

May 3, 2012

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  
Contribution Factor and Fund Size for July 2012 through June 2013**

In accordance with 47 CFR § 52.16 (a), attached is the submission of the contribution factor and fund size for July 2012 through June 2013 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 June 12<sup>th</sup>, 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

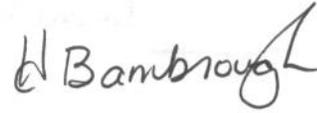


Faith Marcotte, CA  
Partner

Attachments  
(Service List and Quarterly Report)

## CERTIFICATE OF SERVICE

I hereby certify that a copy of the forgoing filing was served this 3<sup>rd</sup> day of May, 2012 by electronic delivery or by electronic mail, to the persons listed below.



Heather Bambrough

The following parties were served:

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**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, DC 20554**

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

CC Docket No. 92-237

**North American Numbering Plan Administration  
Contribution Factor and Fund Size  
For July 2012 through June 2013**

**I. Background of the Plan**

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.

**II. NANP Billing & Collection Agent**

On April 12, 2004 the Federal Communications Commission (FCC) announced that Welch LLP would serve as the NANP Billing & Collection Agent (NANP B&C Agent) for a five year contract term effective October 1, 2004. 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**

#### **Budget**

The budget for the Plan for the upcoming year is set out in Exhibit 1. The total of the costs for the 2012/13 funding year is \$5,437,045 which includes a contingency allowance of \$750,000. A detailed discussion as to the determination of the costs can be found under the heading “Anticipated Disbursements”. The International Members contribute \$94,923 towards these costs (see detailed discussion on this point under the heading “Contribution Factor Components – International Members”). The balance of the costs of \$5,342,122 can be funded either by a draw down of the accumulated surplus in the Fund or by an assessment funded by the domestic telecommunication carriers or by a combination thereof.

#### **Contribution Factor for 2012/13**

Welch LLP supports the recommendation of the North American Numbering Council (NANC) related to the method to assess the domestic telecommunication carriers for 2012/13. The budget and contribution factor as recommended by the Billing & Collection Working Group was presented to the members of NANC at the NANC meeting on March 29, 2012 for comment and approval. No objection was brought forward and the recommendation was approved. The first part of the recommendation is that the anticipated surplus of \$952,730 (as at June 30, 2012) be used to offset the balance otherwise required to be collected from the domestic telecommunication carriers. This leaves a balance of \$4,389,392 to be recovered through the assessment. The second part of the recommendation is that a contribution factor of 0.000021 be used for the 2012/13 funding year (July 2012 – June 2013) to cover this remaining balance. The contribution factor was revised at the end of April to reflect a change in information that arose after the budget and initial contribution factor was presented to NANC. The revised contribution factor of 0.0000217 was approved via e-mail on May 2, 2012. The minimum funding requirement of \$25 per carrier will remain.

The proposed contribution factor is lower than last year (2011/12 – 0.000022).

Other options for the contribution factor were provided to the NANC for consideration. One option was to utilize one-half of the surplus to cover the costs for the upcoming year to the extent that a contribution factor of 0.0000233 was achieved. Another option was to not utilize the surplus to cover the costs for the upcoming year achieving a contribution factor of 0.0000256. NANC decided to fully utilize the surplus in the fund to offset costs for the upcoming year.

#### **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, pANI 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.

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 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 2012/13 funding year by Canada and the Caribbean countries is \$78,633 and \$16,290 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 8, 2012. At the time the budget was prepared, an RFP had not been issued. The cost of numbering administration is provided for in the budget as per the interim contract. In addition, \$60,000 was allowed for the renewal of maintenance contracts based on the history over the past two years. Any additional work to be

performed by NeuStar, Inc. for numbering administration is to be covered by the contingency allowance.

The 1K Block Pooling contract is a fixed price contract with NeuStar, Inc. which includes the cost of interim pANI administration. It is for 5 years commencing on August 15, 2007 to August 14, 2012. At the time the budget was prepared there was no information as to the cost of 1K Pooling after the contract expires. The cost for the 1K Block Pooling is provided for in the budget as per the contract up to August 15, 2012. The cost for the period from August 15, 2012 to June 30, 2013 is based on the cost per the final year of the existing contract. Any additional work to be performed for 1K Pooling is to be covered by the contingency allowance.

#### Other Plan Costs

As discussed above, interim pANI administration is included in the 1K Pooling contract. The cost of permanent pANI administration was approved via change order #19 at a total cost of \$1,040,906 which was spread out over the remaining term of the 1K Pooling contract. The remaining amount to be paid under the change order of \$109,549 has been provided for in the budget. An additional amount of \$104,711 has been provided for in the budget for ongoing pANI administration for the period from August 15, 2012 to June 30, 2013.

The budget has allowed for carrier audits to be performed by the FCC during the funding year at a total cost of \$300,000.

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 of billing and collection is provided for in the budget as per the interim contract.

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 prior history.

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

The contingency allowance is to provide for additional costs either not included in the budget or additional costs due to change in scope of work as mandated by the FCC. The contingency allowance has been retained for this year only at \$750,000 to allow for any variance in the three contracts that are being re-competed in 2012. At this time it is not known what the final amount of the awarded contracts will be. The increase in the allowance is to supplement the contingency allowance should there be cost overruns if the contracts are awarded at significantly higher amounts than allowed in the budget.

**NANPA FUND BUDGET AND CONTRIBUTION FACTOR  
July 2012 to June 2013**

**Projected Disbursements**

|   |                            |
|---|----------------------------|
| <b>NANPA Administration</b>   |                            |
| NANPA Administration (69%per NeuStar)   | \$ 1,126,080               |
| NANPA CO Code Administration (31% per NeuStar)  | <u>505,920</u>             |
| <b>Total NANPA Administration</b>   | <u>1,632,000</u>           |
| <b>Less NANPA Administration costs funded by International Participants</b>           |                            |
| Canada  | 78,633                     |
| Caribbean countries   | <u>16,290</u>              |
| <b>Total Contributions by International Participants</b>                              | <u>94,923</u>              |
| <b>Net total NANPA Administration Costs</b>   | 1,537,077                  |
| <b>1K Block Pooling Administration</b>  | 2,179,368                  |
| <b>pANI Administration</b>  | 214,260                    |
| <b>Carrier Audits</b>   | 300,000                    |
| <b>Billing &amp; Collections Agent</b>  | 281,317                    |
| <b>Data Collection Agent</b>  | 68,000                     |
| <b>Annual Operations Audit</b>  | 40,000                     |
| <b>Bank fees</b>  | 23,100                     |
| <b>Bad debts</b>  | 40,000                     |
| <b>Interest income</b>  | (6,000)                    |
| <b>Fee for filing Form 499A late</b>  | <u>(85,000)</u>            |
| <b>Total projected disbursements for July 2012 to June 2013</b>                       | <b>4,592,122</b>           |
| <b>Desired contingency provision</b>  | <u>750,000</u>             |
| <b>Balance to be funded through reduction in surplus and US carrier contributions</b> | <b>5,342,122</b>           |
| <b>Portion of projected surplus to be used for 2012/13 year</b>                       | <u>(952,730)</u>           |
| <b>Net US Carrier Contribution requirement</b>  | <b><u>\$ 4,389,392</u></b> |
| <b>Contribution Factor</b>  | <u><u>0.0000217</u></u>    |