

February 18, 2015

**Ex Parte**

Ms. Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12th Street, NW  
Washington, DC 20554

Re: *Telephone Number Portability, et al.*, CC Docket No. 95-116, WC Docket Nos. 07-149 & 09-109

Dear Ms. Dortch:

Telcordia Technologies, Inc., d/b/a iconectiv (“Telcordia”) hereby responds to Neustar, Inc.’s (“Neustar’s”) January 28, 2015 *ex parte* and its report authored by Smith & Associates (the “S&A Report”).<sup>1</sup> Neustar’s latest filings are methodologically flawed and if taken seriously, would lead to a situation in which only Neustar could ever be LNPA. The Commission should give them no weight.

The upshot of the Smith & Associates Report and Neustar’s *ex parte* is that the Commission should never attempt to replace an incumbent that is performing adequately,<sup>2</sup> even at enormous cost to consumers. If this were the case, the Commission could never hold a competitive bidding for an adequate incumbent. But Neustar and Smith & Associates ignore an essential factor: price matters, and consumers ultimately bear the expense of Neustar’s substantially inflated charges. The filings also miss the mark: an incumbent with such an inflated price tag is *not* performing adequately, even if it meets technical performance criteria. This latest round of papers all but concedes that the only remaining argument in favor of Neustar is inertia—the Commission should reject this notion out of hand.

While they continue to imagine new crises, Neustar and Smith & Associates say nothing—because there is nothing for them to say—about the enormous savings a Telcordia-administered database will bring consumers. Neustar knows it is the loser on cost, so it attempts

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<sup>1</sup> This letter also responds to the follow-up presentation made by Smith & Associates, which repeated the same conclusions as the initial report. *See* Letter from Michele Farquhar, Counsel for Neustar, Inc., to Marlene H. Dortch, Secretary, FCC, CC Docket No. 95-116, WC Docket Nos. 07-149 & 09-109 (filed Feb. 13, 2015).

<sup>2</sup> *See* Smith & Associates, *Technical Evaluation of the Next Generation NPAC/SMS Proposals* (Jan. 28, 2015) at 9, *attached to* Letter from Thomas L. McGovern III, Counsel to Neustar, Inc., to Marlene Dortch, Secretary, FCC, CC Docket No. 95-116, WC Docket No. 09-109 (filed Jan. 28, 2015) (“S&A Report”) (suggesting that evaluation criterion for Neustar is whether it has kept up with technology or “stagnated”).

to distract from that shortcoming by sounding false alarms about a transition to Telcordia. But this ground has already been covered extensively in the comments,<sup>3</sup> and the Commission need not heed Neustar's latest dire warnings.

Neither the Smith & Associates Report nor Neustar's *ex parte* sheds light on any legitimate issues. As Smith & Associates concedes<sup>4</sup> for instance, the Report does nothing to rebut Dr. Eric Burger's study concluding that the complexity of the NPAC transition is manageable,<sup>5</sup> or Deloitte's conclusion that by working with carriers, there might be opportunities for Telcordia to transition to LNPA on even a compressed timeline.<sup>6</sup>

The Smith & Associates report also substantially overestimates the time needed for the transition. More significantly, the industry and Telcordia will have to work out the transition schedule together, including determining sufficient testing time. It is a little ironic, and more than a little arrogant, that Smith & Associates believes it is better situated<sup>7</sup> to evaluate the time and steps needed for the transition than the FONPAC and SWG. The companies that make up those groups all have substantial subject-matter expertise and first-hand experience with number portability, and will be affected by the Commission's LNPA award. These groups are highly motivated to choose the best LNPA, and after a year of careful evaluation, they unanimously recommended Telcordia for the job. Smith & Associates, by contrast, has no experience with local number portability and bases its assessment solely on reviewing an incomplete set of filings in the record and spending one week interviewing Neustar employees.<sup>8</sup>

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<sup>3</sup> See, e.g., Reply Comments of Telcordia Technologies, Inc., d/b/a iconectiv at 104-17, WC Docket No. 09-109, CC Docket No. 95-116 (filed Aug. 22, 2014) (errata filed Sept. 3, 2014) (errata at 107-20) (defending viability of transition plan) ("Telcordia Reply Comments").

<sup>4</sup> S&A Report at 6-7 (noting Dr. Burger and Deloitte studies and stating that "[t]he S&A team did not replicate, nor are we commenting on, any of that work").

<sup>5</sup> Eric Burger, *Issues and Analysis of a Provider Transition for the NPAC*, S<sup>2</sup>ERC Technical Report (July 22, 2014) at 15, attached as Exhibit B to Telcordia Reply Comments ("Burger Report") at 15 (concluding NPAC transition poses "[m]odest complexity"); see also *id.* at 11 (noting that "[t]he largest risk of a transition falls on the carriers").

<sup>6</sup> Deloitte Consulting, LLP, Report (Aug. 8, 2014) at 2, attached as Exhibit C to Telcordia Reply Comments ("Deloitte Report"). Of course, Deloitte reached this conclusion last August, and Neustar has been effective at delaying the LNPA selection for many months since.

<sup>7</sup> To say nothing of the irony and arrogance of Neustar's expert warning that there is insufficient transition time when a major source of delay has been Neustar's perpetual filings in this proceeding.

<sup>8</sup> Smith & Associates misunderstands the portability industry. For instance, the Report criticizes Telcordia's cutover plan. S&A Report at 22-23. But recognizing industry custom, Telcordia has always indicated that it would collaborate on a different cutover plan if necessary. See Telcordia Bid, Request for Proposal ("RFP"), Attachment to Question 12.3 § 2.6 (Telcordia00159-Telcordia00160). Likewise, some of Smith & Associates' concern over

Smith & Associates is misguided when it faults the limited scale of Telcordia's portability operations compared to Neustar's.<sup>9</sup> The group essentially argues that prior NPAC operations within the United States should be a prerequisite to being chosen as LNPA<sup>10</sup>—in other words, no company should be selected as LNPA unless it has already been LNPA. This standard is quite convenient for Smith & Associates' customer Neustar, which has historically succeeded in blocking any new competition, but it has no place in a legitimate competitive bidding.

The Report ignores Telcordia's long involvement in U.S. portability, through participation in number portability working groups and its deployment of local systems which account for a significant portion of number portability transactions in the U.S. And it overstates the significance of prior U.S. experience. In fact, much of the U.S. infrastructure is already in place, and transitioning to a new U.S. LNPA will not require any back-office changes or modifications to carrier billing and ordering systems in place today.

Likewise, the Smith & Associates Report literally applied a double standard, evaluating whether Telcordia has "the capability to build a system of this size scope, complexity, and performance" but only asking whether Neustar has "kept up with available technology, methods, and practices" during its incumbency.<sup>11</sup> Unsurprisingly, this one-sided approach led Smith & Associates to support Neustar over Telcordia. Such shabby methodology reveals the report for what it really is: mere armchair prognostication not worthy of serious consideration.

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the cutover plan are based on an erroneous understanding of how different regions interoperate. See S&A Report at 22.

<sup>9</sup> S&A Report at 27-29.

<sup>10</sup> In its RFP response, Telcordia explained that this experience qualifies it to be LNPA. Telcordia Bid, Vendor Qualification Survey ("VQS"), Attachment to Question 3.3.1 (Telcordia06043-Telcordia06066). And Dr. Burger's report, unrebutted by Smith & Associates, dispelled this suggestion, concluding that Telcordia's portability operations abroad involved *more complexity* than U.S. portability operations. Burger Report at 2.

<sup>11</sup> *Id.* at 9 (discussing "Current/Proposed System Assessment" criteria "[f]rom a Neustar perspective" and "[f]rom an iconectiv perspective").

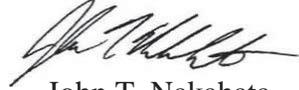
Ms. Marlene H. Dortch

February 18, 2015

Page 4 of 4

Neustar's latest *ex parte* and the Smith & Associates Report do nothing to change the record before the Commission, or tip the scales in favor of Neustar. The Commission should disregard them.

Sincerely,



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