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Federal Communications Commission  
Office of the Secretary

Ex Parte

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

DOCKET FILE COPY ORIGINAL

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

Dear Ms. Dortch:

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Telcordia Technologies, Inc., d/b/a Connectiv (“Telcordia”) hereby responds to the April 23, 2016 *ex parte* letter of Public Knowledge, the Open Technology Institute at New America, and the LNP Alliance (collectively, the “LNP Alliance”),<sup>1</sup> and the April 27 *ex parte* letter of the LNP Alliance.<sup>2</sup>

In its April 23 *ex parte* letter, the LNP Alliance expresses concerns about Telcordia’s Code of Conduct, which Telcordia revised and refiled as required by the March 2015 *Selection Order*. As explained below, these concerns are baseless. The revised Code of Conduct actually imposes requirements that are *more stringent* than the prior Code of Conduct or the *Selection Order*—as well as the neutrality requirements to which Neustar has been subject—and made a number of other changes to harmonize inconsistencies and clarify ambiguities.

The LNP Alliance first asks the Commission to “pin down” why Telcordia removed the term *contractor* from Paragraph 4, which prevents certain individuals—Telcordia’s officers, directors, and employees, as well as dedicated employees of a subcontractor, involved in “core LNPA activities”—from holding interests that would cause Telcordia not to be neutral. The answer is simple: the Code of Conduct supplements the core contractual requirement of neutrality which applies to both Telcordia and any of its Core Subcontractors (of which currently there are none). SungardAS is addressed separately in the Code of Conduct because it is not a Core Subcontractor, but is subject to certain neutrality requirements pursuant to the *Selection*

<sup>1</sup> Letter from James C. Falvey, Counsel, LNP Alliance, to Marlene H. Dortch, Secretary, FCC, CC Docket No. 95-116, WC Docket Nos. 09-109 & 07-149 (filed Apr. 23, 2016) (“*April 23 Ex Parte*”).

<sup>2</sup> Letter from James C. Falvey, Counsel, LNP Alliance, to Marlene H. Dortch, Secretary, FCC, CC Docket No. 95-116, WC Docket Nos. 09-109 & 07-149 (filed Apr. 27, 2016) (“*April 27 Ex Parte*”).

*Order*.<sup>3</sup> The Alliance also suggests that the term “contractor” should be changed to read “contractor or subcontractor.” But this would be superfluous. Telcordia is the NAPM’s contractor, and any entity hired by Telcordia is a vendor or subcontractor; there are no “contractors” other than Telcordia.

The LNP Alliance also frets that the Code of Conduct does not define “in any way” what type of interest would cause Telcordia to no longer be neutral, suggesting that the decision is left entirely to “the potentially offending party.”<sup>4</sup> This is nonsense: Paragraph 4 plainly states that certain individuals may not hold interests that Telcordia is prohibited from holding. It is neither necessary nor helpful to restate the Commission’s neutrality rules,<sup>5</sup> which the LNP Alliance itself cites in its *ex parte*,<sup>6</sup> in the Code of Conduct. Telcordia’s neutrality obligations were extensively discussed in the Commission’s *Order* selecting Telcordia as the LNPA; there is no need to rehash those requirements here.<sup>7</sup>

The Alliance next demands that the Commission “fully scrutinize” why Telcordia added a footnote providing that interests of one percent or less do not count as “interests” for the purposes of Paragraph 4.<sup>8</sup> “Interests” were previously undefined; however, under the Commission’s rules, interests of less than 10 percent do not count as an attributable ownership interest.<sup>9</sup> By adding Footnote 1, Telcordia has voluntarily subjected certain individuals—officers, directors, and employees—to a much more stringent standard than would otherwise apply. This standard is more stringent than the threshold used by Neustar under its existing Master Services Agreement, which imposes a 5% limit on its employees, officers, and directors.<sup>10</sup>

Along these lines, the LNP Alliance faults Telcordia for removing Paragraph 7(f) which provided that “[n]o Member [of the Board of Directors] shall have an ownership or voting interest of ten percent or greater in any TSP.”<sup>11</sup> But again, this language was deleted to avoid a conflict with the *more stringent* 1% threshold in Footnote 1 of the Code of Conduct. LNPA Alliance’s concern about stockholdings is overbroad and unnecessary. Telcordia’s Board has a mandated majority of independent directors, all of whom must be vetted and approved by the trustees of the Voting Trust. This independent director majority, along with the Voting Trust,

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<sup>3</sup> *In the Matters of Telcordia Technologies, Inc. Petition to Reform Amendment 57 and to Order a Competitive Bidding Process for Number Portability Administration*, Order, FCC 15-35, 30 FCC Rcd. 3082, 3157 ¶ 175 (2015) (“*Selection Order*”).

<sup>4</sup> *April 23 Ex Parte* at 3.

<sup>5</sup> See 47 C.F.R. § 52.12(a).

<sup>6</sup> See *April 23 Ex Parte* at 2 n.6.

<sup>7</sup> *Selection Order* ¶ 160 *et seq.*

<sup>8</sup> *April 23 Ex Parte* at 3.

<sup>9</sup> 47 C.F.R. § 52.12(a)(1)(i)(A).

<sup>10</sup> See Neustar MSA § 1.30,

[http://www.sec.gov/Archives/edgar/data/1265888/000104746905018239/a2160129zex-10\\_1.htm](http://www.sec.gov/Archives/edgar/data/1265888/000104746905018239/a2160129zex-10_1.htm).

<sup>11</sup> *April 23 Ex Parte* at 3.

maintains the independence from Ericsson. In any event, none of the current outside directors hold Ericsson stock (excluding any interests held in mutual-fund type investment vehicles).<sup>12</sup> As an employee directly involved in Core LNPA activities, the CEO will be barred from holding Ericsson stock per Section 8 of the Code of Conduct. That leaves only the Ericsson representative on the Board. As that individual is Ericsson's representative (but is only one of the five Board members), there is no reason to bar that individual from holding Ericsson stock.

Next on its list, the LNP Alliance complains that the Code of Conduct allows some Telcordia employees to keep their Ericsson pensions, and claims without explanation that "[t]here should not be any scenario where an iconectiv [i.e. Telcordia] employee involved in core LNPA services holds an Ericsson pension."<sup>13</sup> Continuation of these legacy pension benefits was expressly permitted by the Commission in the *Selection Order*.<sup>14</sup> In any event, as the Commission was aware at the time of the *Selection Order*, these legacy pensions are defined-benefits programs that do not constitute profit sharing or long-term compensation.<sup>15</sup> These legacy benefits will not change as a result of Ericsson's economic performance. As a result, they create no incentive for employees to engage in favoritism.

Finally, the LNP Alliance argues that Paragraph 10(c) should be expanded to bind all "contractors, officers, directors or any dedicated employee of any contractor or subcontractor"<sup>16</sup> to the code of conduct. This is unnecessary. As discussed above, all Core Subcontractors are already subject to the neutrality requirements, with Telcordia responsible to ensure that they do so.<sup>17</sup> Paragraph 10(c) is necessary because SungardAS is *not* a Core Subcontractor, and thus would not otherwise be subject to the Code of Conduct. Paragraph 10(c) of the Code of Conduct thus implements the requirements of Paragraph 10.c of the Appendix to the *Selection Order*.

The LNP Alliance cites a "further issue,"<sup>18</sup> namely that the Commission should ensure the Code of Conduct, and the Voting Trust, are fully adopted and implemented before Neustar transfers any data to Telcordia. As to the Voting Trust, this is a non-issue: the *Order* requires the Voting Trust to be executed before Telcordia executes the LNPA contract.<sup>19</sup> As to the Code of Conduct, the Commission will approve the Code of Conduct as part of its approval of Telcordia's contract.<sup>20</sup> And although the contract allows 270 days for full implementation of the Code of Conduct (which is shorter than was specified in the *Selection Order*), other provisions of the contract protect service providers' confidential information against unnecessary disclosure.

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<sup>12</sup> To the extent the Commission thought it necessary to codify this, the final clause of Section 8 of the Code of Conduct could be modified to read "nor shall any such iconectiv employee, or independent Member of the Board of Directors, hold Ericsson stock."

<sup>13</sup> *Id.* at 3.

<sup>14</sup> *Selection Order* ¶ 186 n.644.

<sup>15</sup> *Id.*

<sup>16</sup> *April 23 Ex Parte* at 3.

<sup>17</sup> See MSA § 3.2.2.1.1

<sup>18</sup> *April 23 Ex Parte* at 3.

<sup>19</sup> *Selection Order* ¶ 182.

<sup>20</sup> *Id.* at 3161 ¶ 186.

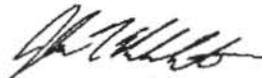
Accordingly, there is no reason to require full implementation of the Code of Conduct prior to any transfer of data from Neustar to Telcordia

Accordingly, the LNPA Alliance raises no arguments that should preclude approval of the Code of Conduct or the Voting Trust.

The LNP Alliance's April 27 *ex parte* letter also fails to present any substantiated basis for concerns. The Alliance asserts that a carrier could be forced to spend "\$10,000 or more on personnel, training, new network links, testing, troubleshooting, customer retention, and other costs during the Transition,"<sup>21</sup> without any basis. Most smaller providers utilize service bureaus, which will conduct testing on behalf of their small provider customers to ensure that they can smoothly port numbers. Telcordia will be testing with those service bureaus (and before them with the gateway providers whose products are used by the service bureaus) to ensure seamless operation. These service bureau customers may then wish to test on an end-to-end basis, but it is unlikely that will require extensive time or costs. Some small providers also use what is called the "Low Tech Interface", which is essentially a web-based GUI. Telcordia will be conducting training with respect to the GUI. However, the data fields that are required by the GUI will be those already specified in the NPAC specifications, so will not require new systems development or extensive new instruction. These are exactly the types of issues that will be managed by the Transition Oversight Manager as the transition process moves forward, and are not a reason to hold up approval of the MSA. To the contrary, approval of the MSA will allow schedules to be finalized and further outreach and training to move forward.

The LNP Alliance also reiterates its concerns that the Commission not "rush to judgment" before approving the Telcordia MSA.<sup>22</sup> While the Commission should certainly satisfy itself that the MSA meets its requirements, time is of the essence here. Further delaying approval of the MSA may impede actual deployment of the LNPA.

Sincerely,



John T. Nakahata  
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d/b/a iconectiv

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<sup>21</sup> April 27 Ex Parte at 2.

<sup>22</sup> Id. at 3.

# Preliminary Overall Transition Timeline

Approximate timing: dependent on completion of contracts and final agreement on requirements

	2016				2017		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Transition Planning and Communications	←						
NPAC/SMS Platform Build	←						
Onboarding*		█					
Testing		█					
Data Migration/Go-Live					█		

\*Onboarding – Onboarding is the process of enabling NPAC stakeholders to formally register, connect to and use the new NPAC.



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