

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

In the Matter of	)	
	)	
The Petition of Telcordia Technologies, Inc.	)	WC Docket No. 09-109
To Reform or Strike Amendment 70, To	)	
Institute Competitive Bidding for Number	)	
Portability Administration, and To End the	)	
NAPM LLC’s Interim Role in Number	)	
Portability Administration Contract	)	
Management	)	
	)	
	)	
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**COMMENTS OF VERIZON<sup>1</sup>**

The Commission should deny Telcordia’s request to revise certain terms in Amendment 70 of NAPM LLC’s (“LLC”) contract with NeuStar for the provision of number portability services.<sup>2</sup>

The terms at issue were negotiated at arms length by sophisticated parties and are included in a private commercial agreement. That Telcordia may disagree with the negotiated contract terms does not mean that the Commission should interject itself into what is at most a commercial dispute. While the Commission has required that carriers provide number portability, the commercial arrangements that the carriers or their representative enter into to meet those obligations are not and should not be regulated. This is especially true here where the

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<sup>1</sup> The Verizon companies participating in this filing (“Verizon”) are the regulated, wholly owned subsidiaries of Verizon Communications Inc.

<sup>2</sup> Petition of Telcordia Technologies, WC Docket No. 07-149 (May 20, 2009) (“Telcordia Pet.”).

contract terms at issue were negotiated after the receipt of a competitive bid and reduce the prices that providers pay for number portability services.

To be sure, Verizon agrees that competition among potential vendors is beneficial.<sup>3</sup> As the ultimate consumers of number portability services, Verizon and the ILECs, CLECs, wireless and cable companies of varying size that comprise the LLC have every incentive to ensure (i) that the prices are as low as possible without compromising the quality of those services and (ii) that number portability service providers continually innovate to improve services while further lowering costs.

Contrary to Telcordia's claims, because the LLC has been effectively pursuing the above-mentioned goals, there is no need for the Commission to terminate the LLC's role in managing NPAC procurement. For instance, the LLC's significant technical expertise on NPAC matters has allowed it to insist upon enhanced service level requirements in each of the contract amendments that Telcordia has challenged. NPAC database outages have declined over time and are now rare due to NeuStar's compliance with those stricter requirements. Moreover, as even Telcordia must acknowledge, each of the contract amendments resulted in substantial price decreases from NeuStar to reflect the changed market conditions.<sup>4</sup> In recent years, there has been a dramatic increase in the number of database transactions, caused mainly by intra-service provider transactions, that was unforeseen when the pricing terms were first negotiated.<sup>5</sup> The

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<sup>3</sup> *See, e.g.*, Telcordia Pet. at 31 (Competition "is essential to ensuring that industry and consumers are not required to pay more than is necessary.").

<sup>4</sup> *See id.* at 30 (referring to a \$50 million decrease in transaction fees in 2009 due to the fixed-price provision of Amendment 70).

<sup>5</sup> In a different proceeding, Verizon has joined in AT&T's request that the Commission open a rulemaking to consider shifting the cost of intra-service provider transactions to the providers themselves, rather than have the industry share those costs based on revenues. *See*

fixed-price provision of Amendment 70 provides certainty to providers that have been forced to pay ever-increasing annual payments of NPAC fees. These efforts by the LLC have directly benefited all providers that use the NPAC database, including those providers that have chosen not to become members of the LLC.

Regardless of Amendment 70, Telcordia should continue to pursue the proposal that it submitted to the LLC in 2008, which incidentally, belies the claim that Amendment 70 was entered into without competitive bidding. As Telcordia has described, the LNPA Working Group is currently reviewing the technical requirements of Telcordia's bid.<sup>6</sup> Since carriers will need to procure number porting services for the foreseeable future, it would be short-sighted and irrational for the LLC to refuse to consider superior offers by any provider due to Amendment 70's pricing structure during any transition period to a new supplier.

Accordingly, Telcordia's petition should be denied.

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Verizon's Reply Comments, *BellSouth Corporation; Petition for Rulemaking To Change The Distribution Methodology For Shared Local Number Portability And Thousands-Block Number Pooling Costs*, RM-11299 (Feb. 6, 2006). Providers are increasingly using the NPAC databases to reconfigure or upgrade their own networks or to provide their own customers services, while sharing the costs of those efforts with other providers. *Id.* at 5-6. The Commission has not yet acted on this issue.

<sup>6</sup> See Telcordia Pet. at 23.

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