of the cheapest Internet Exchanges to connect to. There was some discussion on this point from the group.
- Technical Committee
 - BFD
 - There has been no significant progress on BFD. Anthony reports that this has been on hold until the Arista switch upgrade has been completed.
 - There is a protocol in development to announce BFD partners.
 - Route Server Filtering
 - There has been no significant progress on this. Some filtering is already in place.
 - Arista switch upgrade
 - The upgrade is complete. Special thanks to Anthony, Jeremy, and Cologix for all of your hard work!
 - There were some compatibility issues with non-Arista optics. The Arista switch is “unlocked”, meaning that it should allow non-Arista optics. However, some optics that worked without any issues in the Juniper switches had weird issues in the Arista switch where they would not

reliably come up. Using a genuine Arista optic worked. The issue was not reproducible after putting the non-Arista back in.

- Because of these issues, MICE is going to seek to obtain a few genuine Arista optics for troubleshooting purposes. MICE will first request that they be donated by Arista. MICE will also request genuine Arista optics be provided for all new installs.

Old Business

- 501c6 Status
 - The IRS has communicated to the board their intent to deny MICE's 501c6 application. However, the IRS has suggested 501c12 as an alternative, and communicated that they would likely approve a 501c12 application from MICE.
 - It was asked why SIX's 501c6 application was approved and MICE's was denied. The examiner felt that MICE's application for 501c6 is a firm deny. This was even after a second round of questions from the examiner and precedences were provided (including SIX). MICE's application was even sent "upstairs" to D.C. for further review. The IRS is firmly denying MICE's 501c6 application. The IRS says that SIX's approval is irrelevant for MICE's application, and may even have been in error.
 - Providing the service of an "Internet Exchange" is not eligible for 501c6.
 - A 501c12 is a cooperative telephone company or like organization. Internet is considered to be like telephone, as they place communications in general into this category. That said, MICE should be eligible for 501c12.
 - It was also asked if the board has sought legal advice? Should MICE appeal? Should we ask some "experts"? Reid Fishler has sought legal advice (through a colleague). Their opinion is that it is likely to cost more than \$10,000 to appeal and is unlikely to succeed.
 - If MICE wants to move forward with nonprofit status, it will have to be as 501c12. There are no other nonprofit choices at this point.
 - As a 501c12, 85% of the revenue must come from members. Donations of equipment from non-members does not sound like revenue to the IRS. One accountant proposed that such a donation could go on the books fully depreciated upon the date of donation.
 - A small change to the Articles of Organization would be required to be 501c12. Basically, any 501c6 language needs to be replaced with 501c12 language.
 - An additional burden with 501c12 (versus 501c6) includes accounting for member equity (capital credits or patronage). What if we never intend to give out patronage checks? Even if we do, some unclaimed property hassles could result.
 - Reid Fishler suggests that we hire an actual accountant and purchase proper insurance.
 - A motion to pursue 501c12 instead of 501c6 was made by Anthony Anderberg and seconded by Dean Bahls. Motion passes.
 - A motion to grant the board the authority to hire anybody necessary to accomplish the previous motion was made by David Farmer and seconded by Anthony Anderberg. An amendment was proposed to limit the authorized amount

the board can spend to \$10,000 by Premier Communications and seconded by Implex. Amendment passes. Motion passes.

New Business

- Disconnections & Resignations
 - This should be more formal. We should keep track of when members stop being members, when there are mergers, etc. Preferably, members can use the word, “resign”. Alternatively, MICE needs to expel members that have disconnected, which is a bit harsh sounding.
- DMCA Registration
 - MICE currently allows anybody to connect and does not take a position in the traffic being passed. It is up to members to decide who they want to peer with, not the IX. MICE will not be creating an acceptable use policy. MICE is not an ISP. It was suggested that we do NOT register a contact.
- ICANN Representative
 - There was various discussion about Mark McFadden’s connection with MICE and why he wants to represent MICE at ICANN.
 - It was noted that the growth of MICE has been partially because of the representation at ICANN.
 - David Farmer made a motion to appoint Mark as MICE’s representative at ICANN.
 - Mark feels he would never stand up in public and represent MICE. Mark does not see his role as taking positions, but instead sees it more as reporting back to MICE on what is going on at ICANN.
 - Richard Laager said that appointments are generally made by the board. Richard then worked to resolve an unfinished board vote from earlier that would appoint Mark as MICE’s ICANN representative. Richard: yes, Jay: yes, Reid: after some discussion abstains. Board motion passes.
 - David Farmers withdraws his motion.
 - Welcome aboard Mark!
- Next Meeting Date, Time & Location
 - Wednesday, September 27th, 2017 at 15:00 at the 511 cafeteria in Minneapolis, MN.
 - Note that there will be a vote at this meeting for Jay’s board position. Email a board member with any nominations.

Meeting adjourned

- Thank you SDN!
- Motion to adjourn by Premier Communications and seconded by David Farmer. Motion passes.
- Meeting adjourned on Wednesday, July 12th, 2017 at 17:25 Central.