

Before the  
Federal Communications Commission  
Washington, D.C. 20554

In the Matter of	)	
Administration of the	)	CC Docket No. 92-237
North American Numbering Plan	)	
	)	
and	)	
	)	
North American Numbering Plan	)	NSD File No. L-99-92
Cost Recovery Contribution Factor	)	
and Fund Size	)	

**ORDER**

**Adopted:** December 29, 1999

**Released:** December 30, 1999

By the Deputy Chief, Network Services Division, Common Carrier Bureau:

1. By this Order, we approve the compensation plan for the North American Numbering Plan (NANP) Administration for its Fiscal Year 2000 funding period, which will run from March 2000 through June 2001. As detailed below, we find that North American Billing and Collection, Inc. (NBANC) complied with the Commission’s rules in calculating the NANP contribution factor, and we therefore approve the contribution factor.

2. In the original *NANP Order*, the Commission required all telecommunications carriers to share in the cost recovery for numbering administration.<sup>1</sup> The Commission further required each telecommunications carrier to base its contribution to the North American Numbering Plan Administrator's (NANPA) cost recovery mechanism on its net telecommunications revenues.<sup>2</sup> NBANC, a wholly owned subsidiary of the National Exchange Carriers’ Association (NECA), currently serves as the billing and collection agent (B&C Agent) for the NANP.<sup>3</sup>

<sup>1</sup> Administration of the North American Numbering Plan, *Report and Order*, 11 FCC Rcd 2588, 2627-28 (1995) (*NANP Order*).

<sup>2</sup> Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, *Second Report and Order and Memorandum Opinion and Order*, 11 FCC Rcd 19392, 19541 (1996) (*Local Competition Second Report and Order*).

<sup>3</sup> Administration of the North American Numbering Plan, *Third Report and Order*, and Toll Free Service Access Codes, *Third Report and Order*, 12 FCC 23040, 23075-76, 23082-86 (1997) (*NANP Third Report and Order*). The billing and collection agent's primary function is to calculate, assess, bill and collect payments from carriers for the funds necessary to compensate the NANP administrator for numbering plan area and central office code administration functions, as well as to distribute funds to the NANPA on a monthly basis. See 12 FCC Rcd at

3. On July 14, 1999, the Commission released the *Consolidated Forms Order*, which simplified various filing requirements for communications providers.<sup>4</sup> The *Consolidated Forms Order* modified the Commission's rules for contributions to the NANP funding mechanism to base these contributions on end-user telecommunications revenues, rather than net revenues, as previously mandated.<sup>5</sup> Further, pursuant to the *Consolidated Forms Order*, contributors to the NANP fund are required to report their revenue annually on the new, consolidated Telecommunications Reporting Worksheet, FCC Form 499-A, which will be due April 1 of each year.<sup>6</sup> In order to shift the NANP funding period to accommodate the April 1 revenue filing date, the Commission mandated that the Fiscal Year 2000 funding period cover the sixteen month period from March 2000 through June 2001.<sup>7</sup> Because 1999 calendar year end-user revenue data will not be available until April 2000, to calculate the contribution factor for Fiscal Year 2000, the Commission directed NBANC to use revenue data from FCC Form 499-S, collected by the Universal Service Administrative Company (USAC) on September 1, 1999, which represents January through June 1999 end-user billed revenues. It further directed the NBANC to use the contributor data filed in the April consolidated worksheet to perform a "true-up" for the contributions in July 2000. Beginning in July 2001, the NANP funding period will return to a twelve month cycle from July through June, based on the April worksheet filing.<sup>8</sup> Finally, the *Consolidated Forms Order* reduced the minimum contribution to the NANP funding mechanism from \$100 to \$25.<sup>9</sup>

4. Pursuant to section 52.16(a) of the Commission's rules, the NBANC filed its Fiscal Year 2000 report with the Commission, establishing the contribution factor and fund size required to finance U.S. carriers' share of the NANPA's costs as well as the NBANC's own billing and collection costs for Fiscal Year 2000.<sup>10</sup> NBANC indicated that the total funding requirement for

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23083. See also 47 C.F.R. §§ 52.16(a) and (b).

<sup>4</sup> 1998 Biennial Regulatory Review -- Streamlined Contributor Reporting Requirements Associated with Administration of Telecommunications Relay Services, North American Numbering Plan, Local Number Portability, and Universal Services Support Mechanisms, *Report and Order*, CC Docket No. 98-171, FCC 99-175 (rel. Jul. 14, 1999) (*Consolidated Forms Order*).

<sup>5</sup> *Id.* at para. 58.

<sup>6</sup> *Id.* at paras. 9-10, 29-30.

<sup>7</sup> *Id.* at para. 69.

<sup>8</sup> *Id.*

<sup>9</sup> *Id.* at paras. 72-74.

<sup>10</sup> *North American Numbering Plan Administration Contribution Factor and Fund Size for March 2000 through June 2001*, filed November 22, 1999 (*NBANC Report*). On November 29, 1999, the Common Carrier Bureau issued a Public Notice requesting comments on the data and computations set forth in the *NBANC Report*. See *NBANC Submits the North American Numbering Plan Administration's Contribution Factor and Fund Size for March 2000 Through June 2001*, Public Notice, DA 99-2658 (Com. Car. Bur., rel. Nov. 29, 1999). The comment period for the Public Notice closed on December 17, 1999. No comments were filed in connection with the

FY 2000 for existing NANPA functions is \$6,536,667, and that the total funding requirement for FY 2000 for existing NBANC functions is \$440,833.<sup>11</sup> NBANC states that in early November 1999, it received requests from the North American Numbering Council (NANC), the federal advisory committee that advises the FCC on numbering administration policy issues, to include two additional funding requirements in its NANP funding collection from domestic carriers for Fiscal Year 2000.<sup>12</sup> These additional NANP administration costs include \$700,000 for performance of random and for-cause audits of the numbering administrator's activities, to be performed by a yet-to-be-determined entity, and \$8.2 million in start-up and administrative costs related to the implementation of thousands-block number pooling during FY 2000.<sup>13</sup> NBANC states that collectively, all of the above-listed activities require a funding amount of \$15,877,500 for the sixteen month period covered by Fiscal Year 2000.

5. International contributors to the NANP funding mechanism, namely Canada and the Caribbean nations, only contribute to the funding of the numbering plan administration functions performed by the NANPA, as the NANPA does not perform central office code administration for these countries. According to NBANC's computations, international contributors will need to contribute a total of \$211,563 for the sixteen month period to be covered by Fiscal Year 2000, or approximately three percent of the total NANP funding requirement for Fiscal Year 2000 (excluding the additional costs for auditing and thousands-block pooling implementation). NBANC has calculated Canada's contribution to be \$177,490 and the Caribbean nations' combined contribution to be \$34,073. These contributions were estimated based on population and adjusted to reflect number administration work that is performed by entities other than the NANPA.<sup>14</sup>

6. Reducing the Fiscal Year 2000 fund requirement by the Canadian and Caribbean contribution leaves a balance of \$15,665,937 to be collected from domestic telecommunications service providers.<sup>15</sup> As specified in the *Consolidated Forms Order*, domestic telecommunications service providers must make a minimum contribution of \$25 to NANP funding, even if they do not have end-user revenues. For Fiscal Year 2000 funding calculations, NBANC multiplied \$33.33 (\$25 adjusted to cover the sixteen month period) by 1,790, the number of carriers that it

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*NBANC Report.*

<sup>11</sup> See *NBANC Report* at page 7 and Exhibit 4.

<sup>12</sup> *Id.* at 3-4 and Exhibits 2 and 3.

<sup>13</sup> In the *Number Resource Optimization* proceeding, the Commission sought comment on adopting thousands-block number pooling in major markets. See *Numbering Resource Optimization, Notice of Proposed Rulemaking*, CC Docket No. 99-200, FCC 99-122 (rel. June 2, 1999), at Sections V.C and V.D. (*Numbering Resource Optimization Notice*). An order in this proceeding is anticipated in the spring of 2000. In the event that the Commission establishes a nation-wide system for thousands-block number pooling administration, funds for implementation of such a system would be needed immediately.

<sup>14</sup> *NBANC Report* at 7.

<sup>15</sup> *Id.* at 8 (rounding this balance to \$15.7 million).

projected will owe the minimum. NBANC then deducted a contribution amount of \$59,660 for those carriers from the funding requirement for domestic telecommunications service providers, leaving a net requirement of \$15,606,277. Consistent with the prior funding year, NBANC proposes to retain a projected surplus for Fiscal Year 1999 of approximately \$425,000 as an allowance against uncollectibles.

7. To compute domestic telecommunications service providers' contribution factor, NBANC used end-user telecommunications revenue data provided to USAC on the consolidated worksheets filed September 1, 1999, which covered the six-month period from January through June 1999.<sup>16</sup> NBANC adjusted the reported end-user revenue figure, \$101,463,154,823.79, to reflect the sixteen-month funding period, by multiplying it by 8/3, resulting in an adjusted end-user revenue figure of \$270,568,412,683.44.<sup>17</sup> NBANC then divided the net Fiscal Year 2000 contribution requirement (\$15,606,277) by the adjusted end-user revenue figure (\$270,568,412,683.44) to calculate a contribution factor of 0.0000577 for Fiscal Year 2000 contributions.<sup>18</sup> NBANC indicates that after all carriers have filed the required FCC Form 499-A on April 1, 2000, pursuant to the Commission's directive, it will revise the payments for all carriers based on calendar year revenues, and will file any necessary modification to the contribution factor with the Commission in May 2000, with revised bills being issued to carriers beginning in July 2000 for the balance of the funding year.<sup>19</sup>

8. The Division has reviewed NBANC's submission and approves: (1) its projected Fiscal Year 2000 funding requirements for NANPA and for NBANC, (2) its retention of a \$425,000 surplus from Fiscal Year 1999 against uncollectibles, and (3) the 0.000057 contribution factor for U.S. telecommunications service providers. Based on its review of the report, the Division further finds that NBANC's computations comply with section 52.16(a) of the Commission's rules<sup>20</sup> and determines that it may begin billing domestic carriers in February 2000 for the March 2000 through June 2001 Fiscal Year 2000 funding period at the computed amount. We note that, in addition to updating industry end-user revenue figures to reflect the April 1 calendar year 1999 filings, the "true-up" mechanism that NBANC intends to follow may provide an opportunity to recalculate the total funding amount projected for Fiscal Year 2000, in light of anticipated Commission decisions with respect to implementation of thousands-block number pooling. Should such a recalculation prove necessary, the Commission may direct that refunds be made to carriers.

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<sup>16</sup> Carriers having a Universal Service Fund contribution requirement of less than \$10,000 are exempted from the September data collection, so NBANC assumed that these carriers owed the minimum contribution for the NANPA funding period. *NBANC Report* at 6.

<sup>17</sup> *NBANC Report* at page 9.

<sup>18</sup> *Id.*

<sup>19</sup> *Id.* at page 6.

<sup>20</sup> 47 C.F.R. § 52.16(a).

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9. Accordingly, IT IS ORDERED, pursuant to section 251(e) of the Communications Act of 1934, as amended, 47 U.S.C. § 251(e), and sections 0.91, 0.291, and 52.16 and 52.17 of the Commission's rules, 47 C.F.R. §§ 0.91, 0.291, 52.16 and 52.17, that NBANC apply the contribution factor of 0.0000577 to the end-user revenue of each telecommunications carrier in the United States. Payments will be due March 12, 2000. Carriers with contribution requirements in excess of \$1,600 may opt to pay in sixteen equal monthly installments. A minimum contribution requirement of \$25 applies to all telecommunications carriers.

10. IT IS FURTHER ORDERED, that the Secretary shall provide a copy of this Order to each state utility commission and to the Chief Counsel for Advocacy of the Small Business Administration.

FEDERAL COMMUNICATIONS COMMISSION

Blaise A. Scinto  
Deputy Chief  
Network Services Division  
Common Carrier Bureau