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John E. Logan

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February 12, 1999

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, D.C. 20554

Re: *Ex parte* Presentation
CC Docket No. 92-237
NSD File No. 98-151

Dear Ms. Salas:

Enclosed are four copies of a presentation made by Mitretek Systems to the Common Carrier Bureau, Network Services Division, in response to a letter from Anna Gomez, Chief, Network Services Division, that we request be made part of the record in the above docket.

Sincerely,

John E. Logan

Enclosures

No. of Copies rec'd 0+3
List A B C D E

MITRETEK

Dr. H. Gilbert Miller
Vice President
Center for Telecommunications and Advanced Technology
703.610.2900 (voice) 703.610.2303 (fax)
hgmiller@mitretek.org

12 February 1999
Q010-L-18

Ms. Anna Gomez
Network Services Division
Federal Communications Commission
2000 M Street, NW
Suite 235
Washington, DC 20554

Dear Ms. Gomez:

Thank you for this opportunity to provide additional information about Mitretek Systems and our ideas related to administration of the North American Numbering Plan (NANP). I hope that you will find the enclosed answers responsive and informative.

We observed that the two central issues addressed to us by the Commission and industry were price and transition. With respect to price, we provide a price for the remainder of the current NANPA term that is comparable to the current NANPA levels of activities. This price is approximately two percent higher than the current NANPA's price over the remainder of the term. Mitretek, if requested by the FCC, will provide prices for additional functions included in our 1997 Proposal. With respect to transition, we provide a transition plan to be executed in three to five months. Our answers to staffing-related questions support our transition plan.

Innovative Technology in the Public Interest

I would like to take this opportunity to remind you that Mitretek made its 1997 Proposal available for public review. The proposal is available at http://www.mitretek.org/nanpa/nanpa.html.

If you have additional questions, please do not hesitate to contact me.

Sincerely,

H. Gilbert Miller

HGM/dm

Enclosure

Answers to Questions Posed to Mitretek Systems Concerning Request for Expeditious Review of the Transfer of the Lockheed Martin Communications Industry Services Business

Question 1

How long does Mitretek anticipate that the transfer of North American Numbering Plan Administration (NANPA) functions will take and how will it be accomplished?

Answer

Mitretek will complete transition of all NANPA functions within five months of Federal Communications Commission (FCC) appointment. For the purposes of transition planning and pricing, Mitretek assumes a 1 May 1999 decision by the FCC. Mitretek continues to plan and prepare for a 1 May 1999 start of transition. We do note that a transition of three months is possible. The two-month variance reflects the difference between the maximum and minimum time required for staffing. As shown in our answer to Question 13, this critical path for staffing is highly sensitive to the FCC making a final decision. We believe that once a final FCC decision is made, the minimum staffing time will be realized.

Four factors make a transition of five months or less feasible:

- ***Thorough Understanding of Requirements and Guidelines.*** In 1997, Mitretek built a detailed and thorough knowledge and understanding of the North American Numbering Council (NANC) requirements and industry guidelines, and similarly detailed a thorough staff and systems operating capability. Our knowledge and understanding of number administration, as well as our staff and systems capabilities are demonstrated in our 1997 Proposal, which was evaluated by the NANC's NANPA Evaluation Working Group. Mitretek's NANPA Team continued to be ready to execute a NANPA implementation through October 1997, when the FCC made a final NANPA selection decision. In the 15 months since then, Mitretek has continued to stay current on fundamental numbering administration policies, procedures, and new initiatives (e.g., development of the Requirements Document for 1000 block poll administration). Our activities over the last 15 months are documented in our answer to Question 4.

- ***Ability to Quickly Transition Systems and Continue Required Development.*** Prior to the 1997 release of the NANC Requirements Document, Mitretek began to design, build, and implement the computer support systems and databases central to our 1997 Proposal. Early versions of these systems were being brought on-line throughout the summer of 1997. These systems, and the developers of these systems, will be part of the System Transition Team. In our transition of functions from the current Lockheed Martin, Inc. (LMI) incumbent, Mitretek

proposes to accept the current NANPA systems per the FCC's intellectual property rules. The knowledge and understanding of the underlying system functional requirements will assist the System Transition Team during transition, as well as in the evolution and development of the long-term NANPA systems. Since 1997, Mitretek has conducted research and projects that demonstrate the feasibility of and accelerated transition to the proposed 1997 architecture.

- ***Feasible Staffing Plan with Transition Leaders In-place.*** Our updated staffing plan provides transition teams' leaders that are already members of the Mitretek team. Further, we again are working with the executive search firm that assisted us in our initial recruitment study in 1997. An updated staffing plan and our executive search firm's analysis of our current staffing challenge are provided in answer to Question 13.

- ***Transition Will Be From One Organization.*** In 1997, our transition plan addressed the need to transition functions from Bellcore, seven Operating Companies, as well as other organizations performing number administration. In 1999, the transition plan must address only the current NANPA incumbent. Consolidation of the NANPA functions was achieved by the industry during the LMI transition. If the complete LMI transition is not completed by the FCC decision, Mitretek will complete that transition in a timeframe acceptable to the incumbent CO code administrator and NPA relief planner.

In order to accomplish a smooth and effective transition, Mitretek has established five teams:

- NANPA Management Transition Team
- NANP Administration Transition Team
- COCA Transition Team
- NPA Relief Planning Transition Team
- System Transition Team

Each team has been assigned specific responsibilities in the overall NANPA transition. The overall schedule for these five teams is:

Transition Action	Pre-May	May	June	July	August	Sept
1. Complete detailed transition planning	Plan	Complete	Monitor	Monitor	Monitor	Monitor
2. Transition NANP Administration		Plan	Train	Transition		
3. Transition CO Code Administration		Plan	Plan	Train	Transition	Transition
4. Transition NPA Relief Planning		Plan	Plan	Transition	Transition	Transition
5. Complete transition of existing systems and data		Transition	Transition	Transition		
6. Complete systems and additional functions	Design	Assess	Assess	Modify	Modify	Modify

Additional pre-May (i.e., the assumed date of an FCC decision) activities could be conducted with the coordination and cooperation of the current LMI incumbent. Such coordination and cooperation is the single largest source of risk in this transition plan. The team leaders, purpose, schedule, and tenure of these five teams are presented in detail below.

NANPA Management Transition Team

Team Lead: Frank Ferrante, NANPA Director

Team Members:

- Brenda Stevens, Principal Staff, Telecommunications
  - NANPA role: NANP Administration Transition Team Lead
- Robert Fulton, Principal Staff, Telecommunications
  - NANPA role: COCA Transition Team Lead
- David Weitzel, Principal Staff, Telecommunications
  - NANPA role: NPA Relief Planning Transition Team
- David Garbin, Sr. Fellow for Telecommunications
  - NANPA role: System Transition Team Lead
- H. Gilbert Miller, Vice President, Mitretek Center for Telecommunications and Advanced Technology
  - NANPA role: Corporate oversight of NANPA
  - Corporate officer responsible for providing NANPA with required corporate resources
- Carole Thwaits, Sr. Manager, Mitretek Center for Telecommunications and Advanced Technology
  - NANPA role: Financial and administrative support
- Mosetta Blackmon, Mitretek Human Resources Director
  - NANPA role: Corporate resource for NANPA staffing
- Mark Smith, Mitretek Facilities and Security Director
  - NANPA role: Corporate resources for NANPA facilities and physical security

Purpose:

- Complete the transition of NANPA functions from the current incumbent to Mitretek in five months or less, such that:
  - The transition is smooth and effective
  - The transition is transparent to the industry and requires no additional workload by the industry
  - The transition is conducted in a manner acceptable to the industry, the NANC, and the FCC
  - All NANPA functions are performed in a manner that complies with the FCC rules, NANC Requirements Document, and industry guidelines (e.g., INC guidelines)
- Provide liaison with:
  - FCC
  - Other NANP-affiliated countries
  - NANC
  - LMI
  - Industry Numbering Council (INC)
  - Industry members
- Coordination and oversight of the other four transition teams
- Identification and assessment of all transition risks

Schedule:

NANPA Management Transition	Pre-May	May	June	July	August	Sept
Implement Management Plan						
• Initiate dedicated Mitretek management and staff						
• Identify and commit Mitretek NANP Administration team						
• Prepare all Mitretek support groups for action						
• Move staff into NANPA facilities						
Implement Staffing Plan						
• Engage executive search firm						
• Identify all Mitretek staff						
• Complete NANPA function staffing						
• Complete COCA function staffing						
• Complete NPA Relief Planning function staffing						
• Train staff						

Full NANPA Management Transition Operation:

- End of month 5

Tenure:

- Through complete five-month transition period

Evolution:

- A subset of the NANPA Management Transition Team will become the primary managers and staff in the continuing NANPA organization

NANP Administration Transition Team

Team Lead: Brenda Stevens

Purpose:

- Complete the transition of NANP Administration (i.e., core) functions
- Complete appropriately detailed transition planning
- Ensure transition of records
- Ensure NANP Administration functions are operational and compliant with industry guidelines and NANC Requirements Document

Schedule:

NANP Administration Transition	Pre-Plan	Month 1	June	July	August	Sept.
• NANP transition team begins and continues work	■	■	■	■	■	■
• Finalize NANPA Transition Plan		■				
• On-site training and consultation with current NANPA			■			
• Transfer all electronic and paper files from current NANPA			■			
• Transfer docketed activities			■			
• Establish Mitretek NANP Administration Center			■	■		
• Begin and continue Mitretek NANP Administration operations					■	■

Full NANP Administration (Core) Operations:

- End of month 3

Tenure:

- Through first three months of transition period

Evolution:

- A subset of the NANP Administration Transition Team will become the group responsible for continuing NANP administration in month 4

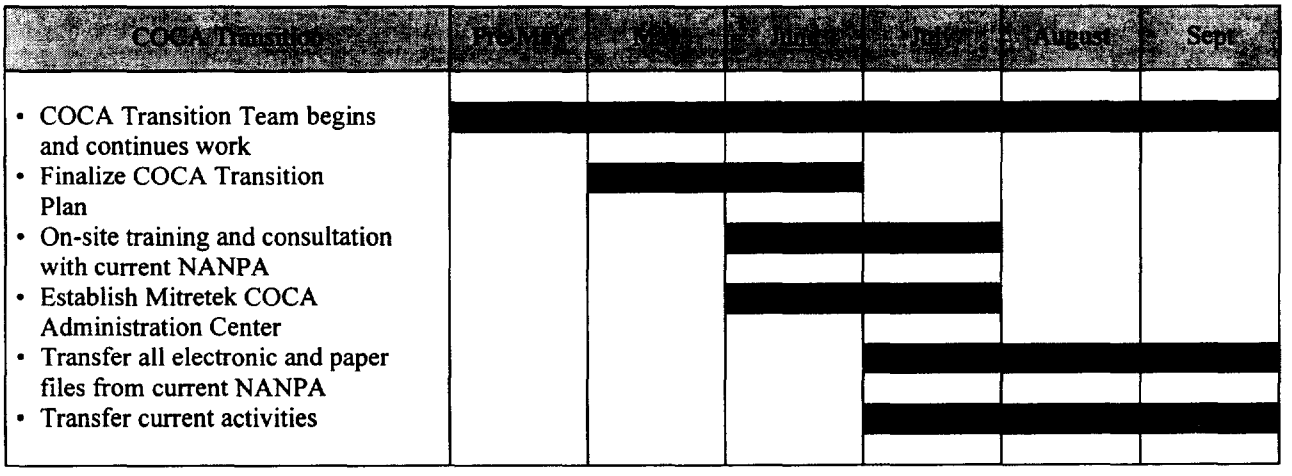
COCA Transition Team

Team Lead: Robert Fulton

Purpose:

- Complete the transition of COCA functions
- Complete appropriately detailed transition planning
- Ensure transition of records
- Ensure COCA functions are operational and compliant with industry guidelines and NANC Requirements Document

Schedule:



Full COCA Operation:

- End of month 5

Tenure:

- Through complete five-month transition period

Evolution:

- A subset of the COCA Transition Team will become the group responsible for continuing COCA administration

NPA Relief Planning Transition Team

Team Lead: David Weitzel

Purpose:

- Complete the transition of NPA Relief Planning functions
- Complete appropriately detailed transition planning
- Ensure transition of records
- Ensure NPA Relief Planning functions are operational and compliant with industry guidelines and NANC Requirements Document

Schedule:

NPA Relief Planning Transition	[illegible]	[illegible]	June	July	August	Sept
• NPA RP Transition Team begins and continues work	■	■	■	■	■	■
• Finalize NPA RP Transition Plan		■	■			
• On-site training and consultation with current NANPA			■	■		
• Transfer all electronic and paper files from current NANPA				■	■	■
• Transfer docketed activities			■	■	■	
• Establish Mitretek NPA RP (region by region)			■	■	■	■

Full NPA Relief Planning Operation:

- End of month 5

Tenure:

- Through complete five-month transition period

Evolution:

- A subset of the NPA Relief Planning Transition Team will become the group responsible for NPA relief planning

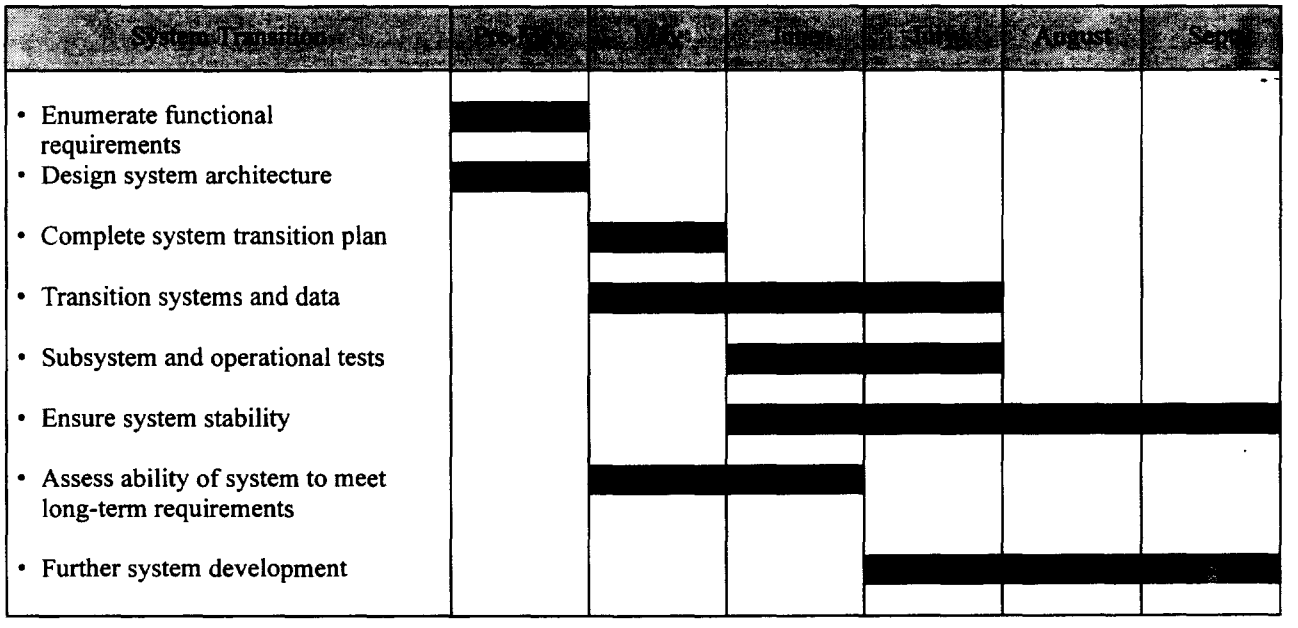
System Transition Team

Team Lead: David Garbin

Purpose:

- Transition all systems from current NANPA under the intellectual property terms of the FCC rules
- Provide software tools required for conducting basic NANP administration, CO code administration, and NPA relief planning functions
- Assess ability of current systems to meet long-term NANPA needs
- Evolve systems to meet long-term NANPA needs

Schedule:



Tenure:

- Through complete five-month transition period

Evolution:

- The System Transition Team will become the System Development and Support Team, which exists throughout the tenure of the Mitretek NANPA

Additional comments on Mitretek NANPA systems:

The Mitretek system architecture proposed in 1997 evolved the NANPA to an all-electronic environment in the out-years. Specifically, we proposed to evolve to an environment in which industry number and core requesters would use secure network-based transactions to initiate number resource requests. However, at that time, we were not confident that this system evolution initially could be completed using then COTS technology. In the 15 months, Mitretek has initiated and completed NANPA-relevant research and projects:

- Development of secure infrastructure for knowledge workers, similar to NANP administrators

- Development and use of digital signature technology for the delivery and receipt of industry-proprietary technical and price proposals for telecommunications services

- Development and operations of infrastructure for the administration of public keys and authentication certificates

- Development of a data warehousing system for the management of area codes, exchanges, and rate centers data and associated census, technical, and cost data

- Development of geographic information system technology for the presentation of data warehouse-based data for the examination of universal services fees

Through these projects, we have demonstrated the feasibility of moving *immediately* to a secure, all-electronic environment. As a result, the System Transition Team will transition systems and data from the current incumbent, ensure the stability and near-term utility of these systems, and then evolve to the envisioned new environment.

Question 2

Why does Mitretek still want to perform the NANPA functions?

Answer

Mitretek's interest in performing the NANPA functions remains unchanged:

- Mitretek's technology and mission area capabilities continue to include telecommunications technology and industry operations knowledge and skills

- Mitretek's non-profit, non-stock, independent (i.e., no affiliations with telecommunications service or equipment providers) corporate characteristics continue to provide a total corporate environment that is neutral and free from external market-, technology-, and profit-related influences

- Mitretek's furtherance of the public interest, which derives from our non-profit, tax-exempt structure, continues to be an appropriate setting for the administration of this unique public resource critical to participation in the telecommunications industry and essential for realizing the benefits of the public switched telephone network

We continue to want to perform the NANPA functions because our corporate purpose, mission, and capabilities embody the unique blend of telecommunications capability, corporate neutrality, and public interest role required by the industry and the FCC. These interests and corporate characteristics have not changed since 1997, nor will they change during a Mitretek NANPA tenure.

Question 3

Does Mitretek still have the financial resources to perform the NANPA functions?

Answer

As stated in 1997, "Mitretek is a financially stable company that is audited by independent auditors on an annual basis."[1] At that time, Mitretek provided sufficient evidence[2] to demonstrate our financial strength to the FCC, the NANC, and its NANPA Evaluation Working Group. Since 1997, our financial position has continued to grow in strength, as evidenced by the below update of the Mitretek Financial Information contained in our 1997 Proposal.

Mitretek's revenue has grown from an annualized rate of approximately $73 million when the company was formed in 1996[3] to over $85 million in FY 1998. The company's revenue continues to be derived principally from contracts to perform engineering services for federal, state and local government agencies. With total backlog exceeding $180 million as of December 1998 (of which over $50 million was funded), the company's contract base is stable and modest growth is expected to continue in the immediate future. The company's operations have generated an average of $3.2 million annually or 4 percent of revenue over the past two years.

While strong in 1997, Mitretek's balance sheet and liquidity have continued to strengthen. As of September 1998, the company carried liquid investments (including cash and short term investments) with a market value of $15.9 million and over $18.0 million of trade receivables, principally from the federal government. In addition, the company has significant borrowing capacity available to it. Mitretek maintains a multi-year $18 million credit facility with Crestar Bank described in the 1997 proposal. Mitretek had only $6.3 million of the $18 million facility drawn as of September 1998. This credit facility is used to fund working capital requirements.

Since Mitretek will not subcontract any of the NANP Administration, no financial information regarding subcontractors has been included.

Mitretek's audited financial statements are available on request.

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[1] Mitretek 1997 Proposal at Compliance Matrix tab.

[2] Mitretek 1997 Proposal at Respondent Information – Mitretek Financial Information, see Respondent Information at pages 11 through 15.

[3] Mitretek was formed in January 1996 when approximately $15.9 million of net assets were transferred from another not-for-profit (specifically, Mitretek and its predecessor The MITRE Corporation, which are tax-exempt under IRS regulations) 501 (c) (3) organization. Although formed in 1996, the company's business operations and balance sheet reflect over 20 year of experience with a stable customer base.

Question 4

How has Mitretek been involved in numbering issues since 1997 when Lockheed Martin IMS (Lockheed Martin) was selected as the NANPA?

Answer

In preparation of the implementation of the Mitretek NANPA proposed in 1997, we committed significant resources during 1996 and 1997 to participation in the number administration community. With the FCC's final NANPA decision made in October 1997, it was only appropriate for us to reduce the level and intensity of that participation. Nevertheless in the 15 months since that time, Mitretek has continued to maintain currency in numbering issues. In the last 15 months, the following persons have performed the following NANPA- and numbering-related activities:

Related Area	Activities	Persons Involved
Numbering community liaison	• Maintain contacts with numbering community • Maintain contact with FCC • Maintain contact with states	• David Weitzel • Brenda Stevens • H. Gilbert Miller • Frank Ferrante
Track council and working group activities and procedural changes	• Track NANC (and working group) record • Track INC record • Track CSCN record	• Robert Fulton • Brenda Stevens
Track new initiatives	• Track 1000 block pool administration RFP development • Monitor enhanced COCUS activities • Track the relationship of IP addresses to IP telephony needs for numbers	• David Weitzel • David Garbin • H. Gilbert Miller
Utilization analysis	• Continue analysis of number of NPAs in relief planning • Continue forecast of number of NPAs in relief planning	• David Garbin • H. Gilbert Miller

Related Area	Activities	Persons Involved
NANPA-related systems feasibility	• Conduct projects and research related to: - Secure infrastructure for knowledge workers - Digital signature technology applications - Administration of public keys and authentication certificates - Development of a data warehousing system for the management of area codes, exchanges, and rate centers data and associated census, technical, and cost data - Development of geographic information system technology for the presentation of data warehouse-based data for the examination of universal services fees	• David Garbin • Monette Respress • Derek Smeds • Tracey Kelly • Cindy Wear
Telecommunications update	• Track, monitor, and forecast major trends in telecommunications and related information technologies • Produce quarterly update	• David Garbin • Tom Fowler • Frank Ferrante

The above activities are in addition to the continuing telecommunications projects that the Mitretek's Telecommunications and Networking Team has conducted in the last 15 months.

Question 5

Does Mitretek intend to fulfill the current NANPA agreement for the same price as Lockheed Martin or will it stand by its original bid?

Answer

Mitretek's price proposal is based on four functional sets.

NANPA Function	1997 Mitretek	Function Set 2	Function Set 3	Function Set 4
Management	X	X		
NANP Administration	X	X		
CO Code Administration	X	X		
NPA Relief Planning	X	X		
System Development	X	X		
Enhanced COCUS	X		X	
Pool Administration	X		X	
Increased NPA Relief Planning	X			X
Others	X			

The price for the original proposal is located in Section 10 of the Proposal Details of the 1997 Mitretek NANPA Proposal. Mitretek will continue to honor this price and complete function set.

The prices for Function Set 2 is:

	Year 2 – FY1999	Year 3 – FY2000	Year 4 – FY2001	Year 5 – FY2002	Remainder of Term
Function Set 2	2,017,367	5,558,067	5,518,567	5,838,526	18,936,526

Based on the LMI prices reported in the 1997 NANC Recommendation,[4] the Mitretek prices are 2.2 percent higher than the LMI prices for the remainder of the current NANPA term.

[4] NANPA Working Group Evaluation Team Report to the North American Numbering Council at Appendix D.

	Year 2 – FY1999	Year 3 – FY2000	Year 4 – FY2001	Year 5 – FY2002	Remainder of Term
Function Set 2	1.2%	5.2%	0.2%	1.8%	2.2%

Mitretek prices for Functional Sets 3 and 4 will be provided if requested by the FCC.[5]

In developing prices for the function sets, the following assumptions were made:

- All terms and conditions currently applicable to the incumbent NANPA as documented in the FCC rules apply to Mitretek.

- Function Set 2 and Function Set 4 assume a 1 May 1999 start date for their respective functions, in accordance with the transition plan described in our answer to Question 1.

- Function Set 3 assumes a 1 October 1999 date to begin development, followed by operation of these functions.

- The prices are based on operation through the end of September 2002 (i.e., the end of the current NANPA term).

- The levels of activity in Function Set 2 are:

  - 10,000 CO code requests per year

  - 30-40 NPAs in relief planning per year

  It is our understanding that these levels of activity are the levels included in the current rules for the LMI NANPA.

- The levels of activity in Function Set 4 are:

  - 10,000 CO code requests per year

  - 72 NPAs in relief planning per year

  These levels of activity are the levels included in Mitretek's 1997 NANPA Proposal.

[5] Mitretek is currently assessing the impact of the most recent NANPA estimate of NANP exhaust.

- In accordance with the FCC rules, all NANPA intellectual property (i.e., including all systems and software) will be available 1 May 1999 to the Mitretek NANPA.

- The cost of the as-required stenographers at NPA relief planning meetings is included in the price for Function Set 2.

Question 6

Does Mitretek expect the NANPA functions to be a profit-making business?

Answer

- As a not-for-profit corporation, our pricing policy for all clients is to recover the cost of performing the service plus a minimal fee to cover working capital and contract risk

- As a non-stock corporation, there are no stockholders or owners to benefit from any earnings

- As a not-for-profit corporation, no benefit may inure to any person or entity

- Our overhead rates are audited for accuracy, fairness, and reasonableness on a recurring basis by the Defense Contract Audit Agency

- The corporate annual financial statements are audited by an independent outside public accounting firm, currently Grant Thorton LLP

Question 7

Who will absorb the costs for the transition from Lockheed Martin to Mitretek?

Answer

Mitretek believes that this policy question is best decided by the FCC and the industry based on the events since 1997 leading to the current predicament.

Question 8

Has Mitretek established any affiliations with telecommunications providers that could compromise its neutrality since its initial bid to provide NANPA services?

Answer

Mitretek has *not* established any affiliations with telecommunications providers that could compromise its neutrality since our initial bid to provide NANPA services. Mitretek continues to comply fully and without exception to the neutrality requirements contained in Section 1.2 of the NANC Requirements Document.

The following statements, taken from our 1997 Proposal,[6] continue to be valid today:

> **1.2 Neutrality**
>
> Mitretek currently and fully complies with the neutrality requirements contained in Section 1.2 Neutrality of the NANC Requirements Document. Mitretek has not submitted a cure plan, because we currently comply fully with the neutrality requirements and no cure plan is required. Per the Telecommunications Act of 1996 (Section 251(e)(1)), Mitretek, if recommended by the NANC and selected by the FCC, will serve as an impartial entity, administering telecommunications numbering and making such numbers available on an equitable basis. Per FCC Docket No. 92-237, Mitretek will be a non-governmental entity that is not aligned with any particular telecommunications industry segment.
>
> Mitretek currently complies with the Neutrality Criteria, as defined in the NANC Requirements Document. Specifically:
>
> 1. Mitretek is not now, nor at anytime in the past has been, an affiliate of any telecommunications service provider(s) as defined in the Telecommunications Act of 1996;
> 2. Mitretek has not at anytime issued any of its debt to any telecommunications service provider. Mitretek has not at anytime derived any of its revenues from any telecommunications service provider; and
> 3. Mitretek is not now, nor in the past have been, subject to any undue influence by any party with a vested interest in the outcome of numbering administration and activities. Mitretek welcomes any NANC evaluation to determine whether Mitretek meets the undue influence, or any other neutrality, conflict of interest, or impartiality criterion. Mitretek is prepared to provide to the NANC and/or the FCC any additional information for the purposes of applying the Neutrality Criteria in Section 1.2 of the NANC Requirements Document.

[6] Mitretek 1997 Proposal at Proposal Details – Section 1.2 Neutrality, see pages 9 through 17.

Mitretek has no affiliations or associations with any telecommunications service provider.

1.2.2 Mitretek Neutrality

The Mitretek NANP Administration will provide the NANC, FCC, telecommunications industry, and public with a single, non-government, neutral entity, not aligned with any particular telecommunications industry segment. It is important to understand that not only does Mitretek comply with these neutrality requirements, but we are bound by our corporate articles of incorporation (that is, our corporate charter) and existing public interest contractual relationships to continue to meet these neutrality requirements. The Mitretek corporate characteristics are ingrained in our corporate culture and operations. Our managers and staff understand these characteristics and the corporation's operating practices, procedures, and policies have been established accordingly. Specifically, we have the following corporate characteristics:

- ***We are incorporated in the State of Delaware, as a private-sector (that is, non-government), not-for-profit corporation.***
- ***There are no private ownership rights in Mitretek Systems, Incorporated, and there is no stock.*** No part of Mitretek is owned by any segment or corporation in the telecommunications industry; nor in the future can any segment or corporation in the telecommunications industry own any part of Mitretek. Any debt financing for operational, or any other purpose, is provided by commercial banks. No part of Mitretek's assets may inure to the benefit of private shareholders or individuals.
- ***Mitretek works exclusively in the public interest.*** As shown in Appendix A, we receive no revenues from any segment or corporation in the telecommunications industry. We have no contractual relationships, affiliations, or associations with any segment or corporation in the telecommunications industry. Ensuring that we continue to work in the public interest is the primary function of the Mitretek Board of Trustees. The Mitretek trustees are not making corporate-related decisions based on monetary gain for themselves, owners, or stockholders. As a result, the Mitretek trustees are focused primarily on the corporation's continued working in the public interest, as well as substantive performance in areas such as, maintaining neutrality and conflict-free positions, technical quality and innovation, and responsiveness to client needs.
- ***Mitretek does not manufacture hardware or software.*** Mitretek builds many experimental models as a proof-of-concept stage in systems development programs; however, we do not manufacture hardware or software. Specifically, we provide no telecommunications services, hardware, or software. As a result, we do not benefit from any specific selection of technology—Mitretek is technology-neutral. Since we do not engage in commercial activity, other private sector, for-profit firms are willing to provide us access to proprietary technical, strategic, and financial data. They

do so in the full knowledge that we will not use such information in competitive situations. By refraining from commercial activity, we maintain objectivity, allowing us to serve as an impartial, neutral link between and among our clients and competitive industry.

The Mitretek NANP Administration will operate with these corporate characteristics.

Question 9

Have any changes occurred relating to Mitretek's business interests since the initial neutrality review that would impact Mitretek's neutrality compliance?

Answer

There have been no changes to Mitretek's business interests since the NANC's initial neutrality review that would impact Mitretek's neutrality compliance. Mitretek continues to be a not-for-profit, conflict-free scientific research firm working exclusively in the public interest. Also, Mitretek continues to be an independent, non-stock corporation with no affiliations with any telecommunications service providers. (Also see answer provided to Question 8.)

Question 10

How will Mitretek provide assurance that it can manage a NANPA transition from Lockheed Martin without any interruption or negative impact to service providers and other users of the NANP?

Answer

The assurance comes from our demonstrated understanding and preparation for transition and continued operations, as well as our commitment to make the NANPA successful. The attached statement of commitment was contained in our 1997 Proposal. This statement continues to be valid. Mitretek remains committed to ensuring the NANPA's success.

Mitretek, directly and as an assign, has a 40-year track record of successful large-scale, high technology, complex systems engineering and transition support in the public interest. A NANPA transition from LMI without any interruption or negative impact to service providers and other users of the NANP will result from:

- Detailed and thorough transition plan
- Adequate staffing
- Stable set of tools to perform current functions
- Thorough understanding of risks and defined mitigation strategies

The Mitretek transition plan is provided in response to question 1. Our staffing plan is provided in answer to Question 13. Mitretek is continuing the detailed transition planning required to ensure no transition-related interruptions to service providers. As part of our continuing detailed transition planning, we are preparing an enumeration of risk, as well as associated mitigation strategies.

Mitretek's Commitment to the FCC and NANC

Mitretek Systems, Incorporated is pleased to respond to the North American Numbering Council's (NANCs) Requirements Document for the administrative functions associated with the North American Numbering Plan (NANP). Our corporate characteristics as an independent, not-for-profit, non-stock corporation with no affiliations with any telecommunications service providers will ensure that North American Numbering Plan Administration (NANPA) and Central Office Code Administration (COCA) functions are provided in a total corporate environment free from external market- and profit-related influences. Our corporate telecommunications and numbering plan capabilities, as well as our experience in developing mission-critical systems, will ensure that the critical industry need for numbering resources is met in an accurate, reliable, and timely manner.

The complete Mitretek approach is built on the solid foundation of the current guidelines established by industry. We offer a modern, information technology-based, and analytically sophisticated approach to numbering plan administration as demanded by the rapidly changing telecommunications industry. Our information systems that will support the provision of reliable and timely NANPA and COCA functions are already being brought on-line.

We will establish a new corporate division to operate as the NANP Administrator, and to assist the NANC in achieving its goals and objectives related to administration of the NANP. This corporate division will be dedicated exclusively to the NANP Administration and will be led by an experienced senior management team of existing Mitretek managers and recognized numbering plan professionals. Further recognizing the importance of the NANP Administration, the Mitretek NANP Administration Director will report directly to the Mitretek Vice President for Telecommunications and Advanced Technology, who is an officer of the corporation. We have already retained professionals experienced in numbering plan and code administration to complement our existing professionals experienced in telecommunications systems.

We propose to distribute the NANP Administration functions over five locations to obtain the efficiencies of consolidating functions, as well as to ensure necessary local knowledge and responsiveness to the industry. Our approach will provide for a successful, smooth, and early implementation of the NANPA and COCA functions.

Mitretek has given the administration of the NANP our highest priority. We are prepared to work with the NANC and to be accountable for the administration of the NANP. We are committing all corporate resources—staff, management, technical capabilities, facilities—to ensure the NANP Administration's success.

Sincerely,

Dr. Lydia W. Thomas
President and
Chief Executive Officer

Dr. H. Gilbert Miller
Vice President
Center for Telecommunications and
Advanced Technology ■

Question 11

Will Mitretek provide indemnification to carriers for damages that may occur in the transition from Lockheed Martin to Mitretek should it be designated as the NANPA successor?

Answer

1. Mitretek maintains Professional Errors and Omissions, Fiduciary, Employee Crime, and Director and Officers coverages in addition to standard property and casualty insurance lines.

2. In 1997, the NANC requested proof that we could obtain a performance bond, if required. Our 1997 Proposal included a letter from Johnson & Higgins of Washington, DC, Mitretek's risk management consultants, that stated, based on their knowledge of the Company's operations and the insurance market, Mitretek could purchase or obtain a performance bond which would comply with the expected terms of the NANP Administration role.

3. We are willing to discuss further the terms and conditions of any indemnification to carriers that the FCC seeks.

Question 12

If Mitretek were chosen to be the successor as the NANPA, what assurances and guarantees will Mitretek give that it will perform those duties effectively and that any transition will be accomplished smoothly and effectively?

Answer

Mitretek's credibility to fulfill its commitment is premised on its reputation of fulfilling its responsibilities with competence, energy and integrity for a range of public interest clients. The answers provided to Question 1 (transition plan), Question 10 (transition assurance), and Question 13 (staffing plan) provide specifics relating to the NANPA. Additionally, we are continuing our detailed transition planning, including risk enumeration and mitigation development.

Question 13

If Mitretek is chosen to be the successor as the NANPA, what guarantees will Mitretek give to assure that it will maintain an adequate level of competent personnel to perform the required duties of the NANPA?

Answer

Mitretek is committed to the NANPA's success (see answer to Question 10). A major factor determining the NANPA's success is the initial and continuing provision of quality and innovative staff in accordance with the NANC's Requirements Document. This major success factor contains two parts:

- Providing the required attributes
- Providing sufficient quantities of staff in a timely fashion

The two parts are discussed below, as well as specific assurances to maintain an adequate level of staff.

Providing Required Attributes. The NANC's NANPA Requirements Documents required the respondents to provide a staff that would meet nine attributes. Mitretek's 1997 Proposal[7] described a staffing plan to provide a staff with those attributes. The staffing plan described in the 1997 Proposal continues to be valid today. Mitretek in 1997 proposed and Mitretek in 1999 has taken steps to provide staff that possess the required attributes in the following manner:

Quality, Attribute, or Capability	Exists in Mitretek	Mitretek Support Groups	Acquired in 1997 and Still Available	1999 Acquisition Begun
1. Knowledge about telecommunications network operations and NANP numbering resources	■		■	■
2. Act as an information resource for all aspects of numbering	■		■	■
3. Develop, operate, and maintain the computer-based systems required for NANPA and COCA functions	■	■		
4. Management skills (e.g., to manage the new NANPA organization)	■			
5. Project management skills (e.g., to plan NPA relief, to prepare COCUS)	■			

[7] 1997 Mitretek NANPA Proposal at Section 3.0 and at Section 9.4.

Quality, Attribute, or Capability	Exists in Mitretek	Mitretek Support Groups	Acquired in 1997 and Still Available	1999 Acquisition Begun
6. Interpersonal communication and negotiation skills (e.g., to facilitate and participate in industry activities, maintain effective relations)	■		■	
7. Manage proprietary data and competitively sensitive information	■	■		
8. Public relations skills (e.g., to explain complex numbering issues to the media and the public)	■	■		
9. Compliance resources (i.e., ensure compliance with all applicable laws)	■	■		■

Providing Sufficient Staff Quantities in a Timely Fashion. In order to staff the Mitretek NANP Administration in a responsive and timely manner, we have re-started our three-pronged approach to staffing:

- *Dedicate Existing Mitretek Telecommunications and Numbering Plan Staff*

  As part of our 1997 Proposal, we committed 16 specific staff. With the exception of one of the 16, the entire team committed in 1997 continues to be available for assignment to a Mitretek NANPA. The one exception is Ms. Andrea Cooper, who left Mitretek in 1997 and serves today as co-chair of the NANC's NANPA Evaluation Oversight Working Group. The staff committed in 1997 have maintained currency in NANPA-related issues as described in our answer to Question 4.

- *Dedicate Mitretek Computer System Development Staff*

  As part of our 1997 Proposal, we committed a staff of system developers. The entire team remains available for assignment to a Mitretek NANPA. Mr. David Garbin, Mitretek Sr. Fellow, and Mr. Ken Stillson, Mitretek Sr. Principal, have already begun preparation for a possible transition beginning 1 May 1999. Additionally, Mr. Chet Lund, Mitretek Manager for Telecommunications Support Software, joined this team. Mr. Lund, Mr. Stillson, and Mr. Garbin were most recently the architects of the Aggregated Cost Engine built for the U.S. Government to support the FTS2001 acquisition.

- *Identify and Retain Additional Experienced Numbering Plan Professionals*

  In 1997, we engaged The Abbott Group to assist in the challenge of retaining recognized, top-notch, experienced numbering plan professionals. The Abbott Group is an executive search firm experienced in finding and delivering high technology, information, and telecommunications professionals. In 1997, The Abbott Group assisted us in hiring numbering plan professionals. The Abbott Group also found other numbering plan professionals that were willing to join Mitretek upon an FCC decision to appoint Mitretek as the NANPA. We recently sought The Abbott Group's assistance in identifying numbering plan professionals. The Abbott Group's assessment of our current staffing need is contained in their attached letter. It was clear to us in 1997 and remains clear to us in 1999 that the numbering plan professionals are very willing to discuss new employment opportunities. The formal commitment to a new employer however, is reserved pending a formal FCC decision. Mitretek's salary and benefit's package[8] will aid us in attracting and retaining staff. Based on The Abbott Group's assessment, we remain confident that Mitretek will be able to attract and retain the required numbering plan professional once an FCC decision is made naming Mitretek as the NANPA.

Specific Assurances to Maintain an Adequate Level of Staff. In Mitretek's non-profit environment (see our answer to Question 6), there is no reason, benefit, or profit to provide less than the needed level of staff. As a result, if named as the NANPA, Mitretek will provide the level of staff assumed in the prices provided in response to Question 5. Mitretek is willing to report periodically and publicly to the NANC or to the FCC our staff levels. It is suggested that such reporting be part of formal and periodic performance reports. Mitretek, directly and as an assign, has a 40-year track record of hiring and retaining highly qualified professional staff and management.

[8] http://www.mitretek.org/hr/why.html.

The Abbott Group

530 College Parkway ▲ Annapolis, MD 21401

January 29, 1999

Dr. H. Gilbert Miller
Vice President
Center for Telecommunications & Advanced Technology
Mitretek Systems, Inc.
7525 Colshire Drive
McLean, Virginia 22102

Dear Dr. Miller:

The purpose of this letter is to confirm that The Abbott Group can quickly and effectively continue Mitretek's initiative to attract and retain number administration professionals. As you know, The Abbott Group is an executive search firm that supports technology companies and locates high-quality executives recognized as experts in their field. The Abbott Group is a member of the Association of Executive Search Consultants (AESC), the professional organization representing retained executive search consulting firms worldwide. The 160 member firms adhere to the highest professional and ethical standards of service to both clients and candidates.

We conducted the 1997 executive search that you requested in two phases. In Phase 1, we prepared a list of 56 qualified and recognized number administration professionals capable of contributing to a potential Mitretek North American Numbering Plan Administrator (NANPA). Specifically, the purpose of Phase 1 was to:

- Assess the general status of personnel demand in the area of numbering administration
- Determine the professional availability of the identified persons
- Set the foundation for follow-on discussions
- Identify additional experts that could be contacted

In Phase 2, we contacted 55 of the professionals identified in Phase 1. Over 50% of those contacted expressed an immediate interest in a position in the Mitretek NANPA, once the Federal Communications Commission (FCC) made the formal appointment.

We believe the Mitretek will be able to effectively add 20 to 30 number administration professionals to telecommunications professionals already at Mitretek over your identified period. We make this state because:

1. The results and records of Phase 1 are still available. Our professional experience indicates that the list is still valid and can be easily updated.
2. The professional staff who developed the 1997 list and made contacts with identified professionals are available to continue their support to Mitretek.

Phone: 410-757-4100 ▲ FAX: 410-757-9034

Member, Association of Executive Search Consultants

3. Our 1997 results indicate that the number administration community contains professionals who would desire to stay in the community and would be interested in positions at a Mitretek NANPA, once an FCC appointment is made.

In summary, our previous conclusion that Mitretek will be able to employ the required number of numbering plan experts, both in McLean, Virginia and the planned Mitretek sites, if your selection as the NANPA remains valid.

The Abbott Group looks forward to assisting Mitretek with our staffing plan.

Warmest regards,

Peter D. Abbott
President

The Abbott Group
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Question 14

If Mitretek is chosen to be the successor as the NANPA, what assurances and guarantees will Mitretek give that it will provide the financial resources necessary to support the NANPA, including potential duties in the future (for example 1000 block number pooling administration)?

Answer

Mitretek has the financial resources to support the NANPA, including potential duties in the future. Our financial position is presented in our answer to Question 3. Further, as indicated in our answer to Question 6, Mitretek minimizes financial risk for our clients by correctly pricing requested work. The prices provided in answer to Question 5 (for current and future activities) reflect our thorough understanding of the underlying activities, as well as staff and systems required. Finally, Mitretek's commitment to provide all required resources, including financial resources, is present again in our answer to Question 10.