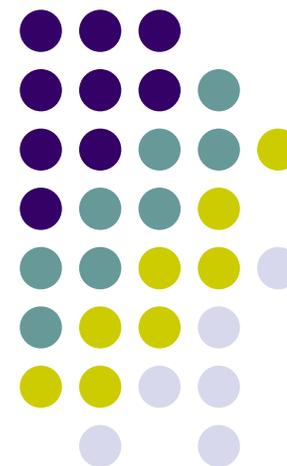




Support for Immediate Approval of
LNP Procurement Documents

Ex Parte Presentation

September 19, 2012

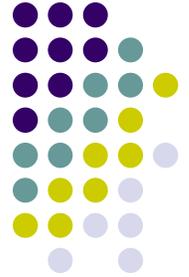


Local Number Portability (“LNP”) Has Been An Unqualified Success



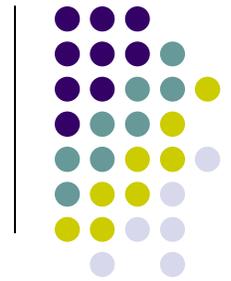
- Consumers now take for granted that numbers will be seamlessly and efficiently ported when switching carriers
- There have been nearly 170 million successful ports over the last decade, with nearly 40 million transactions per month at this time
- The NAPM LLC has successfully managed the contracts for local number portability (“LNP”) administration and provided “immediate oversight and management” of the LNP administrator(s) since LNP was first introduced

The Bureau-Approved LNP Selection Process Has Been an Unqualified Success



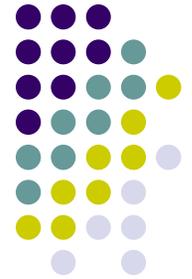
- The NAPM LLC’s FoNPAC has successfully worked with the LNPA Selection Working Group (“SWG”) to reach consensus on the Procurement Documents
- The Procurement Documents, which reflect the consensus of experts, enjoy nearly unanimous support
 - Consumer Groups: Public Knowledge
 - State Regulators: Idaho PUC, Vermont PSC
 - Industry: AT&T, CTIA, CenturyLink, Level 3, Sprint, T-Mobile, Verizon, USTelecom, XO
- No valid reason for disrupting the existing process or modifying the Procurement Documents as currently written has been identified by any party

The Changes Telcordia Requests Are Inconsistent with the FCC's Rules and Established Practices



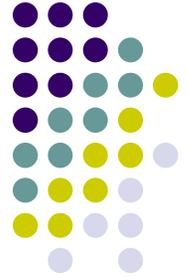
- The Procurement Documents reflect the FCC Rules and well-established vendor selection practices
- Imposing additional bureaucracy would slow the selection process and limit flexibility without adding any value
 - Current documents provide all parties with substantial flexibility in accordance with the FCC's rules and current practices
 - Confidentiality, neutrality protections are strong and appropriate
- The Bureau should not disrupt consensus and risk further delay by making unnecessary changes at this late date simply to suit the preferences of potential bidders

Neutrality is Crucial to the Continued Success of Local Number Portability



- The absolute neutrality of the LNP Administrator is of the utmost importance
 - Portability depends upon the sharing of competitively sensitive information
 - A vendor or sub-contractor with a conflict of interest could leverage access to gain an unfair competitive advantage
 - If confidence in the neutrality of the LNPA or its subcontractors erodes, carriers may not want to share confidential information
- The Procurement Documents reflect the neutrality requirements of the Act, the FCC's rules, and current FCC practices

The Procurement Documents Reflect the Neutrality Requirements of the Act and the Rules



- The Act requires the FCC to "create or designate one or more *impartial* entities to administer telecommunications numbering"
- The FCC's rules require each LNPA to be (1) independent, (2) a non-governmental entity, and (3) not aligned with any particular telecommunications industry segment
- "Neutral third party administration... ensures the equal treatment of all carriers and avoids any appearance of impropriety or anti-competitive conduct." *First LNP Order* ¶ 92
- The LNPA Master Contracts, like other key FCC vendor contracts, have always required the neutrality of vendors *and* subcontractors
- The neutrality provisions in the Procurement Documents reflect the FCC's rules and current practices, and thus should not be changed

The Current Confidentiality Provisions are Strong and Do Not Require Submission of Trade Secrets



- The mutual non-disclosure agreement (“NDA”) adequately protects all bidder-submitted information
 - Disclosure of bidder-submitted information is limited to participants in the LNPA selection process
 - Recipients of confidential information cannot use it for any purpose other than LNPA selection
 - “The NDA provides a reasonable scope of protection.”
Telcordia Comments at 20
- The mutual NDAs will protect all information submitted with any bid, including trade secrets and protected information

The Flexibility in the Procurement Documents Will Facilitate the Most Competitive Bids

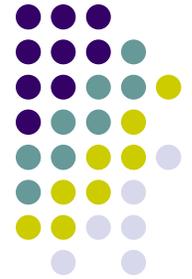


- The Procurement Documents are structured to provide bidders with as much flexibility as possible
 - Bidders can submit multiple bids with different structures
 - Bidders who submit bid(s) reflecting only one type of structure face the risk that one or more other bidders will submit bid(s) that reflect a different structure
- Flexibility leads to the most competitive bids possible
 - Competitive bids reflect the bidder's internal cost structure, private assessment of risk, and other individualized factors
 - Unnecessary limits can prevent bidders from submitting their best bids
- Forcing bidders to submit multiple bids for different structures would not lead to more competitive bids, because the bidder would either:
 - Submit an uncompetitive bid for the structure it does not favor; or
 - Submit the same competitive bid that it would have submitted under the flexible Procurement Documents

Time Is of the Essence, so the Procurement Documents Should Be Finalized Without Change



- The LNPA Selection process has already been delayed repeatedly
- A daunting amount of work remains to be done before June 30, 2015:
 - Vendor evaluation, recommendation, and selection
 - Contract negotiation and execution
 - System development
 - Platform testing and fixes
 - System roll-out
- Any further delay would necessitate an extension of the current contract
- There is no compelling reason for introducing further delay by modifying the Procurement Documents
- The Bureau should adopt the Procurement Documents immediately



Questions?

Todd Daubert
SNR Denton US LLP
(202) 408-6458

todd.daubert@snrdenton.com

