Federal Communications Commission

LNPA Comments

WC Docket No. 09-109

To Whom It May Concern:

We, as long time shareholders of Neustar, write to express our agreement with the points laid out by Mr. Keith Ferguson of TimesSquare Capital Management. Additionally, we would like to offer the following comments:

1. Neustar, during its time as the LNPA, received the following customer satisfaction scores for its service (out of 4.0) as reported by the independent analysis firm, The Management Network Group:

Annual NPAC Survey Scores 2008 – 2013

Year	Actual Score	Best Score	Industry Standard
2008	**3.5**	**4.00**	**Exceptional**
2009	**3.7**	**4.00**	**Superior**
2010	**3.7**	**4.00**	**Superior**
2011	**3.8**	**4.00**	**Superior**
2012	**3.8**	**4.00**	**Superior**
2013	**3.7**	**4.00**	**Superior**

Given such a high customer rating and with continued superior performance, Neustar appears to have done an excellent job as the LNPA. Therefore, the justification behind any decision to replace Neustar needs to be explicitly made clear to the public. If that reasoning revolves solely around price we find it odd that Neustar wasn't allowed to, at the very least, match and/or beat the pricing offered to the NAPM by Telcordia. If the entire point of this contract renewal exercise is to attain the best possible value for all stakeholders, ranging from the general public to CLECs, why wouldn't the incumbent player - with high customer satisfaction and a working system - be given the opportunity to match a competitive bid? This would lower overall system costs but maintain system integrity.

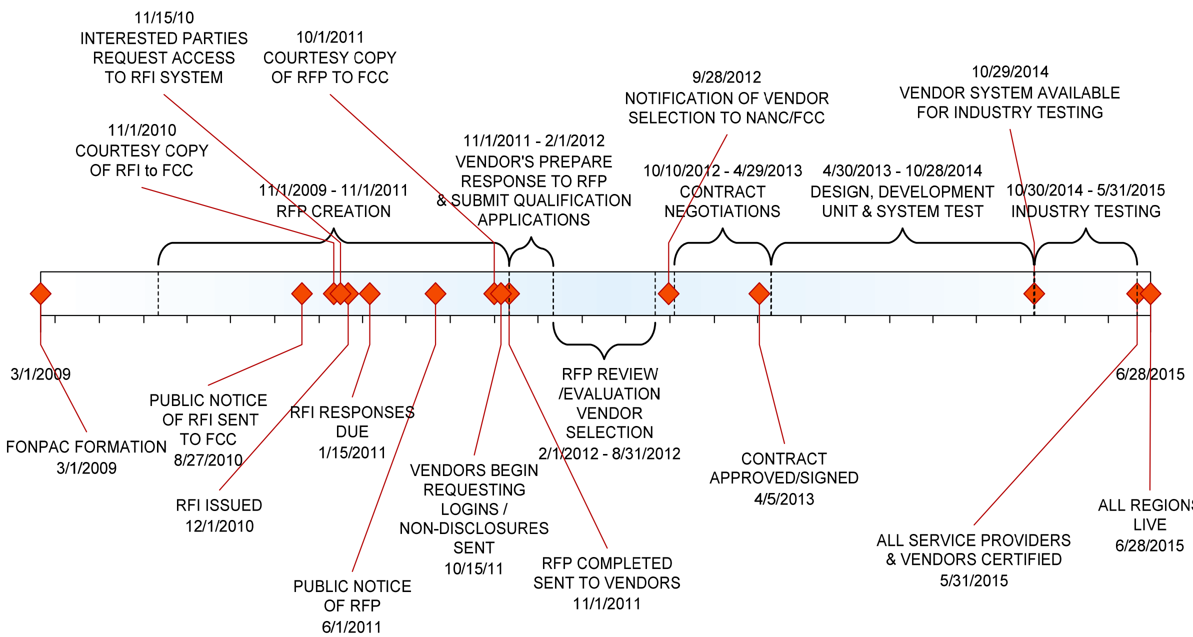
2. Back in 1999, when the FCC had accepted Lockheed Martin's divestiture of Neustar, the definition of neutrality had three main criterion, with the second one listed as follows:

Criterion Two: Debt or Revenues from Telecommunications Services Providers. Section 2.12(a)(1)(ii) of our rules provides that neither the NANPA nor any of its affiliates may issue a majority of its debt to, or derive a majority of its revenues from, any telecommunications service provider.

Given that Ericsson, Telcordia's parent, derives its revenue exclusively from both service and equipment sales to telecommunication service providers such as AT&T, we would like more clarity as to what the Commission considers to be neutral administration, similar to the guidance given back in 1997 when Lockheed Martin was selected as the LNPA.

3. We are not aware of a single instance of an incumbent portability administrator being ripped out in favor of a cheaper competitor. There have been initial setup transitions whereby a country with no portability went with a new build option but no data exists on entire transitions from incumbent NP administrators. Again, we would like to understand the thought process behind the NAPM's apparent decision.

4. Within a December 16, 2010 report given by the NAPM to NANC the following RFP timeline was outlined:



Per the above timeline, our question is: how does the NAPM expect the transition to be implemented in less than ten months if the initial timeline had a period of 33 months (9/28/12 – 6/28/15) budgeted as the appropriate period to negotiate contracts and then design, develop and test the system? The lack of clarity once again points to a failure in NAPM's process and a general lack of focus by the NAPM. Are we to believe that Telcordia can replace the current system in less than half the time initially budgeted?

5. If one looks down the list of number portability databases that Telcordia manages, there isn't a single one that execute number portability in as little as three hours:

Pakistan – 13 days

South Africa – 1 day

Greece – 12 days

Lithuania – 5 days

Saudi Arabia – 5 days

India – 8 days

Turkey – 6 days

Egypt – 5 days

Thailand – 3 days

Malaysia – 5 days

This data appears to be confirm the old adage “you get what you pay for”. How can the NAPM select an administrator that has never offered a solution that remotely competes with Neustar’s implementation?

This entire process has been marred by excessive delays and opacity that runs counter to every intention that the FCC had when it established rules governing the LNPA selection process. We encourage the Commission to take the simplest route to solve these issues by issuing an order allowing the incumbent provider a final, right of last refusal bid, which would at the very least bring down network costs for all stakeholders while at the same time maintaining the integrity and functionality of the portability system. Additionally, there is no publicly available evidence that Telcordia can effectively provide a system that is: 1) cheaper, after taking into account startup development costs and potential service disruptions and 2) as robust as Neustar’s.

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