June 23, 2015

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

Re: Telephone Number Portability, et al.  
CC Docket No. 95-116; WC Docket No. 09-109

Dear Secretary Dortch:

On behalf of the North American Portability Management LLC (the “NAPM LLC”), I am writing to confirm that the Federal Communications Commission (“FCC” or “Commission”) has authorized the NAPM LLC (i) to enter into a statement of work with the current local number portability administrator (“LNPA”), Neustar, and (ii) to bill the costs of the third party transition oversight manager (“TOM”)\(^1\) to, and recover the costs from, number portability administration center (“NPAC”) users using the existing framework for the allocation and recovery of shared costs.

The FCC directed the NAPM LLC to hire a third party with communications infrastructure, project management, and change management experience as the TOM to assist the NAPM LLC in overseeing the LNPA transition.\(^2\) Accordingly, the NAPM LLC used a Request for Proposal (“RFP”) process to select an independent TOM to provide assistance “throughout the transition in, among other things, (i) determining and enforcing the relative responsibilities of Neustar and iconectiv to maintain all porting, law enforcement assistance, and other services, and (ii) establishing a plan to ensure that, throughout the transition, network security and public safety are protected.”\(^3\) The NAPM LLC is in the process of finalizing the contract with the TOM.

\(^1\) The FCC directed the NAPM LLC to engage with the TOM. Telcordia Technologies, Inc. Petition to Reform Amendment 57 and to Order a Competitive Bidding Process for Number Portability Administration; Petition of Telcordia Technologies, Inc. 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; Telephone Number Portability, Order, WC Docket Nos. 07-149, 09-109, CC Docket No. 95-116, ¶¶ 158-59 (rel. Mar. 27, 2015) (the LNPA Selection Order).

\(^2\) Id. (“We therefore direct the NAPM to take all necessary steps to ensure that the transition is overseen by experienced third parties familiar with communications infrastructure, project management, and change management... Throughout the transition, the NAPM and its third-party manager shall determine and enforce relative responsibilities of the incumbent and the incoming LNPA to maintain all porting, law enforcement assistance, and other service, and establish a plan to ensure that, throughout the transition, network security and public safety are protected.”).

\(^3\) Transition Oversight Plan, filed by the NAPM LLC on April 27, 2015, Docket Nos. 09-109, 95-116.
Section 251(e)(2) of the Communications Act of 1934, as amended (the "Act"), requires that the "cost of establishing telecommunications numbering administration arrangements and number portability . . . be borne by all telecommunications carriers on a competitively neutral basis as determined by the Commission." The FCC’s rules and orders implement Section 251(e)(2) by establishing three categories of number portability costs:

- **Shared Costs:** Costs incurred by the industry as a whole, such as those incurred by the third-party administrator to build, operate, and maintain the databases needed to provide number portability;
- **Carrier-specific costs directly related to providing number portability:** Costs incurred by individual carriers specifically in the provision of number portability services (e.g., the cost to purchase the switch software implementing number portability); and
- **Carrier-specific costs not directly related to number portability:** Costs carriers incur to provide telecommunications functions unrelated to number portability (e.g., the costs incurred incidentally, such as costs of network upgrades necessary to implement a database method).

The costs of the TOM are Shared Costs under the FCC’s rules and orders. The FCC has clarified that Shared Costs include "(a) non-recurring costs, including the development and implementation of ... the database; (b) recurring (monthly or annually) costs, such as the maintenance, operation, security, administration, and physical property associated the database; and (c) costs for uploading, downloading, and querying number portability database information." The cost of the TOM will be allocated in the same manner as all other Shared Costs. Specifically, the FCC has previously determined that Shared Costs (i.e., the Shared Costs of the NPAC database administrators' nonrecurring, recurring, upload, and download costs) would be paid for pursuant to an allocator whereby the LNPA allocates the Shared Costs of each regional database among carriers "in proportion to each carrier’s intrastate, interstate, and international end-user telecommunications revenues attributable to that region." And because the end-user revenues allocator does not reach those carriers who do not have end-user revenues, such as wholesalers, the FCC determined that "carriers that do not have end-user revenues [are required to] pay $100 per year per region as their statutory share of the shared costs." The FCC further dictated that Shared Costs would be borne on a regional, rather than national, basis, where the LNPA collects revenues from all carriers providing service in the area served by that regional database, subtracts the charges collected from carriers with no end-user revenues, and "distributes the remaining shared costs based upon each remaining telecommunications carrier’s proportion of the end user revenues collected by all telecommunications carriers in that region."

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4 47 U.S.C. § 251(e)(2). Section 52.17 of the FCC’s Rules, 47 C.F.R. § 52.17, further requires all telecommunications carriers in the United States to contribute on a competitively neutral basis to meet the costs of numbering administration.


6 Id. at 11739-40, ¶¶ 68, 72-74.

7 Id. at 11739-40, ¶¶ 68, 72.

8 Id. at 11734-39, ¶¶ 61, 69-70 (emphasis added).


10 Id. at 11759, ¶ 113.

11 Id. at 11761, ¶ 116.
The annual cost of the TOM is anticipated to be less than 1% of the annual shared costs of the NPAC database. As such, each individual carrier’s contribution to the overall TOM costs will be comparatively small, particularly in light of the costs savings to be gained as a result of the transition to the new LNPA. The cost of the TOM allocated to each individual carrier will be clearly identified either as a new line item on the existing NPAC SOW bill or on a separate invoice generated by the LNPA for the carrier.

Please contact the undersigned if you have any questions or need additional information.

Respectfully submitted,

Todd D. Daubert
Counsel to the NAPM LLC

cc: Ann Stevens
    Sanford Williams