

June 18, 2018

Marlene H. Dortch
Secretary
Federal Communications Commission
445 Twelfth St., SW, TW-A325
Washington, DC 20554

Dear Ms. Dortch:

**Re: CC Docket No. 92-237
North American Numbering Plan Administration
Submission of Contribution Factor and Fund Size for October 2018 through September 2019**

In accordance with 47 CFR § 52.16 (a), attached is the submission of the contribution factor and fund size for October 2018 through September 2019 as prepared by Welch LLP as Billing & Collection Agent. The NANC has approved this submission.

In order to meet the NANPA's requirement to issue the billings to the carriers by September 12th, we ask that the FCC expedite the approval of the contribution factor.

In accordance with the Commission's rules, a copy of this report has been filed electronically in the above-referenced docket.

Yours very truly,

WELCH LLP



Mark Jackson, CPA, CA
Partner

Attachments
(Service List and Budget and Contribution Factor Submission)

CERTIFICATE OF SERVICE

I hereby certify that a copy of the forgoing filing was served this 18th day of June 2018 by electronic delivery or by electronic mail, to the persons listed below.



Heather Bambrough

The following parties were served:

Marlene H. Dortch*
Office of the Secretary
445 Twelfth St., SW
Room T@-A325
Washington, DC 20554

Ann Stevens**
Wireline Competition Bureau
Federal Communication Commission
445 Twelfth St., SW
Washington, DC 20554
Ann.Stevens@fcc.gov

Marilyn Jones**
Wireline Competition Bureau
Federal Communication Commission
445 Twelfth St., SW
Washington, DC 20554
Marilyn.Jones@fcc.gov

Mark Stephens**
Office of Managing Director
Federal Communication Commission
445 Twelfth St., SW
Washington, DC 20554
Mark.Stephens@fcc.gov

The Honorable Travis Kavulla**
Chair, NANC
1701 Prospect Avenue
P.O. Box 202601
Helena, Mt 59620-2601
tkavulla@mt.gov

Myrva Freeman**
Wireline Competition Bureau
Federal Communication Commission
445 Twelfth St., SW
Washington, DC 20554
Myrva.Freeman@fcc.gov

Daniel Kahn**
Wireline Competition Bureau
Federal Communication Commission
445 Twelfth St., SW
Washington, DC 20554
Daniel.Kahn@fcc.gov

Kadian Ferguson**
Office of Managing Director
Federal Communication Commission
445 Twelfth St., SW
Washington, DC 20554
Kadian.Ferguson@fcc.gov

Michelle Sclater
Wireline Competition Bureau
Federal Communication Commission
445 Twelfth St., SW
Washington, DC 20554
Michelle.Sclater@fcc.gov

Darlene Biddy
Wireline Competition Bureau
Federal Communication Commission
445 Twelfth St., SW
Washington, DC 20554
Darlene.Biddy@fcc.gov

* Filed via ECFS (Electronic Comment Filing System PDF)

** Electronic mail

In the Matter of:)
)
Administration of the North)
American Numbering Plan)

North American Numbering Plan Administration
Contribution Factor and Fund Size
For October 2018 through September 2019

The North American Numbering Plan (NANP) is a numbering scheme for the public switched telecommunications networks (PSTN) within the United States, Canada and the participating Caribbean countries. The NANP Fund was established to cover the costs of the NANP which include the costs of the administrator for the numbering plan and central code administration and other administration costs of the Plan. NANP is funded by United States telecommunication service providers, and from Canada and Caribbean member countries.

The Federal Communications Commission (FCC) selected Welch LLP to serve as the NANP Billing & Collection Agent (NANP B&C Agent) for a five year contract term effective May 1, 2018. According to Article 52.16 of Title 47 of the Code of Federal Regulations (CFR), the NANP Billing & Collection Agent is responsible for the collection of funds from United States telecommunication service providers and NANP member countries and for the disbursement of funds to support the numbering functions for telecommunication services. One function of the NANP B&C Agent is to determine the funds required for the operation of the Plan for each funding period and to propose a contribution factor for the United States domestic carriers.

III. Budget and Contribution Factor for 2018/19

The budget for the Plan for the upcoming 12-month period is set out in Exhibit 1. The total projected costs for the 2018/19 funding period is \$7,058,771 which includes a contingency allowance of \$1,000,000. A detailed discussion as to the determination of the costs can be found under the heading “Anticipated Disbursements”. The International Members contribute \$132,753 towards these costs (see detailed discussion on this point under the heading “Contribution Factor Components – International Members”). The remaining cost of \$6,926,018 would be borne by the US carriers by way of direct contributions of \$5,639,875 and by using anticipated fund surplus at September 30, 2018 of \$1,286,143 (based on April 30, 2018 NANP report). Based on preliminary industry revenue figures of \$132B and the required contribution to be borne by the US carriers, a contribution factor of 0.0000427 is required. The budget and contribution factor were presented by Welch LLP and the FCC Contract Oversight Sub-Committee to the members of North American Numbering Council (NANC) on May 29, 2018 for comment and approval. No objection was brought forward and the budget and contribution factor were approved. The minimum funding requirement of \$25 per carrier will remain.

The proposed contribution factor is lower than last year (2017/18 – 0.0000518) due to lower costs and a higher surplus available for use.

IV. Contribution Factor Components

Domestic Telecommunication Service Providers

The domestic carriers are required to fund the numbering administration costs (in excess of funding received from the International members), the CO code administration, the thousand-block pooling administration, carrier audits and the costs of administering the Plan itself. As per 47 CFR § 52.17 all domestic telecommunications carriers are required to fund NANP on a competitively neutral basis. The contribution base that is used to determine the carrier’s Plan requirement is based only on billed end-user telecommunication revenues as reported on the Form 499A. The revenue base is determined by the following formula using information from the specific lines on the Form 499A: Line 420A + Line 412 – Line 511A.

The revenue numbers used by the NANP B&C Agent to calculate the individual fees are obtained from the data collection agent, Universal Service Administrative Company (USAC). USAC collects the data from the Form 499A prepared by the telecommunication service providers and distributes the necessary information to NANP B&C Agent on a monthly basis to allow the B&C agent to perform its functions.

International Members

Canada and the participating Caribbean countries contribute to the funding of the numbering plan administration function, but not the central office (CO) code administration, as these countries perform their own CO code administration. The Canadian and Caribbean countries' share of the numbering administration costs is based on the country's total population in relation to the total population of the United States, Canada and the participating Caribbean countries. This ratio is further reduced by the percentage of numbering plan administration work performed by the member country itself. Canada performs 25% of the numbering administration itself and the Caribbean countries perform 66.6% of the work themselves. The contribution required for the 2018/19 funding period by Canada and the Caribbean countries is \$109,717 and \$23,036 respectively.

V. Anticipated Disbursements

Numbering Administration and 1K Block Pooling

NeuStar, Inc. administers the numbering plan and central codes administration as well as the 1K Block Pooling. The NANP administration contract expired July 7, 2017. The cost for this contract is provided for in the budget based on the last option year.

The 1K Block Pooling contract expired July 14, 2017. The cost for Pooling Administration is provided for in the budget based on the final option year of the contract.

Other Plan Costs

The budget has allowed for carrier audits to be performed as requested by the FCC during the funding year at a cost of \$200,000.

Welch LLP is the Billing & Collection Agent. Welch LLP was awarded a 5-year contract for the period of May 1, 2018 to April 30, 2023. The cost for the Billing & Collection Agent is based on the contract cost of \$28,410 per month.

The cost of the Data Collection Agent has been provided for based on the USAC's estimate of NANP's share of the cost of the data collection. The Plan is charged 8% of the monthly cost that the Data Collection Agent incurs with respect to collection of data from the Form 499A.

The cost of the operational audit of the Plan has been included in the budget based on an estimate.

Bank fees are an expense of the Fund. An estimate of the fees is provided for based on prior years' history of bank fees.

Bad debts are an estimate of uncollectible accounts. This amount is based on history.

The costs have been reduced by the estimated interest income received on the funds held in the collateralized savings account and overdue accounts, and the late filing fees collected from carriers who file their Form 499A late.

The contingency allowance is to provide for additional costs not included in the budget, cost of contracts awarded at amounts higher than provided in the budget or additional costs due to change in scope of work as mandated by the FCC. The contingency allowance has been provided for at \$1,000,000.

Exhibit 1

**NANPA FUND BUDGET AND CONTRIBUTION FACTOR
October 2018 to September 2019**

Projected Disbursements

NANPA Administration

NANPA Administration (69%per NeuStar)	\$ 1,571,809
NANPA CO Code Administration (31% per NeuStar)	<u>706,175</u>

Total NANPA Administration	<u>2,277,984</u>
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Less NANPA Administration costs funded by International Participants

Canada	109,717
Caribbean countries	<u>23,036</u>

Total Contributions by International Participants	<u>132,753</u>
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Net total NANPA Administration Costs	2,145,231
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1K Block Pooling Administration	3,107,867
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Carrier Audits	200,000
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Billing & Collections Agent	340,920
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Data Collection Agent	78,000
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Annual Operations Audit	48,000
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Bank fees	38,000
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Bad debts	40,000
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Interest income	(6,000)
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Fee for filing Form 499A late	<u>(66,000)</u>
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Total projected disbursements for October 2018 to September 2019	<u>5,926,018</u>
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Desired contingency provision	<u>1,000,000</u>
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Balance to be funded through reduction in surplus and US carrier contributions	6,926,018
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Portion of projected surplus to be used for 2018/19 period	<u>(1,286,143)</u>
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Net US Carrier Contribution requirement	<u>\$ 5,639,875</u>
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Contribution Factor	<u><u>0.0000427</u></u>
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