KELLOGG, HUBER, HANSEN, TODD, EVANS & FIGEL, P.L.L.C.
SUMNER SQUARE
1615 M STREET, N.W.
SUITE 400
WASHINGTON, D.C. 20036-3209
(202) 326-7900
FACSIMILE:
(202) 326-7999

March 28, 2012

Via Hand Delivery

FILED/ACCEPTED
MAR 28 2012
Federal Communications Commission
Office of the Secretary

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Room TW-A325
Washington, D.C. 20554

Re: CC Docket 95-116; WC Docket 07-149; WC Docket 09-109

Dear Ms. Dortch:

I write on behalf of Neustar, Inc., in response to the March 20, 2012, letter of John T. Nakahata and Madeleine V. Findley on behalf of Telcordia Technologies, Inc. ("Telcordia Letter"). In an apparent attempt to obtain regulatory intervention in favor of the selection of multiple Local Number Portability Administration (LNPA) vendors, Telcordia has mischaracterized both Professor Masten's economic analysis and the history of the current LNPA contract. Nevertheless, Telcordia does not seriously dispute that: (1) the provision of Number Portability Administration Center (NPAC) services is characterized by significant economies of scale (which include but are not limited to avoidance of duplicative start-up costs); (2) a Request for Proposal (RFP) that *mandates* the award of contracts to multiple providers is likely to increase the cost of NPAC services relative to a winner-takes-all procurement; and (3) Telcordia's suggested prohibition of package bidding, *i.e.*, bids for the combination of all regions, conflicts with the information and efficiency objectives of competitive procurement.

Telcordia implies that the industry, as represented by the North American Portability Management, LLC (NAPM) is not "principal[ly] concerned" with "consumers and the public interest." Telcordia Letter at 1. Neustar disagrees. Neustar supports the consensus proposal adopted by the Commission and appreciates the efforts of the NAPM, the North American Numbering Council (NANC), and the Commission in designing a process to ensure that the NPAC will continue to facilitate competition, innovation, and reliability of network operations in the United States. Contrary to Telcordia's claim, the NAPM, subject to supervision by the NANC, has exactly the right incentives to design an RFP process and select an LNPA in a manner that will best serve the public interest and consumers. The industry, which bears 100

No. of Copies rec'd 0+2
List ABCDE

percent of the cost of local number portability, has no interest in incurring unnecessary expense in the delivery of NPAC services – any more than carriers have an interest in overpaying for any other network management and back-office software services, which are often purchased under long-term contracts that can run into the billions of dollars. The industry understands that the efficient operation of the NPAC benefits consumers directly, and furthermore keeps carriers' customer support costs down and offers significant benefits in network operations that a less robust, capable, and reliable system would not deliver. Indeed, any disruption in the portability process would deeply impact the consumer experience.

Telcordia's claim (at 1-2) that the award of the NPAC contract to a single vendor should be subject to "merger analysis," is without precedent and plainly wrong. Mergers are subject to scrutiny to the extent they threaten to reduce or eliminate competition. The RFP process – if allowed to proceed without undue regulatory constraint – will harness the forces of competition to obtain the best available contract for the industry to the benefit of consumers. The award of the contract will not eliminate any competitor, let alone reduce competition in this highly competitive technological space.

Telcordia also states that "multiple Administrators will lead to greater generation of ideas . . . because there will be two entities generating" them. Telcordia Letter at 3. Telcordia's assertion ignores the NPAC innovation process and the role of the LNPA Working Group. The industry has never been deprived of innovative concepts in its management of the NPAC. The LNPA Working Group, in its neutral administration of LNP procedures and functions, accepts ideas from all parties that participate in local number portability – including from Telcordia. The LNPA Working Group's recent history has been characterized by extraordinarily rapid enhancements to functionality and performance. This progress was not, as Telcordia claims, triggered by Telcordia's efforts in the regulatory sphere, but by the industry's ongoing drive to obtain the greatest value from the NPAC and its surrounding infrastructure. Moreover, while Telcordia speculates that the award of LNPA contracts to multiple administrators could spur innovative ideas, it ignores the certainty that *implementing* NPAC innovations for multiple administrators would result in far greater costs to service providers and their partners.

While Telcordia has argued that the carriers cannot be relied upon to act in their own interests and in the interests of consumers, the opposite has proven to be true over the last decade and a half. The NAPM, with the supervision of the LNPA Working Group and the NANC, has consistently obtained increasingly capable services at declining per-transaction prices. Neustar's predecessor faced extensive competition when it won its initial NPAC contracts and proved to be the sole vendor capable of implementing LNP in a timely fashion. Since the time of the initial contracts, not only has Neustar been subject to rigorous benchmarking and stringent performance metrics, it has faced competitive proposals from other vendors, including from Telcordia. This environment has ensured that the industry has continued to obtain the benefits of competition throughout the period of Neustar's administration of the NPAC.

Neustar enters the RFP process aware that it will be bidding in a highly competitive environment, with sophisticated customers, subject to experienced and dedicated regulatory oversight. Skewing the procurement process in favor of particular competitors or a particular outcome, rather than simply requiring competitors to put forward their strongest competitive bids in response to the RFP, is not in the interests of either service providers or consumers.

Sincerely,

/s/Aaron M. Panner
Aaron M. Panner

cc: Diane Griffin Holland
Maureen Duignan
Frank Inserra
Ann Stevens
Sanford Williams
Marilyn Jones
Hon. Geoffrey Why
Ann Berkowitz
Tiki Gaugler
Kalun Lee
Mel Clay
Tim Decker