



November 13, 2012

Ex Parte

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street SW
Washington, DC 20554

RE: Petition of Telcordia Technologies, Inc. to Reform Amendment 57 and to Order a Competitive Bidding Process for Number Portability Administration, and Petition of Telcordia Technologies, Inc. to Reform or Strike Amendment 70, to Institute a Competitive Bidding for Number Portability Administration, and to End the LLC's Interim Role in Number Portability Administration Contract Management, WC Docket Nos. 07-149, 09-109

Telephone Number Portability, WC Docket No. 95-116

Dear Ms. Dortch:

As discussed on October 23, 2012, Telcordia hereby submits suggested revisions to the NPAC RFP that would permit the SWG/FoNPAC and the FCC to obtain a fuller, more complete record on which to evaluate potential regional LNPA approaches, and to reduce potential barriers to entry that could deter participation by otherwise qualified potential bidders.

Regional and National Bids Are Necessary To Ensure Full Competition and Reduce Barriers to Entry. Contrary to Neustar's suggestion, requiring regional bids does not undermine the competitive bidding process nor does it bind the FoNPAC, SWG or Commission to awarding the NPAC contract on a regional basis. In fact, a requirement that *all* Respondents submit regional bids is likely necessary to ensure that regional awards even remain an available option, inasmuch as Neustar has made clear that it is unlikely to present a regional proposal – which, as Telcordia explained previously, is a rational strategy for an incumbent that seeks to make it more difficult for the purchaser to select alternative suppliers. Furthermore, although Telcordia contemplates submitting both regional and national bids, there may be other providers that would submit only a regional bid. Requiring the submission of regional bids, with the option to also submit a national bid, is the only way to ensure that the SWG, the FoNPAC, and the FCC have sufficient information to compare and evaluate bids and NPAC structures in order to select the most cost-effective and efficient solution for industry and the rate-paying public.

There should be no question that regional databases are technically feasible. As the FCC is aware, the number portability system in place today works on a regional basis: the existing LNPA supports all seven legacy-RBOC regions. This reflects the regulatory landscape in 1997 when the LNPA contract was first put out for competitive bid. The seven regions selected two LNPA vendors: three regions selected Perot Systems, and four selected Neustar (then known as Lockheed Martin IMS). Although these databases may be operated from a smaller number of sites, as was expressly permitted in the *Second Report and Order*, the Commission made clear that the regional databases remain separate.¹

Multiple LNPAs Provide Competitive and Functional Advantages. As to whether multiple LNPAs are preferable, the Commission in 1997 agreed that “there are clear advantages to having at least two experienced number portability database administrators that can compete with and substitute for each other, thereby promoting cost-effectiveness and reliability in the provision of Number Portability Administration Center services.”² But the Commission need not decide at this time whether it was correct in 1997, or whether Neustar and Professor Masten or Telcordia and Professor Rogerson are correct now. The question of whether one administrator or multiple administrators is preferable can be decided once the FoNPAC, SWG and Commission have all bid information available to them – which is only possible if all bidders are required to provide regional bids and to submit information in response to the questions specified in RFP § 14.1 as to how they would operate in a regional structure.³

Requiring Regional Bidding Will Increase Participation, Competition, and Transparency. In the meeting on October 23, 2012, staff asked how a regional RFP could be structured in order to ensure that all regions were covered. As discussed, Telcordia believes this could be done in a straightforward and simple manner. The existing seven regions should be grouped into three groups of relatively comparable size and complexity (“one-third regional group”) to allow for two or three LNPAs.⁴ Each Respondent should be required to submit a bid to serve one of these one-third regional groups for the term of the agreement. A Respondent who satisfied this minimum required bidding condition would then have the option of submitting additional bids, according to the structure outlined below.

¹ *Telephone Number Portability*, Second Report & Order, FCC 97-289, 12 FCC Rcd. 12,281, 12,303-04 ¶¶ 34-35 (1997).

² *Id.* at 12,306 ¶ 38.

³ Gathering detailed information about regional options also will assist the SWG/FoNPAC and the FCC in evaluating the possibility of shifting to a peering model in the future, as Comcast has suggested. *See* Comments of Comcast Corp., Docket Nos. 95-116, 07-149 & 09-109 (filed Sept. 13, 2012). Pursuing regional multivendor contracts could also provide a first step toward peering, in which carriers would have a choice of LNPA in all regions rather than having only one LNPA, as is the case today, or as would be the case within each regional group under a regional approach.

⁴ Telcordia believes that the industry would not find it practical to have more than three LNPAs.

The one-third regional groups would be approximately equal in size and complexity. The FCC could accomplish this by creating the one-third regional groups based on transaction volume, and/or minimizing the number of regional carriers that would need to connect to more than one LNPA. The groupings should not be smaller than approximately one-third of the country, as a single region on a standalone basis may not be economically viable; however, Telcordia is confident that a combination of two or more regions approximating one-third of the country would be viable. One possible set of one-third regional groups is shown in Table 1, below.⁵

All Respondents Must Bid on One-Third of the Existing System. Each Respondent would be required to submit a proposal for a single one-third regional group (in other words, one-third of the NPAC system) for the term of the Agreement (at least five years). Bidders meeting that threshold requirement may in addition submit a proposal for serving two one-third regional groups. The specific group, however, would not be chosen by the bidder, but would be assigned by the Commission, ensuring coverage for the entire country. Although the one-third regional groups may not be precisely identical in size or complexity, Telcordia does not believe that the variations would be material to a fixed-price bid, as specified in the RFP, because the bid price would not vary with the expected differences in transaction volumes between the regions.

Table 1: One-Third Regional Groups

Group 1	Mid-Atlantic Southeast
Group 2	Western Southwest Northeast
Group 3	MidWest West Coast

Qualifying Bidders May Bid on One-Half of the Existing System. To provide the FoNPAC, SWG and the FCC with additional flexibility in NPAC structure and LNPA selection, the RFP could also require qualifying Respondents to submit an additional bid for one-half of the existing system to allow for two LNPAs, each serving approximately equal-sized volumes. To do so, the existing seven regions would be grouped into two groups of relatively comparable size

⁵ The SWG/FoNPAC and the FCC have access to the underlying data and can determine which approach is most reasonable. The information available to Telcordia supports grouping the regions as shown here to reflect a balanced approach between transaction volume and operational costs such that the difference in transaction volume and operational costs would be negligible. Other groupings may achieve the same results.

and complexity (one-half regional groups). An example is shown in Table 2, below. Qualified bidders, meaning those that had satisfied the requirement of submitting a bid for a one-third regional group, would have the additional option of submitting a bid for a one-half regional group, which would again be assigned at award to ensure coverage for the entire country. Again, although the one-half regional groups may not be precisely identical in size or complexity, Telcordia does not believe that the variations would be material to a fixed-price bid, as specified in the RFP, because the bid price would not vary with the expected differences in transaction volume.

Table 2: One-Half Regional Groups

Group 1	Mid-Atlantic Northeast Southeast
Group 2	West Coast Southwest Midwest Western

Fully Qualifying Bidders May Provide a National Bid. An additional step would provide further competitive information and options regarding NPAC structure to industry and the SWG/FoNPAC and the FCC. Respondents who submitted bids on both a one-third regional group and a one-half regional group would also have the option of submitting a bid for serving as the single NPAC for the country.

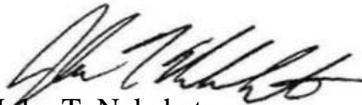
The bid process thus would function in a step-wise manner: all Respondents must submit a bid for a one-third regional group. (If they choose, they may also submit a bid for serving two one-third regional groups.) Bidders who meet this minimum threshold requirement may submit a proposal to serve one one-half regional group. And bidders who submit bids for both a one-third regional group and a one-half regional group have the additional option of submitting a national bid.

Telcordia's suggested revisions would allow the SWG/FoNPAC to recommend one, two, or three vendors based on the number of qualified Respondents. If there are three or more qualified respondents, up to three vendors could be recommended. Likewise if there are two qualified respondents. If only one response is acceptable or if a national award proved superior, then the SWG/FoNPAC would retain the option to recommend only one vendor. This model would maximize participation in the bidding process because it allows Respondents to bid on multiple bid structures, thereby lowering barriers to entry for potential new vendors of varying sizes. By structuring the bid process so that all Respondents must submit a proposal for the smaller regional group in order to qualify to submit a proposal for the next larger group, this model also will ensure maximum transparency in bid submissions and maximum competitive benefit to industry, the SWG/FoNPAC and the FCC as they make selection recommendations.

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A copy of this letter is being filed in the above-captioned dockets.

Sincerely,



John T. Nakahata
Counsel to Telcordia Technologies, Inc.

cc: Neil Dellar
William Dever
Maureen Duignan
Lisa Gelb
Diane Griffin Holland
Marilyn Jones
Sean Lev
Travis Litman
Christopher Sova
Ann Stevens
Suzanne Tetreault

Attachment

The following is suggested revised language for Sections 14.1 and 14.2 of the LNPA RFP regarding bid process, implementing requirements for regional and national bidding:

14.1

Bid Process Overview

All bids/proposals in response to this RFP survey must be submitted through the Iasta® SmartSource SRM® Tool. Hard copy, facsimile or Email bids/proposals will not be considered qualifying responses for this RFP survey.

Required Qualifying Bid. Each Respondent is required to submit an annual fixed fee price for one-third of the 7 Regions (one-third regional group), with the specific regions to be assigned upon award (referred to as a “One-Third Partial Combined Proposal”). A Respondent who submits a One-Third Partial Combined Proposal may also submit a proposal for a second one-third regional group.

Additional Option 1 (Qualifying Bid Required). A Respondent submitting a required One-Third Partial Combined Proposal may submit an annual fixed fee price for one-half of the 7 Regions (one-half regional group), with the specific region to be assigned upon award (referred to as a “One-Half Partial Combined Proposal”).

Additional Option 2 (Qualifying Bid + Additional Option 1 Bid Required). A Respondent submitting both a One-Third Partial Combined Proposal and a One-Half Partial Combined Proposal may also submit an annual fixed fee price for all 7 Regions (referred to as a “Full Combined Proposal”).

Respondent must itemize and explain the reasons for the differences among each of its submissions, including the determination of price between each Partial and Full Combined Proposals.

The SWG/FoNPAC will recommend and the FCC will determine the final grouping of Regions based on the bids provided and the number of vendors chosen. The regions will be grouped based on their transaction volumes at the time of the award and to minimize operational costs for carriers. Bidders understand and acknowledge that the FCC, with input from the NAPM LLC and the NANC, will use its best judgment to define groups of regions that are roughly similar in size and cannot control growth or reduction of volume in the future.

Each Respondent must provide answers to each of the following questions and explain with specificity how Respondent will coordinate its NPAC solution with the NPAC solution or solutions in other Regions, how it will overcome any resultant complexities of multiple LNPAs, and how it will allocate or absorb the costs and expenses of such coordination and complexity. In addition, each Respondent must answer the following questions:

1. What would be the additional complexities, costs, and support necessary for national Service Providers or Service Providers serving territory in two or more Regions served by different LNPAs, to connect their SOAs and LSMSs to multiple LNPA NPAC platforms and maintain those multiple connections, and how would those additional costs be determined, allocated, or absorbed?
2. How would national Service Providers or Service Providers serving territory in two or more Regions served by different LNPAs connect their test bed platforms to multiple NPAC LNPA test beds in different Regions and how would additional costs be determined, allocated, or absorbed?
3. How would NPAC releases and carrier deployment of new features be implemented over NPAC solutions of different LNPAs in different Regions, and how would additional costs be determined, allocated, or absorbed?
4. What would be the additional complexities, costs, and support necessary to conduct annual disaster recovery and failover testing for each additional LNPA in separate Regions, and how would additional costs be determined, allocated, or absorbed?
5. What would be the additional complexities, costs, and support necessary for national Service Providers, or Service Providers serving territory in two or more Regions served by different LNPAs, to obtain reports and data from NPAC solutions of different LNPAs in different Regions, and how would additional costs be determined, allocated, or absorbed?
6. How would the following matters be addressed and what would be the additional complexities and how would additional costs be determined, allocated, or absorbed:
 - a. Coordination of tunable parameter changes among multiple NPAC LNPAs;
 - b. Coordination of SPID migration limitations and process;
 - c. Coordination of NPAC software release development and implementations among different LNPAs that could have different development cycles;
 - d. Resolution of differences among LNPA software implementations, some of which could be service-affecting;
 - e. Consolidation of data and information from multiple LNPAs into one LNPA WG website;
 - f. Changes to Service Provider local systems;
 - g. Resolution of disputes over software release development and implementation differences;
 - h. Neutral Change Management Administration;

- i. Development of Service Provider internal processes to accommodate differences in multiple LNPA M&Ps;
- j. Processing, verifying, forecasting, and paying bills to multiple LNPAs;
- k. Access, coordination, and management of Enhanced Law Enforcement Platform and Intermodal TN ID Service by multiple LNPAs; and
- l. Negotiation, execution, and reconciliation of differences in Master Agreements with multiple LNPAs?

The SWG/FoNPAC will then recommend for selection an LNPA in each of the seven Regions based upon fixed price contracts for each Region after a determination of the best value in accordance with the evaluation criteria listed in Section 14.1.1.

Proposals offering less than all of the Services required will not be considered. The selection of the LNPA may be made without the requirement of discussions or interviews, but discussions and interviews may be held if desired by the FoNPAC, the SWG, or the FCC. All Respondents are encouraged to submit their best proposals; each of Respondent's proposals in response to this RFP survey should contain the Respondent's best terms from a technical, management, and cost standpoint as outlined in Section 14.1.1.

* * *

14.2 Allocable Charges

Each Respondent must attach an Excel spreadsheet based upon the sample yearly flat rate pricing table specified below for each of the seven years (initial five year term with two optional one year renewals) of the term of all Master Agreements. Each Respondent should only submit one spreadsheet for each price provided as specified in Section 14.1. Provide complete and precise dollar amounts where applicable. Each year is defined as the period beginning July 1 and ending June 30 of the following year.

The pricing model will be an annual fixed fee with no annual price escalators, no transaction volume floor, no transaction volume ceiling, and no recovery of any unpaid User invoices from the rest of the industry. The LNPA or LNPAs will allocate the annual fixed fee to the Users based on their Service Provider Allocation Percentage as determined by the FCC Allocation Model or as otherwise directed by the FCC or other applicable authority, including legislation. All Users not subject to allocable charges or with no end-user telecommunications revenue will be invoiced \$100 per year, per region in the form of an annual fee, and the LNPA or LNPAs shall reduce the overall allocable industry flat fee base by these collected charges.

Please attach a detailed Excel document using the sample formatting below.

	2015- 2016	2016- 2017	2017- 2018	2018- 2019	2019- 2020	2020- 2021	2021- 2022
Allocable Industry Flat Fee in U.S. Dollars for One-Third of the U.S. NPAC Regions							
Allocable Industry Flat Fee in U.S. Dollars for One-Half of the U.S. NPAC Regions							
Allocable Industry Flat Fee in U.S. Dollars for All Combined NPAC Regions							