

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of )
Telcordia Technologies, Inc. Petition to Reform ) WC Docket No. 07-149
Amendment 57 and to Order a Competitive )
Bidding Process for Number Portability )
Administration )
Petition of Telcordia Technologies, Inc. to Reform ) WC Docket No. 09-109
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 ) CC Docket No. 95-116

MEMORANDUM OPINION AND ORDER

Adopted: August 4, 2017

Released: August 4, 2017

By the Chief, Wireline Competition Bureau:

I. INTRODUCTION

1. Today, the Wireline Competition Bureau (Bureau) issues this Order approving modifications to the Local Number Portability Administrator (LNPA) Code of Conduct (Code of Conduct) and the Ericsson Voting Trust (Voting Trust), as well as the minority investment by FP Icon Holdings, L.P. (FP Investors), as requested by Telcordia Technologies, Inc. d/b/a iconectiv (iconectiv).<sup>1</sup> Specifically, we find that the changes to the Voting Trust and Code of Conduct, and the addition of FP Investor’s 16.7 percent interest in iconectiv, will not adversely affect iconectiv’s neutrality.

<sup>1</sup> Request of Telcordia Technologies, Inc. d/b/a iconectiv to Approve Modifications to the Local Number Portability Administrator Code of Conduct and the Ericsson Voting Trust, and, if Necessary, the Minority Investment by FP Icon Holdings, L.P., WC Docket No. 07-149 et al. (filed Mar. 31, 2017), https://www.fcc.gov/ecfs/filing/103319400006961 (iconectiv Request or Request); see also Telcordia Technologies, Inc. Petition to Reform Amendment 57 and to Order a Competitive Bidding Process for Number Portability Administration et al., Order, 30 FCC Rcd 3082 (2015) (LNPA Selection Order), aff’d sub nom, Neustar Inc. v. FCC, No. 15-1080 (D.C. Cir. 2017) (Commission issued a final Order selecting iconectiv as the next LNPA); see also Telcordia Technologies, Inc. Petition to Reform Amendment 57 and to Order a Competitive Bidding Process for Number Portability Administration et al., Order, 31 FCC Rcd 8406 (2016) (LNPA Approval Order), aff’d sub nom, Neustar Inc. v. FCC, No. 15-1080 (D.C. Cir. 2017); see also Letter from John T. Nakahata, Counsel for Telcordia Technologies, Inc. d/b/a iconectiv, to Marlene H. Dortch, Secretary, FCC, WC Docket Nos. 07-149 and 09-109; CC Docket No. 95-116 (filed Aug. 2, 2017) (filing an amended and restated Code of Conduct aligning the definition of “core LNPA activities” with the LNPA Selection Order); see also Code of Conduct attached as Appx. B

## II. BACKGROUND

2. On March 27, 2015, subject to certain conditions, the Commission selected iconectiv to serve as the next LNPA,<sup>2</sup> succeeding Neustar. iconectiv is a wholly-owned indirect subsidiary of Ericsson, a company that manufactures communications equipment and software, and that provides managed services.<sup>3</sup> Subsequently, the Commission issued a final decision approving the recommendation of the North American Numbering Council that iconectiv serve as the next LNPA. The Order found that the conditions set forth in the *LNPA Selection Order* had been satisfied, and also approved the contract between iconectiv and the North American Portability Management, LLC (NAPM)<sup>4</sup> in 2016.<sup>5</sup> The transition from Neustar to iconectiv is underway and targeted for completion in May 2018.<sup>6</sup>

3. iconectiv's Request states that FP Investors, a limited partnership formed and ultimately controlled by Francisco Partners Management, L.P. (Francisco Partners), proposed an investment in iconectiv which would result in FP Investors owning an approximate 16.7 percent equity interest in iconectiv and being represented on iconectiv's Board of Directors.<sup>7</sup> iconectiv claims that this transaction is in the public interest because it would strengthen iconectiv's neutrality and impartiality in carrying out its duties as the LNPA and, at the close of the transaction, iconectiv will be owned by two significant shareholders – Ericsson and FP Investors.<sup>8</sup> As part of its Request to approve modifications to the Code of Conduct, Voting Trust, and the investment by FP Investors, iconectiv submitted an ownership chart, excerpts from the proposed investment deal documents, an amended Voting Trust, and an amended Code of Conduct.<sup>9</sup> By its Request, iconectiv seeks to admit a minority shareholder to be a part owner of iconectiv and, in order to do so, asks our consent to modify the existing Voting Trust and Code of Conduct. Those documents were put into place when iconectiv was approved by the Commission in 2016 as the next LNPA.<sup>10</sup>

4. On April 6, 2017, the Bureau released a Public Notice soliciting comments on the Request.<sup>11</sup> None were filed. Subsequently, the Bureau sent the parties to the transaction questions to

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<sup>2</sup> *LNPA Selection Order* at para. 1. *See also id.* at paras. 4 – 13 (outlining the background and history of the LNPA).

<sup>3</sup> *Id.* at para. 162.

<sup>4</sup> The NAPM, a consortium of industry participants, negotiated and oversees the contract with the current LNPA.

<sup>5</sup> *LNPA Approval Order* at para. 1.

<sup>6</sup> *See* North American Number Portability LLC, Timeline, [https://www.napmlc.org/pages/npacrpf/npacRFP\\_Timeline.aspx](https://www.napmlc.org/pages/npacrpf/npacRFP_Timeline.aspx) (last visited July 10, 2017).

<sup>7</sup> Request at 2.

<sup>8</sup> Request at 2, 14 – 21.

<sup>9</sup> *See* Exhs. 1-6 to iconectiv Request.

<sup>10</sup> *LNPA Approval Order* at para. 2.

<sup>11</sup> *Telcordia Technologies, Inc. Petition to Reform Amendment 57 and to Order a Competitive Bidding Process for Number Portability Administration et al.*, WC Docket No. 07-149 et al., Public Notice, 32 FCC Rcd 2958 (WCB 2017) (*Public Notice*).

clarify certain aspects of the Request.<sup>12</sup> On June 9, 2017, the Bureau received a separate response from FP Investors<sup>13</sup> and a joint response from FP Investors and iconectiv.<sup>14</sup>

### III. DISCUSSION

5. Ericsson, iconectiv's ultimate parent, is selling a minority interest in iconectiv to a fund, FP Investors, a Cayman Islands partnership. That partnership is ultimately controlled by Francisco Partners, a private equity company based in California.<sup>15</sup> Insertion of a new party in the ownership chain requires that we reassess iconectiv's neutrality, which we originally approved in the *LNPA Selection Order*.<sup>16</sup>

6. iconectiv requests that we approve modifications to its Code of Conduct and the Voting Trust and, if necessary, that we consent to FP Investors participating in control of iconectiv. For the reasons set forth below, we approve, to the extent set forth in this Order, the changes to the Voting Trust and the Code of Conduct as we do not find that they will adversely affect iconectiv's neutrality. Additionally, our rules do not require that we consent to the addition of a minority shareholder but we are, however, required to pass on how the addition of that shareholder may affect iconectiv's neutrality pursuant to the Commission's rules. In this case, we do not believe that the addition of FP Investors' 16.7 percent interest in iconectiv will adversely affect iconectiv's neutrality and, in fact, it may in some measure strengthen its neutrality as it diversifies iconectiv's ownership.

#### A. Compliance with Neutrality Rules

7. The Communications Act requires that the Commission create or designate one or more impartial entities to administer telecommunications numbering.<sup>17</sup> The neutrality criteria set forth in Section 52.12 (a)(1) of the Commission's rules explain the statutory requirement by adopting a test to establish neutrality. That test states that a numbering administrator (i) may not be an affiliate of any telecommunications service provider; (ii) may not issue a majority of its debt to, or may not derive a majority of its revenues from, any telecommunications service provider; but (iii) notwithstanding these criteria, may be determined to be or not be subject to undue influence by parties with a vested interest in numbering administration and activities.<sup>18</sup> We must therefore consider whether the addition of FP Investors as a minority investor will cause any of these rules to be violated.

8. *Criterion One: Affiliate Relationship with Telecommunications Providers.* Section 52.12(a)(1)(i) of our rules provides that a numbering administrator may not be an affiliate of any telecommunications service provider (TSP). The term "affiliate" is defined in our rules as an interest of 10 percent or more.<sup>19</sup> Francisco Partners, FP Investors, or any individuals who manage them, do not own

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<sup>12</sup> Letter from Kris Anne Monteith, Chief, Wireline Competition Bureau, FCC, to John T. Nakahata, Counsel for Telcordia Technologies, Inc. d/b/a iconectiv, Rebekah P. Goodheart, Counsel for Francisco Partners LP, and Tara O'Neill Diaz, Executive Vice President & General Counsel, Telcordia Technologies, Inc. d/b/a iconectiv (May 25, 2017) (<https://ecfsapi.fcc.gov/file/0525676304975/DA-17-520A1.pdf>) (iconectiv Information Request).

<sup>13</sup> Letter from Rebekah P. Goodheart, Counsel for Francisco Partners LP, to Kris Anne Monteith, Chief, Wireline Competition Bureau, FCC, WC Docket Nos. 07-149 and 09-109; CC Docket No. 95-116 (filed June 9, 2017) (FP Investors Response).

<sup>14</sup> Letter from John T. Nakahata, Counsel for Telcordia Technologies, Inc. d/b/a iconectiv, to Kris Anne Monteith, Chief, Wireline Competition Bureau, FCC, WC Docket Nos. 07-149 and 09-109; CC Docket No. 95-116 (filed June 9, 2017 (filed on behalf of iconectiv and FP Investors) (iconectiv/FP Investors Response).

<sup>15</sup> Request at 5.

<sup>16</sup> *LNPA Selection Order*, 30 FCC Rcd at 3152-58, 3162, paras. 165 – 178, 188.

<sup>17</sup> 47 U.S.C. § 251(e).

<sup>18</sup> 47 CFR § 52.12 (a)(1)(i)-(iii).

<sup>19</sup> 47 CFR § 52.12 (a)(1)(i).

more than a minor interest in a company that falls within the definition of a TSP. Francisco Partners holds a small investment in Mitel Networks Corporation (Mitel) which, iconectiv states, has a very small TSP business unit.<sup>20</sup> Francisco Partners' investment in Mitel is five percent and therefore below the threshold set forth in our rule. Francisco Partners discloses two further interests which, although not TSPs, are involved in the communications industry. MetaSwitch and Procera are providers of communications software in various forms. As these companies are not TSPs and form a very small portion of Francisco Partners' portfolio,<sup>21</sup> we find that they will not have any effect on iconectiv's neutrality.

9. In its response to the Bureau's information request, FP Investors represents that Francisco Partners does not know what its limited partners are invested in and, in particular, is not aware whether any are invested in TSPs.<sup>22</sup> FP Investors points out that those limited partners are fully insulated in accordance with Commission rules and are barred from taking any management, consulting, employment, or controlling role in iconectiv or in any other Francisco Partners telecommunications investments.<sup>23</sup> Further, FP Investors states that the largest limited partner owns a 5.2 percent interest in the fund. Accordingly, we are satisfied that no limited partner has the ability to influence Francisco Partners in a way that could affect iconectiv's neutrality.

10. *Criterion Two: Debt or Revenues from Telecommunications Services Providers.* Section 52.12(a)(1)(ii) of our rules provides that neither the numbering administrator 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. Both iconectiv and FP Investors have confirmed that following the transaction no TSP will hold a majority of iconectiv's debt, nor will any TSP be the source of the majority of iconectiv's revenues.<sup>24</sup>

11. *Criterion Three: Undue Influence.* Under Section 52.12(a)(1)(iii) of our rules, we may determine whether the numbering administrator may or may not be subject to undue influence by parties with a vested interest in the outcome of numbering administration and activities. Here, we find that given the small investments made by Francisco Partners described above, coupled with the changes to the Voting Trust and the Code of Conduct described below, the addition of FP Investors as a minority shareholder of iconectiv will not subject iconectiv to any undue influence by parties with a vested interest in numbering administration.

## **B. Changes to Voting Trust and Code of Conduct**

12. Notwithstanding the fact that FP Investors does not appear to pose a problem for iconectiv's neutrality, such neutrality is currently premised on the effectiveness of the Voting Trust and Code of Conduct put into place when the Commission approved iconectiv as the incoming LNPA, to succeed Neustar.<sup>25</sup> iconectiv has requested changes to both the Voting Trust and the Code of Conduct to

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<sup>20</sup> Request at 11 – 12.

<sup>21</sup> Request at 13 (stating that MetaSwitch and Procera represent only 1.8 percent and 2.2 percent, respectively, as of the end of 2016).

<sup>22</sup> FP Investors Response at 2.

<sup>23</sup> FP Investors Response at 3.

<sup>24</sup> See Letter from John T. Nakahata, Counsel for Telcordia Technologies, Inc. d/b/a iconectiv, to Kris Anne Monteith, Chief, Wireline Competition Bureau, FCC, WC Docket Nos. 07-149 and 09-109; CC Docket No. 95-116 (filed June 28, 2017); see also Letter from Rebekah P. Goodheart, Counsel for Francisco Partners LP, to Kris Anne Monteith, Chief, Wireline Competition Bureau, FCC, WC Docket Nos. 07-149 and 09-109; CC Docket No. 95-116 (filed June 28, 2017).

<sup>25</sup> See *LNPA Selection Order* at paras. 182, 186, 188.

accommodate the admission of FP Investors as a shareholder.<sup>26</sup> Accordingly, we must assure ourselves that such changes will not adversely affect iconectiv's neutrality.

13. *Voting Trust.* The parties intend that FP Investors will have the right to designate two of the seven members of the board. After the transaction closes, the board will be composed of the two directors designated by FP Investors, one board director designated by Ericsson, the iconectiv Chief Executive Officer (CEO), and three independent directors. The three independent directors will be designated by Ericsson and the then-serving independent directors, as happens now, and must be reasonably acceptable to FP Investors.<sup>27</sup>

14. At present, the independent directors are in the majority, being three of a total of five directors. Under the iconectiv proposal, the independent directors will have a plurality of the votes, three of the seven votes, but not a majority. This may initially appear to raise a neutrality issue as the three independent directors will not be able, by themselves, to out-vote the other board members on matters relating to neutrality. Upon closer examination, however, we do not believe that this seeming reduction in voting power of the independent directors constitutes a neutrality issue for two reasons. First, for this change to adversely affect iconectiv's neutrality it would be necessary for the FP Investors' directors, the Ericsson-designated director, and the CEO to align themselves to take an action that favors a TSP, thus putting iconectiv's neutrality at risk. There is no reason to think, however, that Ericsson and FP Investors have common interests or that such interests would overlap with the CEO's interests. We further note that a review of FP investments failed to disclose any material affinity with TSPs (or other communications enterprises) that might present an undue influence concern. Second, the mechanism of using a voting trust to ensure neutrality was first established in the *Warburg Transfer Order*, separating Neustar from the potential undue influence of Warburg's TSP affiliates.<sup>28</sup> In the case of the Warburg voting trust approved by the Commission, the independent directors only had a plurality of votes (two directors out of five). Thus, in allowing iconectiv this change to the constitution of the board of directors, we are following Commission precedent and not, in any way, putting iconectiv's neutrality at risk.

15. In addition, FP Investors requests that we approve additional minority investor protections as set forth in Section 1.3 of the draft Voting Trust Amendment attached to the Request.<sup>29</sup> Such provisions are generally accepted minority investor protections and, of greater significance, do not, as drafted, affect iconectiv's neutrality. Accordingly, we approve the changes proposed by the parties to the Voting Trust. A draft of the revised version of the Voting Trust is attached hereto as Appendix A. A copy of the revised Voting Trust should be filed with the Commission promptly after execution.

16. *Code of Conduct.* iconectiv also requests minor changes to the Code of Conduct to take into account Francisco Partners' admission as a shareholder of iconectiv and to set forth the new board structure that is described above. We consider such changes to be reasonable and in accordance with the approvals we have given in this Order. Accordingly, we also approve the changes requested by iconectiv to the draft amended Code of Conduct attached hereto as Appendix B. A copy of the revised Code of Conduct should be filed with the Commission promptly after adoption.

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<sup>26</sup> Request at 6 – 9.

<sup>27</sup> This right ensures that FP Investors can be assured that the independent directors have the normal industry knowledge and experience but requires that FP Investors acts reasonably so that they cannot reject an otherwise qualified director. Additionally, the FP Investors' directors must meet the neutrality conditions set forth in the Code of Conduct and they will be subject to the neutrality review by the Voting Trustees. See Request at 6-7.

<sup>28</sup> See *Request of Lockheed Martin Corporation and Warburg, Pincus & Co. for Review of Transfer of the Lockheed Martin Communications Industry Services Business*, Order, 14 FCC Rcd 19792, 19811-14, paras. 31-33 (1999) (*Warburg Transfer Order*).

<sup>29</sup> See Request at 7 and Exhibit 4.

#### IV. CONCLUSION AND ORDERING CLAUSES

17. In accordance with the terms of this Order, we approve iconectiv's Request to Approve Modifications to the Local Number Portability Administrator Code of Conduct and the Ericsson Voting Trust, as well as the minority investment by FP Icon Holdings, L.P. A copy of the Voting Trust, which should be effective on the day of closing of the transaction, should be filed with the Commission within seven days of its execution.

18. Although we find the ownership structure of iconectiv, as approved in this Order, to be consistent with our neutrality criteria, we recognize that any change in the structure of the Voting Trust, the Code of Conduct, the board of directors, or overall ownership structure may render iconectiv in violation of our neutrality requirements. Thus, we condition our approval of iconectiv's requests on its maintenance of the organizational structure, Voting Trust, Code of Conduct, and board of directors described in this Order and in the *LNPA Selection Order*<sup>30</sup> during its term as the LNPA.

19. Accordingly, IT IS ORDERED, pursuant to the authority contained in Sections 1-4, 251(e), and 303(r) of the Communications Act of 1934, as amended, 47 U.S.C. §§ 151-154, 251(e), and 303(r), Sections 1.3 and 52.26 of the Commission's rules, 47 C.F.R. §§ 1.3 and 52.26, that iconectiv file a copy of the Voting Trust with the Commission within seven days of its execution.

20. IT IS FURTHER ORDERED, pursuant to the authority contained in Sections 1-4, 251(e), and 303(r) of the Communications Act of 1934, as amended, 47 U.S.C. §§ 151-154, 251(e) and 303(r), and pursuant to authority delegated under Sections 0.41, 0.91, 0.251 and 0.291 of the Commission's rules, 47 C.F.R. §§ 0.41, 0.91, 0.251 and 0.291, that the Request of Telcordia Technologies, Inc. d/b/a iconectiv to Approve Modifications to the Local Number Portability Administrator Code of Conduct and the Ericsson Voting Trust, and, if Necessary, the Minority Investment by FP Icon Holdings, L.P. IS GRANTED to the extent set forth herein.

21. IT IS FURTHER ORDERED, pursuant to the authority contained in sections 1-4, 251(e), 303(r) and 408 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 151-154, 251(e), and 303(r), Section 1.103 of the Commission's rules, 47 C.F.R. § 1.103, and pursuant to authority delegated under Sections 0.41, 0.91, 0.251 and 0.291 of the Commission's rules, 47 C.F.R. §§ 0.41, 0.91, 0.251 and 0.291, that this Order in WC Docket Nos. 07-149 and 09-109, and CC Docket No. 96-115 IS ADOPTED and IS EFFECTIVE UPON RELEASE.

FEDERAL COMMUNICATIONS COMMISSION

Kris Anne Monteith  
Chief  
Wireline Competition Bureau

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<sup>30</sup> See *LNPA Selection Order* at paras. 182, 186, 188.

**APPENDIX A**  
**Voting Trust Agreement**  
**(Amended and Restated on [DATE])**

THIS AGREEMENT, dated as of \_\_\_\_\_, 2016 (this "Agreement"), as amended on [DATE] is by and among Ericsson Holding II Inc., a Delaware corporation (the "Stock Holder"), Telefonaktiebolaget LM Ericsson, a Swedish company ("Parent") and Jane Mago and Thomas Krattenmaker (collectively, "Voting Trustees" or "Trustees").

WITNESSETH:

WHEREAS, the Stock Holder is the direct owner and Parent is the indirect owner of a majority of the voting equity interests in Telcordia Technologies, Inc., d/b/a iconectiv, a Delaware corporation (including any successor entity) ("Telcordia"), described on Schedule A attached hereto (the "Trust Stock");

WHEREAS, in connection with the conditional selection of Telcordia as the Local Number Portability Administrator for the United States ("LNPA"), the Federal Communications Commission (the "FCC") has required the Stock Holder to cause all of its Trust Stock to be placed in a voting trust, as provided for herein, prior to executing a contract to govern Telcordia's service as the LNPA; and

WHEREAS, Stock Holder has directed that, during the term of this Agreement, stock certificates representing the Trust Stock be issued to the Trustees, as Trustees, if when and as the Trust Stock is issued for the purpose of vesting in the Trustees the right to vote the Trust Stock for the period and upon the terms and conditions stated herein, and that it appear in such Trust Stock when issued that the same has been issued to the Trustees, as Trustees, pursuant to this Agreement, and that Telcordia cause such issuance to be duly noted on its books and records.

NOW, THEREFORE, in satisfaction of the FCC's Order in *Telcordia Technologies, Inc. Petition to Reform Amendment 57 and to Order a Competitive Bidding Process for Number Portability Administration, et al.*, FCC 15-35 (rel. March 27, 2015) ("FCC Order"), and in consideration of the premises and of the mutual covenants and obligations set forth in this Agreement, and the payment of ONE DOLLAR (\$1.00) by Stock Holder to each of the Voting Trustees, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Creation of Trust; Transfer of Voting Rights; Exercise in Voting Trustee's Discretion.

1.1 Subject to the terms and conditions hereof, a voting trust in respect of the Trust Stock is hereby created and established under the laws of the state of Delaware. The Stock Holder hereby constitutes and appoints the Voting Trustees, to whom the FCC has consented, from and after the date hereof until the termination of this Agreement (at which point such constitution and appointment shall automatically be revoked), as the Stock Holder's voting trustees, attorney, agent and proxy to vote the Trust Stock (or execute a written consent in lieu of a vote of such Trust Stock) on all matters on which the holder of such Trust Stock is entitled to vote (or execute a written consent in lieu of voting).

1.2 During the term of this Agreement, except as provided in Section 1.3, the Voting Trustees shall have the sole, exclusive, absolute, and unqualified power to (i) vote the Trust Stock with discretion as to how to vote the Trust Stock in a manner consistent with complying with all neutrality requirements associated with Telcordia's selection by the FCC as the LNPA, including the Appendix entitled "Conditions on Impartiality/Neutrality" and Telcordia's Code of Conduct (collectively

“Neutrality Requirements”) and (ii) execute stockholders’ consents at every annual and special meeting of the stockholders of Telcordia and in any and all questions arising thereat. In carrying out their duties pursuant to item (ii) of this section, Voting Trustees will maintain a Board composition when all vacancies are filled of 3 Independent members (as defined in the Code of Conduct), one representative of Ericsson, two representatives of FP-Icon Holdings, L.P. or its permitted transferees or successors (the “Investor” and such representatives, the “Investor Designees”), and the Chief Executive Officer of Telcordia, provided that the requirements of item (i) regarding compliance with Neutrality Requirements are met and the Voting Trustees are presented with sufficient nominees. The sole purpose of this Trust is to vote the Trust Stock, and the Trust shall not own or have the power to vote the securities of any corporation other than Telcordia, or any successor thereto.

1.3 Notwithstanding Section 1.2 above, Stock Holder shall have the ability to direct the Voting Trustees to vote their interests, and the Voting Trustees shall vote in accordance with the Stock Holder’s instructions, in respect to any proposal to authorize or effect:

- (a) Any merger or consolidation or other reorganization of Telcordia with or into another corporation (including employee or director compensation specifically associated with such a transaction);
- (b) The issuance by Telcordia of any shares of capital stock or rights to acquire capital stock (or the splitting, combining, reclassifying thereof), including as part of a recapitalization or sale of a non-controlling equity interest in Telcordia (including employee or director compensation specifically associated with such a transaction);
- (c) The acquisition by Telcordia of another corporation by means of a purchase of all or substantially all of the capital stock or assets of such corporation (including employee or director compensation specifically associated with such a transaction);
- (d) Any sale, lease, transfer or other disposition of all or substantially all the assets of Telcordia (including employee or director compensation specifically associated with such a transaction);
- (e) Any sale, lease, transfer or other disposition of any assets of Telcordia that are unrelated to Telcordia’s performance or duties as the LNPA, and any other matters unrelated to Telcordia’s duties as LNPA.
- (f) A liquidation, winding up, receivership, bankruptcy, dissolution or adoption of any plan for the same;
- (g) The incurrence of any indebtedness for borrowed money or the issuance of any debt securities or assumption, guarantee or endorsement, or otherwise as an accommodation becoming responsible for, the obligations of any person for borrowed money;
- (h) Any amendment to the Certificate of Incorporation or the Bylaws or other organization documents of Telcordia or any of its subsidiaries, except if such amendment affects compliance with the Neutrality Requirements, or the composition, selection or removal of the Board of Directors of the Telcordia or any subsidiary providing LNPA services;
- (i) Any non-compensatory agreement or arrangement with any stockholder, executive officer, director or any affiliates thereof, except if such agreement or arrangement would violate the Neutrality Requirements;
- (j) Any change to material accounting principles, policies or practices; or

(k) The declaration or payment of any dividends or distributions on any capital stock of the Company.

1.4 Notwithstanding the provisions of this Agreement, Stock Holder may, with the FCC's prior written consent, which consent may be given, conditioned or withheld in the FCC's sole discretion, sell any part of its Trust Stock to a third party. Upon such a disposition, the Trustees, upon the receipt by them of a proper discharge or release from Stock Holder, or its successors or assigns, and upon payment of any stamp taxes or other governmental charges in connection with such surrender and delivery, will cause to be delivered to Stock Holder, or its successors or assigns, certificates of capital stock of Telcordia in amounts corresponding to the Trust Stock issued, delivered or transferred to the Trustees at any time pursuant to this Agreement and being sold or distributed in that disposition.

1.5 The Trustees may act hereunder either by the affirmative vote of both Trustees, in person, at a meeting duly called and held, and such vote shall be deemed the decision or act of both Trustees, or by a written instrument without a meeting of the Trustees signed by both Trustees. The Trustees may adopt their own rules of procedure and shall keep reasonable minutes of their proceedings.

## 2. Distributions, etc.

2.1 The Stock Holder shall be entitled to any distribution on any Trust Stock, and if same be paid to the Trustees, such distributions shall be disbursed by the Trustees to the Stock Holder; provided that if any distribution is in the form of any security that entitles its holder to voting rights in the entity making such distribution, such voting rights shall be treated for all purposes of this Agreement as voting rights attendant to such Trust Stock, and shall be automatically transferred to the Voting Trustees to the same extent provided herein.

2.2 In the event of any recapitalization or similar change in, or any conversion or exchange of, any Trust Stock, the provisions of this Agreement shall be equitably adjusted to eliminate the effects thereof and, to the extent required, the Stockholder shall issue additional certificates of Trust Stock to the Voting Trustees

## 3. Voting Trustees.

3.1 Each Voting Trustee ( a ) accepts the trust and proxy hereby created in accordance with all of the terms and conditions and reservations herein contained and agrees to serve as Voting Trustee hereunder, and (b) agrees that he will exercise the powers and perform the duties of the Voting Trustee as herein set forth according to his best judgment.

3.2 Each of the two trustees shall be unaffiliated with each other, and each shall have no familial or business connection with the management of Telcordia, Parent (including any of its subsidiaries and affiliates), Stock Holder (including any of its subsidiaries and affiliates), or any Telecommunications Service Provider (defined as any telecommunications carrier as defined in 47 U.S.C. §153(51) and any interconnected VoIP provider as defined in 47 U.S.C. § 153(25)). The Voting Trustees shall take no action that would cause Telcordia to violate the Code of Conduct.

3.3 Any Trustee or successor Trustee may at any time resign by delivery to the other Trustee and to the Stock Holder his resignation in writing. In the event of a vacancy or vacancies occurring in the office of Trustee or successor Trustee through the death, incapacity, resignation, refusal to act, or removal from the role of Trustee under this Agreement, the Stock Holder may appoint a successor Trustee to fill each such vacancy, with the prior written consent of the FCC. A majority of the Telcordia Board of Directors, by affirmative vote, may remove a Trustee with or without cause at any time, with the written

consent of the FCC, which consent shall not be unreasonably withheld or delayed, and a successor Trustee shall be appointed in accordance with the preceding sentence. The successor Trustee so appointed shall be clothed with all the rights, privileges, duties and powers conferred upon the Trustees herein named. Upon the appointment of a successor Trustee, new certificates of Trust Stock shall be issued in the names of the current Voting Trustees.

3.4 The Stock Holder hereby waives any and all claims of every kind and nature which hereafter the Stock Holder may have against the Voting Trustees, and agrees to release and by such act does release each Voting Trustee and his respective successors and assigns from any liability whatsoever arising out of or in connection with the exercise of his powers or the performance of his duties hereunder, except for such claims or liability as may arise out of the willful misconduct or gross negligence of such Voting Trustee. Each Voting Trustee shall be free from liability in acting upon any paper, document or signature reasonably believed by the Voting Trustee to be genuine and to have been signed by the proper party. No Voting Trustee shall be liable for any error of judgment in any act done or omitted, nor for any mistake of fact or law, nor for anything that the Voting Trustee may do or refrain from doing, unless, in each case, the Voting Trustee's action or failure to act constitutes willful misconduct or gross negligence. Each Voting Trustee may consult with legal counsel and action under this Agreement suffered or taken in good faith by such Voting Trustee in accordance with the opinion of the Voting Trustee's counsel shall be conclusive on the parties to this Agreement and such Voting Trustee shall be fully protected and be subject to no liability with respect thereto.

3.5 In consideration of each Voting Trustee's services hereunder, the Stock Holder shall pay to each Voting Trustee Two Thousand Five Hundred Dollars (US\$2,500) per calendar month. This amount may be increased with the consent of the FCC for good cause, which includes the amount of time actually required to fulfill Trustees' duties. In addition, the Stock Holder shall pay all reasonable expenses of the Voting Trustees, including, without limitation, counsel fees, and shall discharge all liabilities incurred by the Voting Trustees, or either of them, in connection with the exercise of their powers and performance of their duties under this Agreement, except such as shall arise from the willful misconduct or gross negligence of a Voting Trustee. The Stock Holder shall also indemnify and hold the Voting Trustees harmless from and against any and all claims and liabilities in connection with or arising out of the administration of the voting trust created by this Agreement or the exercise of any powers or the performance of any duties by him as herein provided or contemplated, except such as shall arise from the willful misconduct or gross negligence of a Voting Trustee.

#### 4. Termination and Amendment.

4.1 This Agreement and the voting trust hereby created shall be irrevocable, except as set forth in Sections 4.2, 4.3 and 4.4, or upon the request of the Stock Holder and receipt of the written consent of the FCC.

4.2 In the event that Telcordia shall cease to be appointed by the FCC to serve as the LNPA, this Agreement shall terminate.

4.3 In the event of the winding-up, dissolution or total liquidation of Telcordia, this Agreement shall terminate with respect to the Trust Stock.

4.4 This Agreement will terminate in the event that Parent or any of its subsidiaries or affiliates, in the absence of this Trust, would no longer hold a direct or indirect de jure or de facto controlling interest in Telcordia, subject to the written consent of the FCC.

4.5 Upon termination, the Trustees, upon the receipt by them of a proper discharge or release from Stock Holder, or its permitted successors or assigns, and upon payment of any stamp taxes or other governmental charges in connection with such surrender and delivery, will cause to be delivered to Stock

Holder, or its permitted successors or assigns, certificates of capital stock of Telcordia in amounts corresponding to the Trust Stock issued, delivered or transferred to the Trustees at any time pursuant to this Agreement.

4.6 This Agreement may be amended only with written consent of the Voting Trustees and the Stock Holder, or their permitted successors or assigns, and with the prior written consent of the FCC.

5. Miscellaneous. This Agreement shall be governed by and construed and enforced in accordance with the laws of the state of Delaware regardless of the laws that otherwise might govern under applicable principles of conflicts of laws thereof. This Agreement shall be binding upon and inure solely to the benefit of each party hereto and their respective successors, legal representatives and permitted assigns except that the FCC shall be an express third party beneficiary hereto. This Agreement shall not be assignable by any party hereto without the prior written consent of each other party hereto and with the prior written consent of the FCC. In case any provision of this Agreement shall be held to be invalid or unenforceable in whole or in part, neither the validity nor the enforceability of the remainder of this Agreement shall in any way be affected. This Agreement constitutes the entire understanding of the parties hereto and supersedes all prior agreements or understandings with respect to the subject matter hereof among the parties. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the provisions hereof. This Agreement may be executed simultaneously in several counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

6. All formal notices given under this Agreement shall be in writing and shall be deemed to have been duly given when delivered in person or by overnight express or mailed by first-class, registered or certified mail, postage prepaid, or email and addressed to the parties as follows:

If to the voting Trustees:

Jane Mago  
4154 Cortland Way  
Naples, Florida 34119  
[jem@jmago.net](mailto:jem@jmago.net)

Thomas Krattenmaker  
2741 Pembsly Drive  
Vienna, VA 22181  
[tgkratt@cox.net](mailto:tgkratt@cox.net)

With copies to:

Competition Policy Division Wireline  
Competition Bureau  
Federal Communications Commission  
445 12th Street, S.W.  
Washington, D.C. 20554  
Facsimile: (202) 418-1413  
Attention: Chief, CPD

and

If to the Stock Holder:

Ericsson Holding II Inc.  
c/o John Moore  
6300 Legacy Drive  
Plano, Texas 75024  
Email: [John.Moore@Ericsson.com](mailto:John.Moore@Ericsson.com)

With a copy to:

Tara O'Neill Diaz  
General Counsel  
Telcordia Technologies, Inc., d/b/a iconectiv  
444 Hoes Lane  
Piscataway, NJ 08854  
Email: [tdiaz@iconectiv.com](mailto:tdiaz@iconectiv.com)

Office of General Counsel  
Federal Communications Commission  
445 12th Street, S.W.  
Washington, D.C. 20554  
Facsimile: (202) 418-2822  
Attention: General Counsel

Each notice which shall be delivered, mailed or transmitted in the manner described above shall be deemed sufficiently received for all purposes at such time as it is delivered to the addressee (with any return receipt, delivery receipt being deemed conclusive evidence of such delivery) or at such time as delivery is refused by the addressee upon presentation.

[Signature page to follow]

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be duly executed and delivered as of the date first above written.

ERICSSON HOLDING II INC.

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By: Name:

Title:

Date:

TRUSTEES:

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Name:

Date:

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Name:

Date:

**APPENDIX B****Local Number Portability Administrator Code of Conduct  
(as amended and restated on [•], 2017)**

For so long as it serves as Local Number Portability Administrator (“LNPA”), and except as expressly authorized by the Federal Communications Commission or its Wireline Competition Bureau:

1. As the LNPA, Telcordia Technologies, Inc., d/b/a iconectiv (“iconectiv”) shall not, directly or indirectly, show any preference or provide any special consideration to any Telecommunications Service Provider (“TSP”) with respect to LNPA services.
2. iconectiv shall not share LNP data or proprietary information of any TSP served by the LNPA (except as necessary for the performance of LNPA duties by the LNPA, or pursuant to the LNPA Master Services Agreement).
3. iconectiv, Ericsson and Francisco Partners shall not share confidential information about iconectiv’s LNPA business services or operations with employees of any TSP (except as necessary for the performance of iconectiv’s LNPA duties).
4. No employee, officer, or director of iconectiv or any dedicated employee of any subcontractor, directly involved in “core LNPA activities” (as defined by the Order)<sup>31</sup> shall hold any interest, financial or otherwise, that would cause iconectiv to no longer be neutral, without obtaining prior approval from the Federal Communications Commission or recusing himself or herself from all activities relating to the provisions of LNPA services.<sup>32</sup>
5. No person serving in the management of iconectiv and directly involved in LNPA services shall serve (i) in the management, (ii) as a member of the Board of Directors, (iii) as a Managing Member of an LLC, or (iv) as a General Partner of a partnership of any TSP without obtaining prior approval from the Federal Communications Commission or recusing himself or herself from all LNPA associated activities. For the purposes of this Code, “management of iconectiv” shall be defined as an officer of iconectiv or a member of the iconectiv Board of Directors.
6. iconectiv shall retain all decision making authority regarding LNPA services; any sub-contractor that provides LNPA-related services shall provide such services to the specific direction of iconectiv and shall not have discretionary decision making authority regarding LNPA services.
7. iconectiv’s Board of Directors shall meet the following requirements:

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<sup>31</sup> 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, ¶ 177.

<sup>32</sup> For avoidance of doubt, an “interest” does not include holdings by a mutual fund, life insurance policy, annuity, or similar vehicle over which the employee does not control the vehicle’s investment decisions. For the purposes of this section, interests of one percent or less are not cognizable as ownership.

- a. iconectiv's Board of Directors shall consist of a majority of Members independent of Ericsson, and a plurality of independent Members. Members' independence shall be evaluated pursuant to the provisions of this Code and Section 303A.02 of the Rules of the New York Stock Exchange.
  - b. Each Member shall be vetted for neutrality issues.
  - c. No Member shall be an employee, recently retired employee, officer, director, managing member, or partner of a TSP.
  - d. No independent Member shall be an employee, recently retired employee, officer, director, managing member, or partner of Ericsson, Francisco Partners or the management of iconectiv, nor shall any independent Member be an affiliated person of iconectiv or its subsidiaries. An "affiliated person" is a person that directly or through one or more intermediaries, controls, or is controlled by, or is under common control with, iconectiv.
  - e. No independent Member will receive compensation from iconectiv other than as a director.
8. No iconectiv employee directly involved in core LNPA activities (as defined in the Order) will be a shared employee with Ericsson, nor shall any such iconectiv employee be detailed from Ericsson. Further, no such employee of iconectiv will participate in any profit-sharing or long-term compensation program offered to employees of Ericsson, except to the extent that such employee participated in an Ericsson pension plan as of March 27, 2015, nor shall any such iconectiv employee or independent Member of the Board of Directors hold Ericsson stock.
9. All iconectiv employees working on LNPA services, subcontractor employees designated to perform core LNPA services, and SungardAS employees subject to Section 10.c, below, shall receive impartiality/neutrality training (i) when hired or upon commencement of LNPA related duties and (ii) on an annual basis.
10. iconectiv shall secure a written commitment of recusal from any decisions regarding LNPA services from any person on Sungard Availability Services, LP's parent company's ("SungardAS") board of directors who owns or represents an entity that holds both a direct or indirect interest in SungardAS of ten percent (10%) or more and an interest in one or more TSP(s) of ten percent (10%) or more.
- a. SungardAS shall notify iconectiv if, at any time, it becomes aware that any Sungard affiliate intends to commence providing switched services that utilize number portability. iconectiv will notify the FCC and NAPM within five business days of receipt that it has received such notification.
  - b. Any owner of SungardAS that also has, or serves as an officer or director of an entity that has ownership interests, including voting rights, greater than ten percent (10%) in a TSP shall recuse himself or herself from participating in material discussions or decision-making involving the services SungardAS provides to iconectiv in support of LNPA services.

- c. All SungardAS employees dedicated to providing services to iconectiv in support of LNPA services, and all SungardAS managers directly overseeing day-to-day responsibilities of such employees shall be bound by this Code of Conduct.
11. iconectiv shall conduct a semiannual neutrality audit that, among other things, verifies its compliance with these conditions.