



Federal Communications Commission
Washington, D.C. 20554

January 6, 2017

BY ELECTRONIC MAIL AND FIRST CLASS MAIL

DA 17-28

Lisa A. Hook
President and Chief Executive Officer
Neustar, Inc.
21575 Ridgetop Circle
Sterling, VA 20166

Re: Telephone Number Portability et al.
CC Docket No. 95-116; WC Docket Nos. 07-149, 09-109

Dear Ms. Hook,

We write today about the disclosure and protection of confidential information in connection with the Local Number Portability Administrator (LNPA) transition mandated by the Commission in its July 2016 Order.¹ The Wireline Competition and Public Safety and Homeland Security Bureaus (Bureaus) were charged by the Commission in that order with overseeing the LNPA contract and other issues related thereto.² Accordingly, the Bureaus have been closely following in the record the negotiations between the North American Portability Management LLC (NAPM) and Neustar, Inc. (Neustar), and more recently between the NAPM, the Transition Oversight Manager (TOM), Telcordia Technologies Inc. d/b/a iconectiv (iconectiv) and Neustar, to reach agreement as to how confidential materials are to be handled by these essential parties to the LNPA transition.

Based on the record to date, the Bureaus are concerned that the failure of the parties to reach agreement on the definition of confidential information may cause delays in the transition from Neustar to iconectiv. Relatedly, it is our paramount concern that the number portability database, which the Commission found "vital to the functioning of the nation's critical communications infrastructure, public safety, and national security" may be adversely impacted if confidential information is not protected.³ For example, the Commission order acknowledged the sensitivity of the database and restricted

¹ *In the Matter of Implementation of 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*, WC Docket Nos. 09-109, 07-149, CC Docket 95-116, Order, 31 FCC Rcd 8406 (LNPA Approval Order).

² See LNPA Approval Order, 31 FCC Rcd at 8430, 8431, paras. 63, 65.

³ See *In the Matter of Implementation of 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*, WC Docket Nos. 09-109, 07-149, CC Docket 95-116, Order, 30 FCC Rcd 3082, 3083, para. 2 (LNPA Selection Order).

information regarding business continuity, law enforcement, internal IT architecture and operations to U.S. citizens.⁴ Furthermore, our federal partners commented on the need to prevent unwarranted visibility into certain processes.⁵ Given that disclosure of transition-related information and details could adversely impact national security, we expect that the parties will protect confidential information via a reasonable non-disclosure agreement (NDA).

Further, the Commission expects an effective, seamless, and timely transition of the LNPA. It expects the parties to “carry out their respective transition responsibilities in good faith and in a reasonable and cooperative manner.”⁶ Thus, it is imperative that the parties to the transition—Neustar, iconectiv, the NAPM, and the TOM—reach agreement on what constitutes confidential information, and how to protect it, as quickly as possible. Negotiations on a reasonable NDA have thus far gone on for approximately a year, a situation we find unacceptable. Every day that the parties fail to reach agreement risks exposure of confidential information about national security and critical infrastructure and may cause delays in the transition. If the transition is delayed, service providers and their customers ultimately may bear the costs of that delay.

We have carefully reviewed the numerous NDAs proposed by the parties, along with correspondence detailing those proposals. Based on our review, it is our opinion that the draft NDA submitted by the NAPM to Neustar on November 22, 2016, presents a workable solution that appropriately balances and protects the interests of all parties, and effectively holds confidential information that clearly is such, including information of a national security nature. We believe that the NAPM proposal sets forth a reasonable definition of confidential information and a reasonable agreement for protecting that information. Should the parties not agree by January 17, 2017, to utilize the last NDA offered by the NAPM, we strongly suggest that the parties execute an NDA that precisely mirrors the definitions of confidentiality in Article 15 of the Master Services Agreement (MSA) for the current LNPA contract. As Neustar has previously agreed to the confidentiality provisions in Article 15, we would logically question its refusal to be bound by those same provisions now. We believe that either option mentioned above represents a balanced approach to resolving the issue of the confidentiality of information exchanged between the parties to the transition. Should Neustar continue to decline to enter into a reasonable NDA, it would call into question whether Neustar is attempting to intentionally cause delay to the transition, in violation of the Commission’s *LNPA Selection* and *LNPA Approval Orders*. We further note that the NAPM has the authority to “determine and enforce [the] relative responsibilities of the incumbent and the incoming LNPA.”⁷

Finally, we note the December 14, 2016 announcement that Neustar “has entered into a definitive agreement to be acquired by a private investment group led by Golden Gate Capital.”⁸ We fully expect that the new entity will abide by all of Neustar’s obligations. As such, we have questions regarding the

⁴ See, e.g., *LNPA Selection Order*, 30 FCC Rcd at 3137, para 129. See also *id.* at 3164, para. 194 (directing the Bureaus to work with the NAPM to ensure that all national security issues are addressed and mitigated).

⁵ See *LNPA Selection Order*, 30 FCC Rcd at 3137, para. 127.

⁶ See *LNPA Selection Order*, 30 FCC Rcd at 3150-3151, para. 159.

⁷ See *LNPA Selection Order*, 30 FCC Rcd at 3150, para. 159. See also *LNPA Approval Order*, 31 FCC Rcd at 8424, para. 46.

⁸ See RTT News, *Neustar To Be Acquired By Golden Gate-led Group In Deal Valued At About \$2.9 Bln*, Nasdaq.com (Dec. 14, 2016), <http://www.nasdaq.com/article/neustar-to-be-acquired-by-golden-gateled-group-in-deal-valued-at-about-29-bln-20161214-00316>.

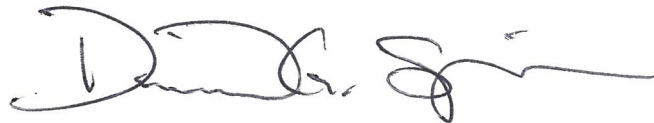
proposed acquisition and would like to understand how our concerns regarding any potential delays in the timeline and confidentiality will be addressed by the new entity.

Please respond to this letter no later than Tuesday, January 17, 2017.

Sincerely,



Matthew S. DelNero
Chief, Wireline Competition Bureau



David G. Simpson, Rear Admiral, USN (Ret.)
Chief, Public Safety and Homeland Security Bureau

cc: Marc S. Martin, Counsel for Neustar
Thomas J. Navin, Counsel for Neustar
Richard Jacowleff, CEO, Telcordia Technologies, Inc. d/b/a iconectiv
John T. Nakahata, Counsel to Telcordia Technologies, Inc. d/b/a iconectiv
Timothy Kagele, NAPM Co-Chair
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