

STATEMENT OF WORK & BILLING AND COLLECTION AGENT REQUIREMENTS

1. Scope

The Federal Communications Commission (FCC) intends to select a Contractor to assume the role and responsibilities of the North American Numbering Plan Billing and Collections Agent (NANP B&C Agent). The Contractor shall operate as the NANP B&C Agent for a term determined by the FCC. The Contractor shall assume the NANP B&C Agent functions from the entity currently performing these functions. The NANP B&C Agent functions are detailed below.

2. Background

The NANP B&C Agent is responsible for the collection and disbursement of funds to support numbering administration functions (See Part 52 Subpart B of the FCC rules, 47 CFR §§52.1 et seq for telecommunications service in the United States. The NANP B&C Agent is also responsible for collecting funds from other NANP member countries to support NANP administration. The entity selected to serve as the NANP B&C Agent will be expected to perform its duties in accordance with the terms and conditions of a Federal Acquisition Regulation (FAR) based contract. Each of the functions to be performed by the NANP B&C Agent is described below.

3. Applicable Documents

Documents applicable to the NANP B&C functions can be accessed on the FCC web site at: www.fcc.gov/wcb/cpd/numbering.

4. Requirements

The Contractor shall operate as the NANP B&C Agent in accordance with all of the requirements listed below and pursuant to FCC rules:

- a) Comply with all relevant and applicable federal financial management and reporting statutes, including the Federal Managers' Financial Integrity Act, Debt Collection Improvement Act, Improper Payments Elimination and Recovery Improvement Act, and the Federal Information Security Modernization Act of 2014, Pub. L. No. 113-283 (codified at 44 U.S.C. § 3551 et seq.) (FISMA); the Privacy Act of 1974, 5 U.S.C. § 552a; National Institute of Standards and Technology (NIST), Special Publication (SP) 800-37, Risk Management Framework for Information Systems and Organizations: A System Life Cycle Approach for Security and Privacy, Rev. 2, Dec. 2018 (NIST SP 800-37, Rev. 2); NIST SP 800-53, Security and Privacy Controls for Information Systems and Organizations, Rev. 5, Sep. 2020 (NIST SP 800-53, Rev. 5). The contractor's technical approach should demonstrate prudent management of information systems to assure reliability and security.

- b) Cooperate with the FCC's external auditors and the FCC's Office of Inspector General on annual audits of the FCC, which includes the NANP B&C Fund. Cooperation means providing access to financial records and personnel, timely responses to auditors' requests for information and notices of findings, submission of appropriate management letters and attorneys' letters required as a part of annual audits, formulation and documentation of proper performance measurements as required by federal statutes, and documentation for compliance with federal financial management and reporting statutes.
- c) Account for the financial transactions of NANPA in accordance with generally accepted accounting principles; and,
- d) Comply with the following reporting obligations (description and due dates are included in Attachment A1 and Attachment B):
 - Financial Statements.
 - Trial Balance.
 - Cash Reconciliation.
 - Listing of Outstanding Checks.
 - Accounts Receivable Reconciliation.
 - Accounts Receivable Subsidiary.
 - Allowance for Doubtful Accounts Calculation.
 - Accounts Payable Subsidiary.
 - Deferred Revenue.
 - Schedule of Accounts Receivable Credit Balances.
 - Schedule of Other Accrued Liabilities that agrees to the General Ledger.
 - Financial Statement Checklist.
 - Financial Statement Variance Analysis.
 - Prepared by Client Responses (PBC) for Audit Questions.
 - Legal Representation Letters for Audits.
 - Management Representation Letter for Audits.
 - Treasury Report on Receivables (TROR).
 - Provide additional information and reports as requested or required by new Treasury or OMB guidance.
 - Quarterly Fund Performance and Statement of Financial Position
 - Monthly Fund Performance report
 - Annual operations review report
 - Budget and contribution factor report

It will be incumbent upon the Contractor to meet the requirements of this Statement of Work.

5. TIME OF DELIVERY

REQUIRED DELIVERY SCHEDULE: See Attachment A1 and Attachment B for specific

delivery dates for items listed under Paragraph 4(e) above.

6. BILLING AND COLLECTION AGENT REQUIREMENTS

6.1 Introduction

The following sections describe the responsibilities and functions of the Billing and Collection Agent (B&C Agent). The B&C agent's primary functions are to calculate, assess, bill, and collect payments from telecommunications carriers for costs associated with numbering administration. The B&C Agent is also responsible for distributing funds to the NANPA for numbering plan administration pursuant to the NANPA's contract monthly.

6.2 General responsibilities of the B&C Agent

- a) The B&C Agent shall be responsible for the calculation, billing, and the collection of payments for all functions associated with numbering administration described in this document. Payments for numbering administration will be provided by telecommunications carriers in countries participating in the North American Numbering Plan (NANP). As described in more detail below, countries participating in the NANP will not be required to contribute to certain categories of costs if certain numbering activities are not performed on their behalf.

For the United States, payments for numbering administration shall be assessed on all U.S. telecommunications providers as set forth in section 6.6 below.

- b) The U.S. telecommunications carriers were responsible to contribute funds to establish a Reassigned Numbers Database (RND), per the Commission's Reassigned Numbers Database Order, (*Advanced Methods to Target and Eliminate Unlawful Robocalls*, CG Docket No. 17-59, Second Report and Order, 33 FCC Rcd 12024, 12041, paras. 47-49 (2018)). Payments to fund the RND creation costs were made on the same basis as the numbering administration payments and are maintained in a bank account separate from the numbering administration funds. The B&C agent shall administer the recovery and reimbursement of the RND creation cost to the telecommunications carriers out of user fees generated by the RND.
- c) Non-U.S. payments shall be based on each country's share of the total population of the NANP area, and a single aggregate payment will be collected from a representative or entity identified by each country's government. The B&C Agent shall obtain from the prior B&C Agent its list of non-U.S. country representatives or entities including any applicable information such as name, FRN, billing address, and email. The B&C agent shall not be responsible for administering NANP costs beyond each country's proportional allocation unless otherwise specified in these requirements or the requirements of a separate agreement. Population estimates

- must be obtained from a public source that is acceptable to the affected countries e.g., <https://www.census.gov/programs-surveys/international-programs/about/idb.html>. Non-U.S. entities that perform their own central office code administration function will not be responsible for costs associated with the administration of U.S. central office codes and associated billing and collection activities. Other adjustments to the share of non-U.S. telecommunications carriers may be required such as variances to the common functionality that may be uniquely provided.
- d) The B&C Agent shall have responsibility for maintaining and updating a comprehensive list of U.S. telecommunications carriers. The B&C Agent shall obtain from the prior B&C Agent its list of telecommunications carriers including any applicable information such as name, FRN, billing address, and email. The B&C Agent shall annually verify and update this list with current information from USAC. Telecommunications carriers shall be responsible for self-reporting that they are providing telecommunications services using their own facilities or the facilities and services of other telecommunications carriers. However, the B&C Agent is charged with monitoring telecommunications carrier reporting and taking reasonable steps to identify non-complying carriers.
 - e) All U.S. telecommunications carriers shall contribute to the fund that covers the costs associated with numbering administration, including existing FCC contracts in place for numbering, pooling and RND administration, estimates provided from USAC for Form 499A administration, FCC contract for the Billing and Collection Agent, estimates based on historical analysis of accounts for bank fees, late filing fees, bad debts, annual operation audit and interest income, and estimates for FCC carrier audits is obtained directly from FCC. The amount of each telecommunications carrier's payment will differ depending on its proportionate share of total end-user telecommunications revenues. The minimum payment will be \$25.00 per year, per the Commission's Consolidated Forms Order, (CC Docket No. 98-171, released July 14, 1999). Any telecommunications carrier that contributes \$1,200 or more shall be permitted to make 12 equal monthly installment payments.
 - f) The B&C Agent shall be responsible for those functions set forth in 47 C.F.R. §§ 52.12, 52.16.
 - g) The B&C Agent must ensure that adequate collateral is pledged to secure deposits exceeding insurance limits, maintain a collateral account with the Federal Reserve through Treasury's Financial Management System, maintain up to date collateral contacts, and regularly update and monitor collateralized amounts in accordance with Section 6-9000 of Volume I of the Treasury Financial Manual. See Attachments B and C for Treasury Financial Manual Requirements.

6.3 The following describes the B&C Agent functional requirements:

6.3.1 The B&C Agent shall be responsible for obtaining the appropriate reports from

Universal Service Administrative Company (USAC) which contain the contribution base (total U.S. telecommunications carrier intrastate, interstate, and international end-user revenues). The B&C Agent is further responsible for obtaining any other telecommunications carrier financial information as necessary for the computation of end user assessment and the NANP bills.

6.3.2 The B&C Agent shall be responsible for computing the payment for each contributing entity based on an approved formula which allocates costs to countries based on population and costs to U.S. telecommunications carriers in accordance with the Commission's regulations and applicable law. All procedures shall be documented and as agreed by the FCC.

- a) The B&C Agent shall file a proposed contribution factor with the FCC on an annual basis, at least 60 days prior to the start of each funding year.
- b) The B&C Agent shall develop any necessary corporate and international contacts required to facilitate cost recovery.
- c) The B&C Agent shall propose specific procedures for addressing failures in making timely payments.
- d) The B&C Agent shall develop a procedure for computing, billing, and collecting each contributing entity's payment to the funds. This procedure should provide reasonable time for each entity to pay its obligation as well as include a means for resolving questions with respect to the cost collection process.
- e) The B&C Agent shall establish a procedure for collecting and verifying installment payments. Costs allocated to countries other than the United States should be collected and submitted directly to the B& C Agent subject to the cost recovery mechanism established by each country.
- f) The B&C Agent shall develop a procedure for collecting, disbursing, and accounting for variances in fund availability.
- g) The B&C Agent shall collect funds and disburse payment to the NANPA, and other numbering administration vendors designated by the Wireline Competition Bureau and to itself for functions performed pursuant to the NANP B&C contract.
- h) The B&C Agent shall disburse funds monthly or as otherwise directed by the FCC.
- i) The B&C Agent shall file an annual report with the FCC and other countries' government authorities as appropriate, which includes payments received and administrative and operating expenses associated with numbering administration paid out during the period covered by the annual report.
- j) The B&C Agent shall establish procedures and maintain records to ensure

- operational integrity, including procedures specific to the RND and NANP Fund. The B&C Agent shall submit a quarterly Fund Performance and Statement of Financial Position to the FCC and/or the North American Numbering Council (NANC) or its designee demonstrating such compliance within 10 days of the quarter end. Similarly, monthly NANP/RND financial and deliverables reports shall be submitted and presented to FCC and/or the NANC or its designee. The reports shall be submitted within 10 days of the month end. The NANC or its designee shall approve the format of the reports. Furthermore, the B&C Agent shall maintain financial records for a period of six years after final payments or cancellation of final payments are made pursuant to this contract.
- k) The B&C Agent shall obtain an audit from an independent auditor after the first year of operations and annually thereafter, unless notified otherwise by the FCC. The audit will include:
- 1) an evaluation of the validity and reasonableness of the payments calculated, received and disbursed;
 - 2) an explanation of any limitations imposed on the auditor by the B&C Agent during its review which might affect the auditor's opinion;
 - 3) an audit of the financial statement of the NANP Fund as prepared by the B&C Agent; and
 - 4) An independent accountant's report on the agreed upon procedures (See Attachment D).
- l) The B&C Agent shall prepare and provide audit documentation for the FCC Payment Integrity Information Act annual audit to the FCC and/or the NANC or its designee.
- m) The B&C Agent shall prepare and provide risk assessment analysis as required by OMB Circular A-123 to the FCC and/or the NANC or its designee.
- n) The B&C Agent shall perform and provide results of internal audit testing for improper payments to the FCC and/or the NANC or its designee.
- o) The B&C Agent shall monitor delinquent debt and submit to US Treasury pursuant to the Debt Collections Improvement Act.
- p) The B&C Agent shall timely respond to queries from US Treasury re Proof of Debt requests.
- q) The B&C Agent shall monitor delinquent debt on a daily basis and submit to the FCC for inclusion on the FCC's Red Light website.
- r) The B&C Agent shall reconcile on a regular basis, debt held at US Treasury to

B&C Agent records of debt held at Treasury.

- s) The B&C Agent shall provide a public website for NANP Fund containing links to monthly reports to the NAOWG, FCC Report and Order relevant to NANP, and other useful and relevant information.
- t) The B&C Agent shall prepare and provide calculations and recommendations for RND tranche repayments to carriers.
- u) The B&C Agent shall provide a help desk where carriers may call for information regarding the NANP billing and/or obligation.
- v) The B&C Agent shall attend monthly meetings and present monthly operations reports to the FCC and/or the NANC or its designee.
- w) The B&C Agent shall attend NANC meetings when required, at least once per year to present annual budget and contribution factor.
- x) The B&C agent shall review and update this Requirements Document annually and upon the implementation of any change order and provide the updated document to the NANC or its designee. Updates shall include, but not be limited to, any cost allocation changes associated with NANPA functionality changes or the web site, any change orders that have been implemented since the last review and update, changes to any specific accounting guidelines that are referenced in this document, any accounting guidelines changes that affect or conflict with language in this document.
- y) If the B&C Agent does not continue to serve as the contractor for the full period of contract, the B&C Agent is also responsible for an orderly transition of the services to any new contractor that the FCC may select to ensure continuity of services during the transition period of no more than 60 days.
- z) The successful bidder must implement the B&C Agent functions within 90 days of being selected.

6.4 Allocation Method

The B&C Agent shall use two allocation methods in the performance of this function. These methodologies are described in the following sections.

6.5 Cost-Sharing among Countries Participating in the NANP

- a) Each country participating in the NANP shall pay its fair share of the costs of the NANPA functions applicable to it.
- b) Each country's share of the costs of the NANP, which are applicable to all the countries in the NANP, should be based upon each country's share of the total

population of the NANP area, subject to consideration described below. This provides a reasonable basis for assigning those costs to the countries participating in the NANP. See International Database: World Population Estimates and Projections, www.census.gov, for population figures.

- c) The population-based Canadian and Caribbean countries' share of the cost of the NANPA may be reduced to a lower percentage to reflect the minimized numbering administration work performed for Canada and the Caribbean countries, because of the work performed by the Canadian Numbering Administration (CNA) and Caribbean entities. Further, certain NANP activities may be undertaken exclusively for the U. S. telecommunications industry.
 - 1) The CNA and Caribbean region countries performs certain duties regarding NANPA and number resource assignment for Canadian and Caribbean region countries entities, which is funded by those foreign telecommunications industries. Consequently, the population-based method of allocating costs among NANP countries should be modified to reflect the fact that some NANPA functional requirements are already performed, in whole or in part, by the CNA and Caribbean region countries.
 - 2) The NANP administration cost allocation is to be calculated based upon the functions provided by the NANPA that are common to the U.S., Canada, and/or Caribbean countries. In addition, all costs of functional variances are to be allocated to the appropriate entity. All costs specific to the common functions and functional variances shall be obtained from the NANPA pursuant to the NANPA's functional allocation calculation as approved by the FCC. This allocation shall be initially calculated and only be recalculated, as described in this section, where NANPA's functions substantively change subsequent to the initial allocation calculation.

6.6 U.S. Telecommunications Carrier Payments

- a) Payments shall be assessed on all U.S. telecommunications carriers, as defined in 47 CFR §52.5(i), providing telecommunications services, regardless of the facilities used, as defined in 47 CFR § 52.5(j). Such payments shall be based upon each telecommunications provider's proportionate share of total intra-, inter-, and international end-user telecommunications revenues and reasonable contingency funding unless otherwise directed by Commission regulation or applicable law. Pursuant to 47 CFR §52.17, all U.S. telecommunications carriers shall be monetarily assessed for the costs associated with numbering administration (*e.g.*, NANP and B&C administration).
- b) U.S. payments for the support of the numbering administration functions shall be based on the following calculation or as specified by FCC rules to yield the annual payment requirement for individual telecommunications carriers:

- 1) The total payment requirement (less the portion assigned to other non-U.S. NANP countries) divided by cumulative total of all U.S. telecommunications carriers' FCC Form 499-A end-user telecommunications service revenues.
 - 2) Multiplied against each telecommunications carrier end-user (intra-state, inter-state, and international) telecommunications service revenue (typically found on each telecommunications carrier's FCC Form 499-A).
- c) The B&C Agent shall calculate and render bills to each telecommunications carrier based on the FCC approved contribution factor, and then collect these amounts either as one-time annual payments or, if the annual requirement is greater than \$1,200, twelve monthly installments pursuant to each such carrier's preference.
- d) The B&C Agent shall maintain records specific to the collection from U.S. telecommunications carriers with respect to refunding such carriers for the cost of establishing the RND. The B&C Agent shall refund the U.S. telecommunications carriers, either by reducing such carrier's NANP fees for the subsequent billing period closest to the refund date or by check.