

## **NANP FUND BUDGET AND CONTRIBUTION FACTOR FOR JULY 2007 TO JUNE 2008**

### **To: Billing & Collection Working Group**

The budget has been prepared to determine the funding requirements and the contribution factor for the upcoming funding year. We have determined that the total projected cost for the NANP Fund is \$7,430,374 (including a \$1,000,000 contingency provision). Rationale for this level of expenditure is included under the heading Basis for Projected Disbursements. We provided three scenarios for funding by the US carriers utilizing some or all of the projected surplus and the associated contribution factors for discussion by NANC.

### **US Carrier Contribution and Contribution Factor**

The US carriers are required to contribute \$7,345,503 to the Fund by direct contributions and by reduction in the fund surplus. The International Participants (Canada and Caribbean countries) contribute the remaining \$84,871 of the projected costs. Below are three scenarios for consideration.

The first scenario uses up the entire anticipated fund surplus at June 30, 2007 of \$1,576,965. The US carriers would be required to fund \$5,768,538 with a funding factor of 0.0000246. This option leaves only the \$1,000,000 in the surplus account which is the contingency provision.

The second scenario is designed to arrive at a contribution factor of exactly 0.0000250 as projected two years ago. This scenario reduces the surplus by \$1,481,955 and the total contribution by the US carriers would be \$5,863,549. There would be \$95,010 excess surplus that could be carried forward to subsidize contributions in the future.

The third scenario is calculated not to use any of the surplus of \$1,576,965. The surplus could be used in future years. The projected costs would be fully funded by contributions during the current year. This would result in a contribution factor of 0.0000313.

### **Revenue Contribution Base**

The contribution factor was determined using an estimate for the 2007 US carrier revenue. In particular, revenues were estimated to be 1% higher than the 2006 actual revenues.

### **Basis for Projected Disbursements**

The cost for the NeuStar contract for NANPA Administration has been provided for as per the existing contract in place. At the time the budget was prepared, NeuStar did not anticipate any additional costs over the contract value for any proposed change orders at the FCC that would impact upon the budget. Change orders to the contract may arise during the upcoming funding year, should there be any changes to the system.

The 1K Pooling contract expired on June 14, 2006. The FCC issued an interim bridge contract to Neustar which expires in April 2007. The RFP for the contract has been released but nothing has been awarded as of the beginning of February 2007. The existing contractor and the FCC would not speculate on the future pricing. For budget purposes, the cost is based on the amount allowed per month by the interim bridge contract. In addition to that amount there are two contemplated changes orders that would be issued once the new contract is in place. The amount provided is based on a preliminary change order issued by Neustar. The FCC indicated that this would not be the final figure but would not speculate as to what the figure would be.

**As of February 9, 2007, the figure allowed for in the budget may change to figure based on actual costs incurred in the previous year. If the contract is awarded prior to the finalization of the budget, the actual contract value will be used.**







**CALCULATION OF CANADIAN AND CARIBBEAN CONTRIBUTIONS**

FRN Code	Country	2006 Population	2007 Population	Average Population	Percentage of Total	Adjust Factor	NANP Admin	Billing Amount	Optional Monthly Payment
<b>United States &amp; Possessions</b>									
	United States	298,444,215	301,139,947	299,792,081	85.2123%				
	Puerto Rico	3,928,447	3,944,259	3,936,353	1.1189%				
	US Virgin Islands	108,605	108,448	108,527	0.0308%				
	Guam	171,019	173,456	172,238	0.0490%				
	Northern Marianas	82,459	84,546	83,503	0.0237%				
	American Samoa	57,794	57,663	57,729	0.0164%				
		<u>302,792,539</u>	<u>305,508,319</u>	<u>304,150,429</u>	<u>86.4511%</u>				
<b>Canada</b>									
817588	Canada	<u>33,098,932</u>	<u>33,390,141</u>	<u>33,244,537</u>	<u>9.4494%</u>	0.75	1,000,735	<u>70,922.28</u>	5,910.19
<b>Carribean Countries</b>									
899900	Anguilla	13,477	13,677	13,577	0.0039%	0.34	1,000,735	13.13	
899902	Antigua & Barbuda	69,108	69,481	69,295	0.0197%	0.34	1,000,735	67.02	
899904	Bahamas	303,770	305,655	304,713	0.0866%	0.34	1,000,735	294.69	
899906	Barbados	279,912	280,946	280,429	0.0797%	0.34	1,000,735	271.21	
899908	Bermuda	65,773	66,163	65,968	0.0188%	0.34	1,000,735	63.80	
899910	British Virgin Islands			-	0.0000%	0.34	1,000,735	-	
899912	Cayman Islands	45,436	46,600	46,018	0.0131%	0.34	1,000,735	44.50	
899914	Dominica	68,910	68,925	68,918	0.0196%	0.34	1,000,735	66.65	
899916	Dominican Republic	9,226,157	9,365,818	9,295,988	2.6423%	0.34	1,000,735	8,990.33	
899918	Grenada	89,703	89,971	89,837	0.0255%	0.34	1,000,735	86.88	
899920	Jamaica	2,758,124	2,780,132	2,769,128	0.7871%	0.34	1,000,735	2,678.08	
899922	Montserrat	9,439	9,538	9,489	0.0027%	0.34	1,000,735	9.18	
899924	St. Kitts & Nevis	39,129	39,349	39,239	0.0112%	0.34	1,000,735	37.95	
899926	St. Lucia	168,458	170,649	169,554	0.0482%	0.34	1,000,735	163.98	
899928	St. Vincent & The Grenadines	117,848	118,149	117,999	0.0335%	0.34	1,000,735	114.12	
899930	Trinidad & Tobago	1,065,842	1,056,608	1,061,225	0.3016%	0.34	1,000,735	1,026.33	
899932	Turks & Caicos Islands	21,152	21,746	21,449	0.0061%	0.34	1,000,735	20.74	
		<u>14,342,238</u>	<u>14,503,407</u>	<u>14,422,823</u>	<u>4.0995%</u>			<u>13,948.59</u>	
<b>Total Population</b>		<u>350,233,709</u>	<u>353,401,867</u>	<u>351,817,788</u>	<u>100.0000%</u>			<u>84,870.87</u>	