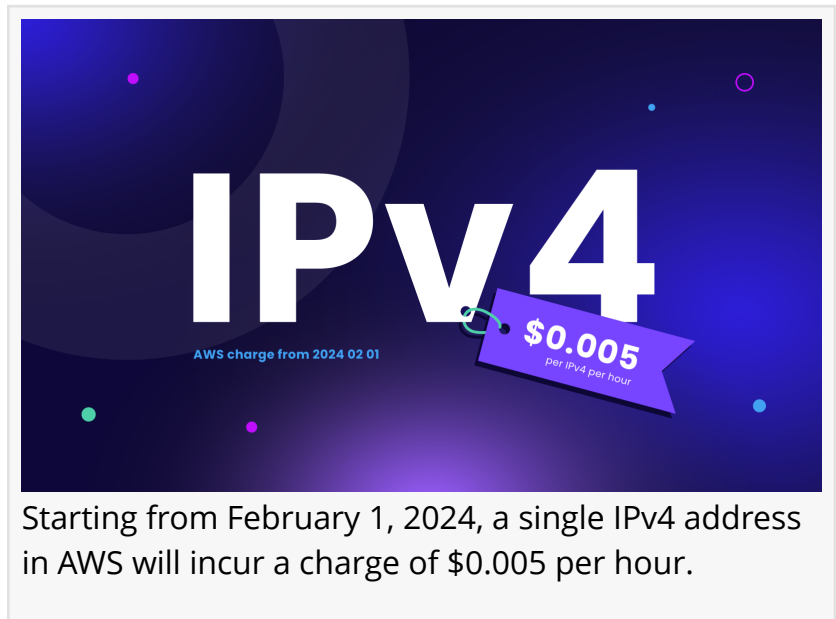


Mitigating Impact: IP Leasing & BYOIP Offset Rising AWS Prices

IP address leasing and BYOIP can effectively mitigate the impact of new AWS pricing, offering businesses practical alternatives and insights into IP management

LONDON, UK, January 4, 2024

[/EINPresswire.com/](https://www.einpresswire.com/) -- The Internet Protocol version 4 (IPv4) address landscape underwent a significant transformation when, in July 2023, Amazon Web Services (AWS) announced changes in pricing. Citing surging costs to acquire IPs on secondary markets, AWS moved to pass expenses to customers – introducing additional fees of \$0.005 per public IPv4 address per hour.



Starting from February 1, 2024, a single IPv4 address in AWS will incur a charge of \$0.005 per hour.

This signals a watershed moment in establishing reasonable [IP lease rate benchmarks](#) industry-wide. However, it also overburdens AWS clients who are now scrambling to adjust budgets. Set to launch on February 1st, the price hike provides just six months for users to pivot strategies and test alternatives.

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Vincentas Grinius, CEO of IPXO

EXPLORE COST-EFFECTIVE OPTIONS

Rather than absorb swelling IPv4 expenses under AWS’s new model, businesses can mitigate the impact by [leasing IPs](#) from open market providers at deeply discounted rates. IPv4 providers like IPXO empower users to lease IPs for as little as \$0.50 monthly. Clients can bring these cost-effective resources onto AWS or other cloud platforms via

[Bring Your Own IP \(BYOIP\).](#)

For example, leasing a sizeable /19 subnet (8,192 IPs) from IPXO costs approximately \$4,000 annually – nine times cheaper than AWS now charges. As infrastructure lifecycles average 5-7 years, locking in long-term leases creates recurring revenue opportunities for IP holders while delivering serious savings for end-users.

“Sourcing IPs from alternative platforms and harnessing BYOIP represents the most viable path forward for many organizations,” says Vincentas Grinius, CEO of IPXO. “For enterprises worldwide that depend on the IPs powering cloud environments, absorbing AWS’s rate hike poses an unreasonable burden compared to readily available leasing options.”

LEASING IPs – THE SWIFTEST PATH FORWARD

Rather than viewing AWS’s updated IP valuation model as an unavoidable tax, companies have options to mitigate the impact by leasing IPs from alternative platforms, especially if they lack the upfront budget. The BYOIP approach harnesses the power of AWS environments without incurring significant IP expenses passed down from AWS.

For less tech-savvy businesses, delegating IPv4 address management to platforms like IPXO simplifies the process drastically. Organizations worldwide now recognize that effective IP acquisition and allocation strategies drive greater efficiency and deliver cost savings that flow straight to the bottom lines.

“Whether as IP lessees optimize costs or holders maximize resource utilization, enterprises in every sector find that leasing IPv4 pays dividends, fostering efficiency and cost savings,” Grinius believes. “As global giants continue consolidating the valuable IPv4 space, we must innovate models that share resources responsibly.”

AMAZON’S ROLE IN THE IP MARKET

Based on publicly available data from the Regional Internet Registries (RIRs), excluding mergers and acquisitions, more than 385 million resource transfers were recorded between 2009 and 2023 involving Amazon, Google, and Microsoft. Since 2011, Amazon has been acquiring IPs, and in 2022, it solidified its dominance by procuring 23.2 million IPs, which constituted 48% of the entire transfer volume at the time, surging ahead of its competitors.

In essence, Amazon, Microsoft, and Google jointly wield unparalleled influence. Amidst this backdrop, questions abound regarding the delicate equilibrium between IP acquisition and subsequent pricing models directed toward customers.

Historically, IPv4 blocks have traded around \$50 per IP on resale platforms like IPv4.Global. AWS’s annual \$43 per IP rate translates to recouping expensive secondary market purchases within 12 months. Moving forward, enterprises may peg their own IPv4 monetization and leasing rates to AWS’s bold precedent.

“We cannot fault AWS for aiming to recoup IPv4 investments in a reasonable 12-month payback window,” noted Grinius. “Amazon, in its decisive move, has effectively set a benchmark by stipulating that its acquired IP addresses should command a price of approximately \$43 per IPv4 address annually.

However, more gradual pricing transitions would have enabled clients to adjust strategies, while still allowing AWS to establish fair global lease rate benchmarks.”

GRADUAL TRANSITION NEEDED

While AWS moves to recoup escalating IP costs, the company leaves customers scrambling with dramatic price hikes announced on short notice. Implementing changes by February 1st allows businesses limited time to plan and test alternatives.

“A longer period would have enabled more responsible resource management across the AWS customer base,” Grinius noted. “They are a dominant force in cloud computing, and enterprises worldwide depend upon the IPs that power those environments. More gradual pricing transitions ease the burden on clients.”

While clients continue to rely on IPv4, Grinius remains skeptical that the shift in IP lease prices alone will serve as a catalyst for widespread IPv6 adoption, citing the current lack of maturity in IPv6 management and limited demand.

Many network administrators lack IPv6 knowledge and suitable tools. Moreover, IPv6 has never been a natural necessity. While niche scenarios exist, infrastructure providers and businesses are not actively prioritizing IPv6 in the next few years.

“Practical IPv6 implementation without IPv4 remains highly unlikely. For organizations concerned about rising IPv4 expenses, acting decisively in the months ahead promises significant cost savings,” argues Grinius.

Connecting with specialists in IPv4 leasing who can help navigate Amazon’s BYOIP feature becomes imperative, providing a practical foundation for maximizing efficiency gains in the wake of AWS’s pricing overhaul and broader considerations in the IP landscape.

ABOUT IPXO

Established in August 2021, IPXO is the world’s largest fully automated IP address lease and monetization platform. IPXO has successfully distributed IP resources to approximately 900 ASNs and a thousand B2B clients, managing an expanding pool that now exceeds 3.3 million IPs. Since September 2023, the company has been developing its Next-Generation IP Address Management tool. This tool will empower businesses to discover, analyze, and efficiently

manage their own IP resources. With a strong presence within the RIR community and the goal of creating a transparent and sustainable IP ecosystem, IPXO is emerging as the business-critical infrastructure platform for enterprises worldwide.

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