

July 6, 2017

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 2017 through September 2018**

In accordance with 47 CFR § 52.16 (a), attached is the submission of the contribution factor and fund size for October 2017 through September 2018 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

A handwritten signature in black ink, appearing to read "Mark Jackson", with a long horizontal flourish extending to the right.

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 6th day of July 2017 by electronic delivery or by electronic mail, to the persons listed below.



Heather Bambrough

The following parties were served:

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* Filed via ECFS (Electronic Comment Filing System PDF)

** Electronic mail

III. Budget and Contribution Factor for 2017/18

The budget for the Plan for the upcoming 12-month period is set out in Exhibit 1. The total projected costs for the 2017/18 funding period is \$8,032,418 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 \$141,025 towards these costs (see detailed discussion on this point under the heading “Contribution Factor Components – International Members”). The remaining cost of \$7,891,393 would be borne by the US carriers by way of direct contributions of \$7,506,473 and by using anticipated fund surplus at September 30, 2017 of \$384,920 (based on March 31, 2017 NANP report). Based on preliminary industry revenue figures of \$144.9B and the required contribution to be borne by the US carriers, a contribution factor of 0.0000518 is required. The budget and contribution factor were presented by Welch LLP and the Billing & Collection Working Group to the members of North American Numbering Council (NANC) on June 29, 2017 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 higher than last year (2016/17 – 0.0000368) due to increased costs and lower industry revenue base than in the prior period.

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 2017/18 funding period by Canada and the Caribbean countries is \$116,596 and \$24,429 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 expires July 7, 2017. The cost for this contract is provided for in the budget based on the last option year plus a 3% increase. The percentage represents the average yearly increase over the expired 4 year contract. Anticipated change order #7 for \$75,000 is included in the costs as well.

The 1K Block Pooling contract expires July 14, 2017. The cost for Pooling Administration is provided for in the budget based on the amount provided in the final option year of the contract plus costs per approved change order #3B. Anticipated change order #4 for \$91,608 is included in the costs as well.

Other Plan Costs

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

The contract for the Billing & Collection Agent expired September 30, 2009. At the time that this budget was prepared, the FCC had not issued an RFP for this contract. The cost for the Billing & Collection Agent is based on a 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 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 2017 to September 2018**

Projected Disbursements**NANPA Administration**

NANPA Administration (69% per NeuStar)	\$ 1,670,361
NANPA CO Code Administration (31% per NeuStar)	<u>750,452</u>

Total NANPA Administration	<u>2,420,813</u>
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Less NANPA Administration costs funded by International Participants

Canada	116,596
Caribbean countries	<u>24,429</u>

Total Contributions by International Participants	<u>141,025</u>
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Net total NANPA Administration Costs	2,279,788
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1K Block Pooling Administration	3,199,475
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Pooling Administration – Change Order 3B	741,366
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Carrier Audits	200,000
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Billing & Collections Agent	340,920
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Data Collection Agent	74,844
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Annual Operations Audit	47,000
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Bank fees	38,000
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Bad debts	40,000
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Interest income	(5,000)
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Fee for filing Form 499A late	<u>(65,000)</u>
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Total projected disbursements for October 2017 to September 2018	6,891,393
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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	7,891,393
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Portion of projected surplus to be used for 2017/18 period	<u>(384,920)</u>
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Net US Carrier Contribution requirement	<u>\$ 7,506,473</u>
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Contribution Factor	<u><u>0.0000518</u></u>
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