COMMENTS OF AT&T INC.

Petitioner Telcordia Technologies, Inc. (Telcordia) seeks a radical, and quite unnecessary, change in the Commission’s scheme for the supervision of the local number portability (LNP) administrator who manages the telephone number portability databases. Telcordia also seeks to upend previously agreed-to arrangements between the North American Porting Management LLC (NAPM) and the database administrator, Neustar, Inc. (Neustar). Its petition should be denied because Telcordia has not shown that NAPM has failed to appropriately oversee Neustar or otherwise acted contrary to the Commission’s vision for LNP administration.

Summary of LNP Administration

Shortly after Congress enacted the Telecommunications Act of 1996, the Commission sought comments on proposals to meet its statutory obligation to promulgate requirements for number portability. In quick order, the Commission had to facilitate the design, construction, and deployment of “a long-term service provider number portability system.”

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2 See, 47 U.S.C. § 251 (b) (2).
chose a system of regional databases administrated by “one or more independent, non-governmental entities that are not aligned with any particular telecommunications industry segment. . . .”4 And upon the recommendation of the North American Numbering Council (NANC), the Commission approved a plan that allowed then existing regional limited liability companies (LLCs), established by carriers in each of the original Bell Operating Company regions, to manage and oversee the local number portability administrators.5 These regional limited liability companies are now the NAPM.

Naturally, the Commission didn’t blindly accept the NANC’s recommendation. In the Commission’s analysis, this arrangement was viewed as both practical and fair and, of course, wholly supported by the record. First, the Commission recognized that the LLCs had already negotiated the master contracts with the database administrators and that each LLC had the “greatest expertise regarding the structure and operation of the database for its region.”6 Second, the Commission recognized that there was nothing in the record that would support a finding that the LLCs would “act in a fashion not fair to all carriers.”7 Third, the Commission noted that there already existed “significant protections to ensure fair and impartial actions by LLCs.”8 These protections included the fact that membership was open to all porting carriers (which today includes interconnected VoIP providers), open public meetings, procedural safeguards (like supermajority and unanimous voting), and non-discriminatory access to LNP administrator services.9 Additionally, the Commission provided for oversight of the LLCs by the NANC and state and federal regulators.10

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4 Id., at 8402.
6 Id., at 12346.
7 Id., at 12347.
8 Id., at 12348.
9 Id.
10 Id.
In the intervening years, LNP administration has run smoothly. The only conclusions that can be drawn from 11 years of success are that the Commission’s original findings are as true today as they were back in 1997, and that the system works well to the benefit of carriers and their end-user customers.

**Discussion**

In a nutshell, Telcordia seeks to overturn the existing supervision of the LNP administrator, because NAPM didn’t accept Telcordia’s two unsolicited proposals and chose an arrangement with Neustar instead. AT&T will defer to NAPM to defend its decision in this matter; however, AT&T can say that there is nothing in the Petition that would support the extreme remedy proposed by Telcordia.

First, Telcordia has not provided any evidence that NAPM has been anything less than an effective steward of the LNP regional database system. The Commission’s focus—as it should be—has always been on ensuring that the LNP database system was run efficiently and in a non-discriminatory manner to serve competing providers who rely on numbering resources. Over the past 11 years, there hasn’t been a parade of carriers coming to the Commission’s doors complaining about the management of these databases, claiming that they were shut out of the process, denied porting opportunities, or generally discriminated against. And actual telephone number porting has run smoothly, enabling millions of end-user customers to port their telephone numbers from old service providers to new ones. The fact that a system of this magnitude has

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11 Telcordia Petition, pp. 22-23.

12 See, First LNP Order, 11 FCC Rcd at 8400 (“[S]ection 251(e) (1) requires the Commission to ‘create or designate one or more impartial entities to administer telecommunications numbering and to make such numbers available on an equitable basis.’ Neutral third party administration of the databases containing carrier routing information will facilitate entry into the communications marketplace by making numbering resources available to new service providers on an efficient basis. . . . Neutral third party administration of the carrier routing information also ensures the equal treatment of all carriers and avoids any appearance of impropriety or anti-competitive conduct. Such administration facilitates consumers’ access to the public switched network by preventing any one carrier from interfering with interconnection to the database(s) or the processing of routing and customer information.”); Second LNP Order, 12 FCC Rcd at 12347-48 (“[T]he current record does not support a finding that the LLCs will act in a fashion that is not fair to all carriers . . . . Because the record contains no other specific allegations of anticompetitive activities by the LLCs, we are not persuaded on the basis of the current record that partiality by LLCs is likely to occur in the immediate future.”)

13 For example, in calendar year 2008, there were roughly 30,278,000 telephone numbers ported, which translates into 2,523,167 ports per month on average. Stroup & Vu, NUMBERING RESOURCE UTILIZATION IN THE
functioned so well for so long is in and of itself a testament to the success of Neustar’s administration and of NAPM’s supervision of Neustar.

Second, Telcordia’s implication that the carrier members that comprise NAPM aren’t interested in cost savings is not supported by the record.14 Large carriers, like AT&T, pay the lion’s share of the costs associated with maintaining the databases. Under the Commission’s LNP cost-recovery scheme, it is the carriers themselves that pay for the database administrator’s nonrecurring, recurring, and download costs. Neustar must collect sufficient revenues to fund the databases “by allocating the 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.”15 Logically, carriers with substantial telecommunications revenues have considerable incentive to keep administrative costs down in order to lower their allocated burden of those costs. Keeping operating costs down can help keep prices low and, therefore, competitive. In this competitive market, no carrier can afford to be indifferent to costs.

Third, the safeguards that existed in 1997 still exist today. The governing contracts, which are available upon request, still provide procedural safeguards. The meetings of the NAPM are also open to the public, subject to the rights of NAPM to close them.16 Membership in NAPM is open to all authorized telecommunications carriers and interconnected VoIP providers.17 And even carriers who might find the one-time $10,000 initiation fee too steep can join as apart of a group by pooling resources with other like-minded carriers.18 In short, all the factors in the record before the Commission that supported the Commission’s decision to appoint the LLCs to oversee the regional database administrators are still in place today. The total

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14 Telcordia Petition, pp. 30-31.
16 NORTH AMERICAN PORTING MANAGEMENT LLC: AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT, Article 5, Meetings for Members, Section 5.13, Meetings Open to Public (Nov. 11, 2003) (NAPM LLC Agreement).
17 For NAPM membership qualifications, see NAPM LLC Agreement, Article 4, Members, and Attachment 1.
18 NAPM LLC Agreement, Article 4, Members, Section 4.1.3, Qualified Association.
absence of disgruntled carriers complaining to this Commission or to state commissions about the costs of or the administration of the regional databases is sufficient evidence that the Telcordia’s request for radical change is neither necessary nor advisable.

Over the past 11 years, the Commission has wisely opted to stay away from micromanaging the administration of the regional databases. Telcordia’s Petition has not substantiated grounds for the Commission to start micromanaging now. Absent a wholesale deviation on the part of Neustar and the members of the NAPM from the path set by the Commission back in 1997, the Commission should itself stay the course.

**Conclusion**

Telcordia has failed to show that the Commission needs to act at all on its Petition, much less that the Commission should grant it the sweeping changes and remedies proposed. For these reasons the Commission should deny Telcordia’s Petition in its entirety.

Respectfully submitted,

[Signature]

Paul K. Mancini
Gary L. Phillips
Christopher M. Heimann
William A. Brown

AT&T Services, Inc.
1120 20th Street, N.W.
Suite 1000
Washington, D.C. 20036
(202) 457-3007 (telephone)
(202) 457-3073 (fax)
William.Aubrey.Brown@att.com

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ATTACHMENT 1
Becoming A Member

- Potential members must qualify to be a member (see slide 10)
- Cost to join:
  - One time $10,000 Initiation fee.
  - Prorated share of current member yearly Capital Call amount. (Prorated share is Capital Call amount divided by 12 then times remaining months in budget period).
  - Budget period runs from April 1st to March 31st.
  - Capital Calls generally run from $15,000 to $25,000 per year per member depending on budget requirements and number of members.
  - The NAPM LLC Budget is based on funds necessary to run the company including but not limited to NAPM Project Executive Travel, Attorney's fees, Director's and Officer's insurance, etc.

- Once it is determined that a potential member qualifies to be a member, an application is submitted and approved.
- The potential member requests an invoice upon approval of application.
- Membership begins when the NPAM LLC Treasurer receives the Capital Call.
NAPM LLC Membership Qualification Requirements

1. A carrier must be an authorized carrier that has the authority under state law and the FCC to engage in the provision to the public of facilities based wireline or CMRS Local Exchange Telecommunication Services in any state in any of the United States regions, or have intent to become authorized within six months, or be a:
   a) Class 1 standalone interconnected VoIP provider that obtains numbering resources directly from the North American Numbering Plan Administrator (NANPA) and the Pooling Administrator (PA) and connects directly to the PSTN, or
   b) Class 2 interconnected VoIP provider that partners with a facilities-based Public Switched Telephone Network (PSTN) authorized carrier to obtain numbering resources and connectivity to the PSTN via the authorized carrier partner.

2. The carrier must be porting numbers in at least one of the United States regions or has delivered to the NAPM LLC a written declaration of the carrier's intention to port numbers within six months after the date of admission as a member of the NAPM LLC.

3. The carrier must either have entered into a User Agreement with respect to the NPAC/SMS or delivered to the NAPM LLC a written declaration of it's intention to enter into a User Agreement upon commencement of porting.

4. The carrier must not otherwise be prohibited by the FCC or any state regulatory authority from becoming a member.