Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of	)	
	)	
The Petition of Telcordia Technologies, Inc.	)	WC Docket No. 07-149
To Reform Amendment No. 57 and to	)	
Order a Competitive Bidding Process for	)	
Number Portability Administration	)	

COMMENTS OF AT&T INC.

Pursuant to the Commission's June 13, 2007 *Public Notice* in this proceeding,[1] AT&T Inc. ("AT&T") submits these comments on the above-captioned petition ("Petition") of Telcordia Technologies, Inc. ("Telcordia").

Telcordia requests that the Commission invalidate (or, as it euphemistically characterizes such action, "reform") certain portions of a 2006 amendment to the seven separate Master Agreements between the North American Portability Management LLC ("NAPM") and NAPM's contractor, NeuStar, Inc. ("NeuStar"), for administration of the Number Portability Administration Center/Service Management System ("NPAC/SMS") in each of the regions of the former Bell Regional Operating Companies ("RBOCs").[2] AT&T, through its wholly-owned subsidiaries SBC Communications, Inc. and BellSouth Corporation, was a party to certain of the Master Agreements, to which NAPM has now

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[1] Public Notice, "The Petition of Telcordia Technologies, Inc. To Reform Amendment No. 57 and to Order a Competitive Bidding Process for Number Portability Administration," DA 07-3380, released July 23, 2007 ("*Public Notice*").

[2] "Master Agreement" is a short-form of the full title of these instruments, which is the Contractor Services Agreements for Number Portability Administration Center/Service Management System Master Agreement.

succeeded.[3] The Petition asserts that this recent modification to the Master Agreements, known as Amendment 57, effectively forecloses NAPM from soliciting other vendors to provide the number portability administration services Neustar now performs, or for would-be vendors such as Telcordia to submit an unsolicited offer to perform those functions that complies with NAPM's technical and other requirements. Telcordia further requests that the Commission direct NAPM to "openly solicit competitive services" from a vendor or vendors in addition to NeuStar (a process in which Telcordia would clearly intend to participate).

BACKGROUND STATEMENT

To summarize the relevant industry developments and Commission rulings over the past decade that bear on the present administration of the NPAC/SMS, the Master Agreements that govern those arrangements were executed in mid-1997 and have been in effect since that time, with extensions from time to time that currently extend to 2015. In its *First Report and Order* in its number portability proceeding,[4] the Commission directed the North American Numbering Council ("NANC") to recommend "independent, non-governmental entities that are not aligned with any particular telecommunications industry" to administer local number portability databases. Before the NANC submitted its recommendations, two entities had already been selected as database administrators by the regional limited liability companies ("LLCs"), but one of them proved unable to commence operation in a timely manner and the other later

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[3] The AT&T-related entities that were originally parties to the Master Agreements were Southwest Region Portability Company, LLC; Southeast Number Portability Administration Company, LLC; and West Coast Portability Services, LLC.

[4] *Telephone Number Portability*, 11 FCC Rcd 8352 (1996)("*First Report and Order*").

became disqualified after it had commenced operation due to a conflict of interest. Accordingly, beginning in November 1999 Neustar assumed the contractual role as the database administrator under the seven Master Agreements.

In the interim, the Commission had adopted its *Second Report and Order*[5] in which it had recognized the LLCs as appropriate entities to contract with and oversee the administrators of the regional NPAC/SMS databases. Specifically, the Commission concluded there "that the LLCs are the entities that are best able to provide immediate oversight of the local number portability administrators at this time" because "each LLC is the entity with the greatest expertise regarding the structure and operations of the database for its region." The LLCs' "valuable expertise" recognized in the *Second Report and Order* was further confirmed by the Commission in its *Third Report and Order* in 1998, which left undisturbed the LLCs' and NAPM's role in contracting for and overseeing the administration of the regional databases.[6]

Amendment 57 to the Master Agreements was entered into in 2006. At that time, the Master Agreements were due to expire in 2011. In exchange for an extension of those contracts until 2015, NeuStar agreed to a volume-based discount in its per-transaction porting rates for the remaining term of the amended contracts. Amendment 57 provides that if, prior to 2011, NAPM either invites proposals from other vendors to provide NPAC/SMS administration or initiates exploration of alternative technologies or platforms, the discount will be *prospectively* discontinued for future porting transactions. Further, NAPM's receipt and review of an *unsolicited* proposal does *not* trigger *any*

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5 *Telephone Number Portability*, 12 FCC Rcd 12,281 (1997)("*Second Report and Order*").

6 *Telephone Number Portability*, 13 FCC Rcd11,701] (1998)("*Third Report and Order*").

revision in prices unless and until such a proposal is officially accepted or approved by NAPM.

Even if a price revision is triggered, moreover, those rates will revert to a level that will not exceed (and, under a stepped scale, may be lower than) the levels prior to the execution of Amendment 57. That amendment does not provide for any recapture by Neustar of the prior cost savings that have accrued to NAPM. Additionally, if after December 31, 2011 NAPM does solicit proposals from other vendors, accepts an unsolicited proposal, or initiates exploration of alternative technologies or platforms, the discounted prices will remain in effect for the remainder of the Master Agreements' term.

ARGUMENT

As AT&T shows below, the Petition makes serious factual misstatements and omits other important facts, and is fundamentally flawed in two key respects.

First, Telcordia seeks to make it appear that NAPM has engaged in economically irrational conduct by entering into an amendment that effectively forecloses it from entertaining an offer from a competing vendor, even if that proposal would afford tangible advantages over NeuStar in terms of price or performance. The short and dispositive answer to this claim is that NAPM has done no such thing. Instead, the contractual provision that Telcordia challenges is an entirely rational and readily understandable exercise of NAPM's business judgment. Put simply, Amendment 57 affords NAPM important economic benefits and in no way constitutes a "penalty" provision that operates as a deterrent either to soliciting other proposals or to entertaining any advantageous unsolicited proposals, as Telcordia incorrectly asserts.[7]

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[7] Because Telcordia's Petition, when stripped of misstatements, omissions and mischaracterizations, is lacking in factual merit, it is unnecessary for AT&T to address in

Second, contrary to the impression Telcordia also attempts to create, all of the technical and other information necessary for another potential vendor to prepare an unsolicited proposal to NAPM to supplant NeuStar as the NPAC/SMS contractor is publicly available to such competitors. There is thus all the less basis for Telcordia's request that the Commission direct NAPM to conduct a public request for proposals ("RFP").

There is no substance to Telcordia's claim (Petition at 22) that Amendment 57 is a "devil's bargain" that imposes on NAPM an economic "penalty" (*id*. at 2-3, 5-6, 9-17, 19, 21, 25) if it solicited or entertain a proposal from a competitor of NeuStar to act as the NPAC/SMS administrator or to explore or provide alternative technologies or platforms for number portability. Any competitor – including, of course, Telcordia – remains entirely free to make such proposals, and NAPM is fully able to consider them, without any express or *de facto* constraints imposed by the amendment. Of course, for a competitor to succeed it will necessarily have to offer advantages in price or performance over the current contractual arrangement between NAPM and NeuStar. But there is nothing anticompetitive about such a scenario, as Telcordia's Petition repeatedly intimates (Petition at 2, 6, 12-14, 21, 24-25]. This decision making process is simply how a competitive marketplace should be expected to operate, and is fully consistent with the Commission's pro-competitive, market-driven regulatory policies and public interest objectives.

Telcordia's related argument that it is disadvantaged in presenting an unsolicited proposal because it does not have access to necessary information to prepare such an

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these Comments the Petition's legal arguments regarding the Commission's authority to grant the relief Telcordia has requested.

offer is likewise meritless. The technical, operational and performance criteria for the NPAC/SMS administration functions are all matters of public record.[8] In fact, over two years ago – well *prior* to the execution of Amendment 57 – NAPM invited Telcordia to present a full written proposal for NPAC/SMS services, and provided specific reference to the applicable specifications. Telcordia was also invited to present confirmation that it is a "neutral third party" as required by the Master Agreements and the Commission's prior rulings.

However, to date Telcordia has not responded to those invitations by providing any responsive written proposal or even by proffering sufficient evidence that it a qualified neutral third party to administer the numbering databases. Instead it has mounted its present effort to procure through the Commission's intervention what it has been unwilling even to attempt obtaining through competition on the merits. The Commission should not countenance, much less reward, such an "end run" on Telcordia's part.

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[8] Current versions of the Functional Requirements Specifications ("FRS"), Interoperable Interface Specifications ("IIS"), Guideline for the Definition of Managed Objects ("GDMO") and Abstract Syntax Notation ("ASN.1") may be accessed on the Web at www.npac.com.

CONCLUSION

For the reasons stated above, Telcordia has not provided any valid justification for the relief it seeks and, accordingly, AT&T requests that the Commission deny the Petition.

Respectfully submitted,

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