



March 9, 2015

Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 Twelfth Street, SW  
Washington, DC 20554

Re: WC Docket No. 07-149  
WC Docket No. 09-109  
CC Docket No. 95-116  
GN Docket No. 13-5

Dear Ms. Dortch:

New America’s Open Technology Institute (“OTI”) has been a longtime advocate of policies that further the Commission’s mandate to promote competition, innovation and universal service at affordable prices in the markets for telecom services. Accordingly, attached to this letter is a research paper that OTI published today, entitled *A Public Interest Perspective on Local Number Portability: Consumers, Competition and Other Risks*, co-authored by OTI’s Michael Calabrese and J. Armand Musey, an independent telecom policy and financial analyst.

According to press reports, last week the FCC’s Wireline Competition Bureau recommended that the Commission approve, without further public notice and comment, the recommendation of the industry advisory committee (the North American Numbering Council, or NANC) to appoint Telcordia to a five-year term as administrator when Neustar’s contract expires on June 30. OTI recommends that prior to approving the selection of a vendor for the Local Number Portability Administrator (“LNPA”) contract, the Commission should take this opportunity to reconsider the future role of the number portability system and of the LNPA in relation to market competition, public safety and the IP technology transition. The report further recommends that the Commission review and clarify the future role of the number portability system and the LNPA through a public notice and comment rulemaking *before* finalizing a vendor selection.

As OTI's report describes in greater detail, the functionality of today's local number portability platform extends well beyond providing routine number porting services between telecom carriers. It has evolved into a significant component in the greater ecosystem of telecommunications competition, public safety and technological evolution. As a result, any changes to the LNPA now will have broader and evolving public interest implications for consumers, non-national carriers and a range of other stakeholders.

The ability of the LNPA to impartially operate to serve the public interest is critical. A number of smaller regional and rural providers have argued that appointing Telcordia, a subsidiary of Ericsson, as the LNPA would threaten the industry's competitive environment. Specifically, they are concerned about whether a LNPA controlled by a parent whose largest customers are the dominant telecom operators would be eager to support easier customer switching or new and potentially disruptive technologies, such as the IP transition and ubiquitous IP number porting. A LNPA with its core line of business dependent on the very largest carriers can create the perception, if not the reality, of conflicts of interest. As the report describes, an additional potential conflict is Telcordia's role as a leading provider of Local Service Management System (LSMS) and Service Order Administration (SOA) systems that carriers use to access the NPAC, administered by the LNPA. Telcordia also administers the Local Exchange Routing Guide (LERG) database and the Business Integrated Rating/Routing Database System (BIRADS) Database. Combining all of these databases and the NPAC in one entity creates opportunity and ability for Telcordia to cement its dominant position (roughly 70 percent market share) in the LSMS/SOA market.

OTI is also concerned about the unknown but potentially enormous increased total costs that non-national carriers could face from an LNPA transition and from the possible loss of (or extra charges for) certain value-added services. Competitive carriers worry that under the Telcordia bid the fees for future enhanced services will not be fair and non-discriminatory (e.g. volume pricing would benefit large carriers).<sup>1</sup> These concerns are exacerbated by the failure to include small- and mid-sized carriers in the NANC's selection process and the lack of transparency throughout the process. As the Competitive Carriers Association stated in a filing last year:

The LNPA selection process does not seem to have taken into account the interests of non-nationwide wireless carriers in matters such as vendor transition costs, support for Internet Protocol-based numbering systems, and several of the features and functions on which the business models of the competitive wireless carriers depend. . . . In particular, it does not appear that any analysis has been performed to determine the impact of an LNPA transition of smaller carriers,

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<sup>1</sup> See Comments of the LNP Alliance, WC Docket No. 07-149; WC Docket No. 09-109; CC Docket No. 95-116 (July 25, 2014) at 22.

either in terms of financial effects, or in terms of consumer disruption. . . . These services are not addressed by the RFP or are addressed only cursorily, and may not be supported with hundreds of millions of dollars more in potential fees.<sup>2</sup>

More generally, the Commission should address the way the current numbering portability system disadvantages non-national carriers by failing to port consumers' numbers between regions (LATAs) when a regional carrier acquires customers from areas where it does not operate and own switches. The North American Numbering Council's ("NANC") vendor selection process could have been an opportunity to correct this number portability disadvantage for smaller carriers, and yet the Request for Proposal ("RFP") failed to specify any particular requirements for supporting nationwide porting. CCA, for example, has expressed these concerns, stating that "the RFP does not fully account for new and evolving services, including IP transition functionalities, which would free number porting from geographic constraints."<sup>3</sup> CCA described the competitive disadvantage faced by C Spire and other non-national carriers:

[A] significant number of [CCA's] rural and regional members have experienced problems with porting-in wireless numbers from disparate parts of the country. As a result, non-nationwide carriers are placed at a competitive disadvantage. . . . Number portability expands competition . . . If the Commission were to provide a directive to the NANC and the LNPA to break down these artificial [geographic] barriers – again, for which there are no technical or legal justifications – competition and enhanced mobility would be further promoted through the [LNP] system.<sup>4</sup>

Public safety and law enforcement agencies have registered a separate set of concerns about losing current LNPA services they rely on today, while federal agencies have noted national security concerns about transitioning to a foreign-owned vendor or utilizing foreign code in the NPAC.

A common thread among most commenters is that their concerns were not adequately addressed during the RFP process overseen by the NANC's Selection Working Group ("SWG").<sup>5</sup> This paper analyzes these concerns and finds them credible and potentially having critical policy impacts.

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<sup>2</sup> *Ex parte* filing of Competitive Carriers Association, CC Docket No. 95-116; WC Docket No. 07-149; WC Docket No. 09-109 (March 21, 2014) ("CCA *Ex parte* from March 21, 2014")

<sup>3</sup> *Ibid.*

<sup>4</sup> *Ibid.* See also Comments of Competitive Carriers Association, In the Matter of Technology Transitions and Numbering Policies for Modern Communications, GN Docket No. 13-5, WC Docket No. 13-97, at 7-8 (filed March 31, 2014).

<sup>5</sup> NANC is a federal advisory committee to the FCC that was charged with working with North American Portability Management LLC ("NAPM") to make a recommendation for the next LNPA contract. NANC, in turn, created a Selection Working Group ("SWG") to work with the NAPM on the selection process. The NAPM, with input from the SWG, created the request for proposal documents and conducted the initial evaluation process. The NAPM members

In sum, the Commission should take this opportunity to directly confront the reality that the LNPA's suite of services has evolved into much more than a simple number porting service between telecom companies. The LNPA has become a significant player in a large but delicate ecosystem of telecom competition, public safety and technological evolution. The potential policy and social risks from not revisiting the LNPA contract are much greater than any savings from deferring to the dominant carriers and avoiding this opportunity to reassess the future role of the LNP system and of the LNPA specifically through a public notice and comment rulemaking.

Respectfully submitted,

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are all telecom service providers. NAPM in turn, created a subgroup of the NAPM, the Future of Number Portability Administration Committee ("FoNPAC"), to carry out the selection process delegated to the NAPM.

\* Support for this report was provided by Neustar, Inc. The views contained herein are those of the authors.