

**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 21, 2025

Released: August 21, 2025

By the Chief, Wireline Competition Bureau:

I. INTRODUCTION

1. Local number portability promotes consumer choice and competition by allowing consumers to keep their phone numbers when they choose to switch providers. The Local Number Portability Administrator (LNPA) plays a pivotal role in this process by making such porting possible. In light of the competitively sensitive nature of this function as well as other numbering administration functions, the Communications Act of 1934, as amended (the Act), and the Federal Communications Commission's (Commission) orders and rules require the LNPA to act impartially and maintain its neutrality (the Neutrality Rules).¹ Specifically, as part of the Commission's responsibility for the administration of telephone numbers, Congress directed 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."² At the Commission's direction, the LNPA plays an important role in this process

¹ 47 U.S.C. § 251(e)(1); 47 CFR § 52.12(a)(1); *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, Order, 30 FCC Rcd 3082, 3085, para. 7, 3151, para. 160 & n.562, 3157, para. 177 & n.607 (2015) (*LNPA Selection Order*) (applying the neutrality requirements of section 52.12 of the Commission's rules, which expressly reference the North American Numbering Plan Administrator (NANPA) and the Billing and Collection Agent, to other numbering administrators), *aff'd on other grounds sub nom. Neustar Inc. v. FCC*, 857 F.3d 886 (D.C. Cir. 2017).

² 47 U.S.C. § 251(e)(1).

by managing the system, known as the Number Portability Administration Center/Service Management System (NPAC/SMS), that makes such porting possible.³

2. Pending before the Wireline Competition Bureau (Bureau) is a request by the current LNPA, iconectiv LLC (iconectiv), for (1) approval of its proposed transfer of control from its current owners, Ericsson Holdings II, Inc. (together with Telefonaktiebolaget LM Ericsson, its Swedish parent corporation, Ericsson) and F.P.-Icon Holdings, L.P. (FP-Icon), to Koch Equity Development LLC (KED) via a subsidiary holding company that KED intends to form and use to acquire all of iconectiv's equity (Proposed Transaction) and (2) "confirmation that, following the acquisition of iconectiv . . . iconectiv will continue to meet the Commission's neutrality requirements" for the LNPA.⁴

3. In this *Order*, we review the Proposed Transaction to determine whether the ownership structure contemplated would be consistent with the Act and our Neutrality Rules. We find that, in light of the commitments, additional safeguards, and conditions we adopt in this *Order*, iconectiv will not be subject to undue influence by KED or other outside parties. As discussed below, these safeguards include a requirement that iconectiv establish a five-member board of directors, a plurality of which will be independent of KED. In addition, iconectiv will be subject to semiannual neutrality audits which under the terms of this *Order* must be conducted by an independent third party and submitted to the Commission for review; these routine audits, if properly implemented, should identify any inappropriate conduct and enable both the company and the Commission to take swift remedial action. Thus, we approve the transfer of control of iconectiv from Ericsson to KED, subject to the terms and conditions enumerated herein. Finally, the Bureau consents to iconectiv's current owners, Ericsson and FP-Icon, terminating the existing Ericsson-FP-Icon voting trust at the close of the Proposed Transaction.

II. BACKGROUND

A. First LNPA Selection

4. The Commission has a statutory obligation to ensure that an impartial entity administers telecommunications numbering, and therefore must approve the numbering administrator's ownership structure to ensure that it is neutral and that there are safeguards in place to protect against undue influence.⁵ On October 9, 1997, the Commission approved Lockheed Martin IMS (Lockheed), a subsidiary of Lockheed Martin Corp., to serve as the first administrator of the North American Numbering Plan. In analyzing neutrality, the Commission found that Lockheed's ownership of Loral SKYNET (SKYNET), a telecommunications service provider (TSP), violated the Neutrality Rules.⁶ The Commission, however, determined the affiliation with the TSP was "*de minimis*" in nature and, therefore, the affiliation did not subject Lockheed to undue influence by a party with a vested interest in the

³ *LNPA Selection Order*, 30 FCC Rcd at 3083, para. 1, 3085, para. 6. The NPAC/SMS (typically referred to simply as the NPAC) consists of hardware and software platforms that host a national information database and serve as the central coordination point of local number portability (LNP) activity. *Id.* at 3085, para. 6.

⁴ Request of iconectiv and KED to Confirm Neutrality and, if Necessary, For Consent to Transfer of Control, WC Docket No. 07-149, at 1 (filed Aug. 16, 2024) (Request).

⁵ 47 U.S.C. § 251(e)(1). *See* 47 CFR § 52.12(a)(1).

⁶ We use the term TSP to encompass any entity referred to in our part 52 numbering rules as a "telecommunications carrier," which includes an interconnected Voice over Internet Protocol (VoIP) service provider. 47 CFR § 52.5(i). We note that the term "telecommunications carrier" was expanded to include interconnected VoIP providers in 2015. *See Numbering Policies for Modern Communications et al.*, WC Docket Nos. 13-97 et al., Report and Order, 30 FCC Rcd 6839, 6841, para. 4 (2015), *appeal dismissed*, *NARUC v. FCC*, 851 F.3d 1324 (D.C. Cir. 2017).

outcome of numbering administration.⁷ Based on this finding as well as Lockheed's small financial interest in the TSP, among other factors, the Commission found that Lockheed, though in technical violation of the Neutrality Rules, could serve as the numbering administrator "without compromising the purpose of the statute and the resulting neutrality criteria."⁸

5. The Commission again addressed the numbering administrator's neutrality two years later following Lockheed's acquisition of two TSPs.⁹ The Commission found that Lockheed, by nature of its acquisition of TSPs, was itself a TSP, a clear violation of the Neutrality Rules' irrebuttable presumption that TSPs cannot be impartial for purposes of number administration.¹⁰ It further determined, however, that Lockheed could cure the neutrality violation by divesting and transferring its numbering administrator business unit to another organization that was in compliance with the Neutrality Rules.¹¹ The Commission also established a precedent for the agency to review and approve transfers of control of the numbering administrator.¹²

6. In order to come into compliance with the Neutrality Rules, Lockheed proposed to transfer the divested entity, NeuStar, Inc. (Neustar), to Warburg, Pincus Equity Partners (Warburg). In evaluating Neustar's impartiality, the Commission expressed concern that Warburg (a subsidiary of Warburg, Pincus & Co.), by nature of its affiliation with three TSPs,¹³ might be incentivized to "influence Neustar in a manner that might compromise Neustar's neutrality."¹⁴ Ultimately, the Commission found that Neustar would be in compliance with the Neutrality Rules if it adopted a tailored, Commission-approved voting trust and code of conduct.¹⁵ Among other conditions, the Commission required that Neustar's Board of Directors have five members, including two independent directors to counterbalance Warburg's influence.¹⁶ Subject to Neustar's adoption of these conditions, the Commission approved the proposed transfer of the numbering administrator, Neustar, to Warburg.¹⁷

⁷ *Administration of the North American Numbering Plan et al.*, CC Docket No. 92-237, Third Report and Order, 12 FCC Rcd 23040, 23080-81, paras. 78-81 (1997) (*Lockheed Approval Order*).

⁸ *Id.* at 23081, para. 81.

⁹ *Request of Lockheed Martin Corporation and Warburg, Pincus & Co. for Review of the Transfer of the Lockheed Martin Communications Industry Services Business*, CC Docket No. 92-237, Order, 14 FCC Rcd 19792, 19805, para. 18 (1999) (*Warburg Transfer Order*).

¹⁰ *Id.*

¹¹ *Id.* at 19804-06, paras. 17-19.

¹² *Id.*

¹³ *Id.* at 19814, para. 38.

¹⁴ *Id.* at 19811, para. 30.

¹⁵ *Id.*

¹⁶ *Id.* at 19812, para. 33 (noting that "the presence of the unaffiliated directors and trustees will counterbalance Warburg's influence over matters before the Board"); *see also id.*, at 19811-12, para. 32 (concluding that "[t]he presence of unaffiliated directors and trustees, who owe fiduciary duties to parties other than Warburg with a paramount interest in ensuring NeuStar's neutrality, should ensure that NeuStar does not compromise its neutrality obligations.").

¹⁷ *Id.* at 19814, para. 37.

B. Selection of Current LNPA

7. On March 27, 2015, the Commission first selected iconectiv (then known as Telcordia Technologies, Inc.), a subsidiary of Ericsson, a Swedish company, to be the LNPA, succeeding Neustar.¹⁸ In reviewing iconectiv's neutrality, the Commission acknowledged that Ericsson was not an "affiliate" of a TSP as that term is defined in the Neutrality Rules, but recognized that Ericsson's managed services contracts and equipment sales revenues were sufficiently large compared to iconectiv's LNPA contract to provide an incentive for Ericsson to unduly influence iconectiv to favor those interests, thus impairing iconectiv's impartiality.¹⁹

8. Consistent with the *Warburg Transfer Order*, the Commission resolved these concerns about potential undue influence by requiring Ericsson to place its iconectiv shares into a voting trust and requiring iconectiv to adopt a code of conduct to help ensure its neutrality (both of which currently remain in effect).²⁰ Under the voting trust, Ericsson retains its economic rights as an equity holder, such as the right to receive dividends, but no longer holds the rights an equity holder ordinarily would have to participate in votes concerning standard operational matters such as the approval of independent managers.²¹ Those voting rights are, instead, held by two independent trustees who are unaffiliated with any TSPs or with Ericsson and are approved by the Bureau in consultation with the Office of General Counsel (OGC).²² Thus, when there is a vote of iconectiv's equity holders relating to LNPA operations, Ericsson itself is not directing the actions or votes of the independent trustees.

9. The code of conduct required by the Commission pertains to how iconectiv manages its operations and includes provisions relating to iconectiv's employees and board of directors designed to ensure iconectiv's impartiality, such as prohibiting such persons from holding equity in a TSP.²³ The Commission also emphasized that it must consent to any amendments either to the voting trust or to the code of conduct.²⁴ Subject to these safeguards and conditions, the Commission found that iconectiv "demonstrated its commitment to maintain neutrality" and thus met the Commission's neutrality requirements.²⁵

10. During its current term as the LNPA, various changes in iconectiv's ownership structure required further Commission review and approval. In 2017, prior to the LNPA functions being fully transferred to iconectiv, iconectiv sought to add FP-Icon as a minority investor (with an approximate

¹⁸ *LNPA Selection Order*, 30 FCC Rcd at 3083-92, paras. 4-13 (outlining the background and history of the LNPA); see also *id.* at 3152, para. 162. Ericsson manufactures communications equipment and software and provides managed services. *Id.* The Commission issued a final decision approving the selection on July 25, 2016. *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, Order, 31 FCC Rcd 8406 (2016) (*LNPA Approval Order*), *aff'd sub nom, Neustar Inc. v. FCC*, 857 F.3d 886 (D.C. Cir. 2017).

¹⁹ *LNPA Selection Order*, 30 FCC Rcd at 3159, para. 181.

²⁰ *Id.* at 3159-60, para. 182, 3161, para. 186.

²¹ *Id.* Although Ericsson does not cast equity holder votes itself, the current voting trust permits Ericsson to direct the trustees to vote on matters unrelated to iconectiv's LNPA operations, such as issuing debt and declaring dividends. *Id.*

²² *Id.* at 3159-60, para. 182.

²³ *Id.* at 3161, para. 186. The board of directors is termed as the "Board of Managers" in iconectiv's operating agreement and these terms will be used interchangeably.

²⁴ *Id.*

²⁵ *Id.* at 3162, para. 188.

16.7% ownership interest).²⁶ FP-Icon was (and remains) ultimately controlled by Francisco Partners and its affiliates, a private equity company that makes investments in companies across multiple technology sectors.²⁷ iconectiv argued that the proposed investment would strengthen iconectiv's neutrality and impartiality in carrying out its duties as the LNPA by causing the iconectiv Board of Managers to owe fiduciary duties not only to Ericsson, but also to FP-Icon.²⁸ The Bureau determined that the addition of FP-Icon, which at the time was unaffiliated with any TSPs or interconnected Voice over Internet Protocol (VoIP) providers,²⁹ as a minority investor, coupled with the adoption of additional safeguards through changes to the voting trust and code of conduct,³⁰ would not impair iconectiv's neutrality.³¹ The Bureau granted iconectiv's request to modify the voting trust and code of conduct and approved the minority investment of FP-Icon on August 4, 2017.³² Subsequently, the LNPA functions fully transitioned to iconectiv in May 2018.³³

11. Likewise, in 2019, an affiliate of FP-Icon, LMI Holding, Inc. (LMI Holding), sought Commission approval to acquire a controlling indirect interest (51%) in LogMeIn, Inc., the parent company to four relatively minor³⁴ interconnected VoIP service providers.³⁵ The Bureau acknowledged that FP-Icon's controlling interest in iconectiv and LMI's interest in LogMeIn would result in iconectiv's affiliation with a TSP and likely violate the Neutrality Rules.³⁶ Pursuant to section 52.12(a)(1)(iii) of the Commission's rules, however, the Bureau determined that the imposition of certain conditions would provide adequate protection against the potential for undue influence related to FP-Icon's interest in LogMeIn. These conditions included extending to FP-Icon safeguards that had previously been imposed solely on Ericsson, such as placing FP-Icon's equity interests in iconectiv into the same voting trust that held Ericsson's interests and amending the code of conduct to ensure an arms-length relationship between FP-Icon and iconectiv.³⁷ The conditions reduced FP-Icon's influence on the iconectiv Board of Managers

²⁶ *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, Memorandum Opinion and Order, 32 FCC Rcd 5839, 5840 (WCB 2017) (*Francisco Partners Investment Order*).

²⁷ 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, at 5 (filed Mar. 31, 2017) (iconectiv 2017 Request).

²⁸ *Id.* at 2, 15-16.

²⁹ FP-Icon's owner, Francisco Partners, did hold a small investment (five percent) in a corporation with a small TSP business unit; that interest, however, was below the 10% threshold established in the Neutrality Rules. *See Francisco Partners Investment Order*, 32 FCC Rcd at 5841, para. 7.

³⁰ iconectiv 2017 Request at 3, 16-21.

³¹ *Francisco Partners Investment Order*, 32 FCC Rcd at 5842, para. 11.

³² *Id.* at 5843, para. 17.

³³ Press Release, iconectiv, NAPM Announces Completion of Transition to iconectiv as Nation's New Local Number Portability Administrator (May 29, 2018), <https://iconectiv.com/news-events/napm-announces-completion-transition-iconectiv-nations-new-local-number-portability>.

³⁴ *See infra* note 61.

³⁵ *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, Memorandum Opinion and Order, 35 FCC Rcd 7106, 7106-07, para. 2 (WCB 2020) (*iconectiv FP-LogMeIn Order*).

³⁶ *Id.* at 7109, para. 10.

³⁷ *Id.* at 7110-12, paras. 12-21.

by eliminating certain minority interest holder rights previously permitted to FP-Icon, such as reducing the number of directors FP-Icon was entitled to nominate from two to one and eliminating the special voting rights FP-Icon had in the iconectiv operating agreement relating to particular matters.³⁸ Subject to these conditions, the Bureau approved the modifications to the voting trust and code of conduct and found the new affiliation was consistent with the Neutrality Rules.³⁹

C. Pending Request

12. On November 21, 2021, Ericsson agreed to purchase Vonage Holdings Corp. (Vonage), a leading interconnected VoIP service provider.⁴⁰ On January 17, 2022, iconectiv requested that the Bureau confirm that, after the transaction, iconectiv would continue to meet the neutrality requirements under the Neutrality Rules.⁴¹ On July 20, 2022, the Bureau sent a letter to iconectiv's counsel explaining that the Bureau was still considering iconectiv's request and that any closing of the proposed transaction would remain subject to the Commission's authority to enforce the requirements of the Act and its Neutrality Rules.⁴² Ericsson closed its acquisition of Vonage one day later, making Vonage a wholly-owned subsidiary of Ericsson and, therefore, an affiliate of iconectiv.⁴³ The Bureau and OGC advised the parties of their concerns and continued their review of potential neutrality issues post-closing, including through extensive dialogue with iconectiv and Ericsson and detailed requests for supplemental information.⁴⁴

³⁸ *Id.*

³⁹ *Id.* at 7113, paras. 24-25.

⁴⁰ Press Release, Ericsson, Ericsson to acquire Vonage for USD 6.2 billion to spearhead the creation of a global network and communication platform for open innovation (Nov. 22, 2021), <https://www.ericsson.com/en/press-releases/2021/11/ericsson-to-acquire-vonage-for-usd-6.2-billion-to-spearhead-the-creation-of-a-global-network-and-communication-platform-for-open-innovation> (Ericsson Nov. 22, 2021 Press Release). Recent market analysis indicates Vonage is currently a top 3 VoIP service provider. IBISWorld, *VoIP in the US – Market Research Report (2015-2030)* (July 2025), <https://www.ibisworld.com/united-states/industry/voip/1269/>; see also IBISWorld, *Vonage Holdings Corp - Company Profile*, <https://www.ibisworld.com/united-states/company/vonage-holdings-corp/10178/> (last visited July 25, 2025) (estimating Vonage had more than a 10% share of the VoIP market as of 2021). According to market research, the domestic residential VoIP market is “moderately concentrated, with several key players dominating the industry,” including “[l]arge, established firms such as Verizon, Vonage, and Zoom [that] hold significant market shares, benefiting from their extensive infrastructure, brand recognition, and broad customer base. Credence Research, *Residential VoIP Service Market – Growth, Share, Opportunities & Competitive Analysis, 2024-2032* (Apr. 23, 2025), <https://www.credenceresearch.com/report/residential-voip-services-market>.

⁴¹ Letter from John T. Nakahata, Counsel to iconectiv, LLC, to Kris Monteith, Chief, FCC Wireline Competition Bureau at 7 (Jan. 17, 2022) (on file in CC Docket No. 95-116) (Vonage January 17, 2022 Filing).

⁴² Letter from Trent B. Harkrader, Chief, FCC Wireline Competition Bureau to John T. Nakahata, Counsel to iconectiv, LLC (July 20, 2022) (on file in CC Docket No. 95-116) (WCB July 20, 2022 Letter to iconectiv).

⁴³ Press Release, Ericsson, Ericsson completes acquisition of Vonage (July 21, 2022), <https://www.ericsson.com/en/press-releases/2022/7/ericsson-completes-acquisition-of-vonage> (Ericsson July 21, 2022 Press Release).

⁴⁴ See, e.g., Letter from John T. Nakahata, Counsel to iconectiv, LLC, to Marlene H. Dortch, Secretary, FCC (Feb. 7, 2023) (on file in CC Docket No. 95-116); Letter from John T. Nakahata, Counsel to iconectiv, LLC, to Marlene H. Dortch, Secretary, FCC (Feb. 24, 2023) (on file in CC Docket No. 95-116); Letter from John T. Nakahata, Counsel to iconectiv, LLC, to Marlene H. Dortch, Secretary, FCC (Apr. 12, 2023) (on file in CC Docket No. 95-116); Letter from John T. Nakahata, Counsel to iconectiv, LLC, to Marlene H. Dortch, Secretary, FCC (Jun. 27, 2023) (on file in CC Docket No. 95-116); Letter from John T. Nakahata, Counsel to iconectiv, LLC, to Marlene H. Dortch, Secretary, FCC (Sep. 14, 2023) (on file in CC Docket No. 95-116); Letter from John T. Nakahata, Counsel to iconectiv, LLC, to Marlene H. Dortch, Secretary, FCC (Jan. 29, 2024) (on file in CC Docket No. 95-116).

13. To address the Commission’s ongoing neutrality review and concerns, on August 16, 2024, iconectiv and KED (together with Ericsson and FP-Icon, the Requesting Parties), filed an application seeking approval of the sale of iconectiv by Ericsson and FP-Icon to KED and requesting confirmation that after the sale closes, iconectiv will continue to meet the Commission’s neutrality requirements for the LNPA, as set forth in the Neutrality Rules.⁴⁵ KED, a Delaware limited liability company, is “the principal investment and acquisition arm of [Koch, Inc.], one of the largest privately held businesses in America.”⁴⁶ The Requesting Parties assert that the transfer of control of the LNPA to KED will ensure iconectiv’s neutrality and impartiality, place iconectiv under the control of a United States company, and continue to give iconectiv the resources it needs to invest in the NPAC.⁴⁷ The Requesting Parties also seek Commission consent to terminate the existing Ericsson-FP-Icon voting trust at close of the Proposed Transaction, as neither Ericsson nor FP-Icon will have any equity interests in iconectiv post-closing.⁴⁸

III. DISCUSSION

14. For the reasons set forth below, we approve the transfer of control of iconectiv to KED, conditioned on the adoption of measures imposed by this *Order* to ensure iconectiv will not be subject to undue influence by parties with a vested interest in the activities of the numbering administrator and will satisfy the Commission’s neutrality requirements. We also approve Ericsson and FP-Icon terminating the existing Ericsson-FP-Icon voting trust at close of the Proposed Transaction.

A. Neutrality Obligation

15. Section 251(e)(1) of the Act grants the Commission “exclusive jurisdiction” over numbering issues in the United States and requires that the Commission designate one or more impartial entities to administer telecommunications numbering.⁴⁹ As the Commission held in the *Warburg Transfer Order*, this authority extends to proposed transfers of control of the numbering administrator, and our precedents establish that the Commission must review and approve any such proposed transfers.⁵⁰ In addition to reviewing any such transfers, the Commission must independently evaluate and reassess whether the numbering administrator following the transfer would meet the requirements stated in our Neutrality Rules and precedents.⁵¹

16. iconectiv’s neutrality obligation is set forth in section 52.12(a)(1) of the Neutrality Rules, which requires that a numbering administrator (i) may not be an affiliate of any telecommunications service provider or interconnected VoIP provider; and (ii) may not issue a majority of its debt to, nor may it derive a majority of its revenues from, any telecommunications service provider; but (iii)

⁴⁵ Request at 1-18 (referencing 47 CFR § 52.12(a)).

⁴⁶ *Id.* at 3-4, 18.

⁴⁷ *Id.* at 1-2, 17 (“The NPAC is currently in the process of a rebuild and will need further capital investment to ensure efficient operation at the end of the current contract”).

⁴⁸ *Id.*

⁴⁹ 47 U.S.C. § 251(e)(1).

⁵⁰ *Warburg Transfer Order*, 14 FCC Rcd at 19804-05, para. 17 (“Because this Commission alone has statutory authority to select the NANPA, and we have not delegated this authority to Lockheed or any other entity, we conclude that Lockheed must obtain our prior approval to transfer the NANPA functions to any other entity.”).

⁵¹ *Id.*

notwithstanding the neutrality criteria, may be determined to be or not be subject to undue influence by parties with a vested interest in numbering administration and activities.⁵²

17. As the Commission has previously stated, the Neutrality Rules serve several critical functions.

First, they set a clear standard by which to govern the [LNPA's] impartiality to ensure that entities seeking to participate in the telecommunications marketplace obtain timely and efficient access to numbering resources, and that no particular industry segment, consumer group, or technology is unduly favored or disadvantaged. Second, the criteria ensure that the [LNPA] remains neutral in order to maintain the trust and confidence of the entities that must submit sensitive data to the [LNPA] in its numbering administration activities. Third, the criteria ensure that the [LNPA] is able to comply with its obligations without extensive and constant Commission oversight.⁵³

18. Accordingly, we must consider the proposed sale of iconectiv from Ericsson and FP-Icon to KED and independently evaluate whether iconectiv, in light of its proposed new ownership, will meet the neutrality requirements.

B. Neutrality Under the Existing Structure

19. As an initial matter, the Requesting Parties have asked us to confirm that “following the acquisition of iconectiv by . . . KED, iconectiv will *continue* to meet the Commission’s neutrality requirements for the Local Number Portability Administrator . . . as set forth in 47 CFR § 52.12(a).”⁵⁴ This request implicates the preceding transaction involving Ericsson’s acquisition of a 100% equity interest in Vonage, positioned at the time as one of the leading interconnected VoIP providers in the market.⁵⁵ Following Ericsson’s acquisition of Vonage, iconectiv became an indirect affiliate of a leading VoIP service provider because of Ericsson’s common ownership, facially in violation of the first prong of our Neutrality Rules.⁵⁶

20. iconectiv claims that it would not be subject to undue influence due to such affiliation because Ericsson would not jeopardize the LNPA business for the declining revenue of Vonage’s legacy VoIP business, an operation that iconectiv further claims was not the focus of Ericsson’s acquisition.⁵⁷

⁵² 47 CFR § 52.12(a)(1)(i)-(iii).

⁵³ *Warburg Transfer Order*, 14 FCC Rcd at 19808, para. 24.

⁵⁴ Request at 1 (emphasis added).

⁵⁵ See Vonage January 17, 2022 Filing (requesting confirmation of iconectiv’s compliance with the neutrality requirements). See also Somos, Inc. Comments, CC Docket No. 95-116, at 5 (filed Feb. 7, 2022).

⁵⁶ We understand that Ericsson’s investment in Vonage was far from passive; instead, Ericsson reportedly integrated Vonage’s VoIP business into the parent company’s operations, creating a direct and tangible risk of undue influence by a party with a vested interest in the outcome of numbering administration. Ericsson July 21, 2022 Press Release.

⁵⁷ Vonage January 17, 2022 Filing at 1-2, 7. While iconectiv made various claims related to Vonage’s VoIP business, namely that “it would be economically irrational for Ericsson to choose to jeopardize the iconectiv LNPA contract in favor of Vonage’s legacy, declining VoIP business,” and that “Ericsson is acquiring Vonage in order to leverage the latter’s VCP for reasons unrelated to the provision of interconnected VoIP services,” these claims are largely unsupported beyond a one year decrease in subscribers. The claims also fall short of, for example, a commitment by Vonage to stop advertising its VoIP services and wind down its VoIP business segment. *Id.* In fact, as of today, Vonage’s current website, which notes that it is a part of Ericsson, still advertises and offers VoIP services. Vonage, *Vonage Business Communications*, <https://www.vonage.com/unified-communications/> (last visited May 15, 2025).

iconectiv nevertheless acknowledges that Vonage's revenues "may exceed iconectiv's annual revenues from the LNPA and other businesses dependent upon neutrality,"⁵⁸ which creates inherent risks to the LNPA's independence and impartiality.⁵⁹ In addition, Vonage's value (as shown by its purchase price), subscriber base, and demonstrated interest in numbering administration, distinguish this affiliation from prior precedents.⁶⁰ We note that over the nearly 30-year history of administering the North American Numbering Plan in the United States, the Commission has never permitted an affiliation between the statutorily-neutral LNPA and a TSP or VoIP provider as significant as Vonage.⁶¹

21. While the Requesting Parties urge that the pre-existing iconectiv neutrality protections (voting trust and code of conduct) remain adequate to safeguard neutrality, under the applicable statutory framework and current Commission precedent, we are highly skeptical that conduct-based safeguards alone—which were previously designed to address different factual circumstances under an ownership structure that did not include affiliations that far exceed any TSP affiliation that has previously been permitted—could offset the inherent risks of a TSP affiliation of this magnitude. To address the Commission's concerns, however, Ericsson and FP-Icon have proposed to divest their ownership interests in iconectiv to KED. Accordingly, we need not grapple with these issues further.⁶²

⁵⁸ Vonage January 17, 2022 Filing at 7.

⁵⁹ Indeed, we reserved the opportunity for the Commission to exercise remedies at its disposal when extending the LNPA contract and required interim measures to preserve neutrality notwithstanding Ericsson's ownership of both Vonage and iconectiv. *See Third Local Number Portability Administrator Selection Process*, WC Docket No. 23-337, Order, 39 FCC Rcd 1020, 1027-28, para. 21 & n.64 (WCB Feb. 6, 2024).

⁶⁰ Vonage was sold to Ericsson for \$6.2 billion, Ericsson Nov. 22, 2021 Press Release, and boasted a VoIP subscriber base of approximately 800,000 lines at the end of 2021. Press Release, Vonage, Vonage Reports Fourth Quarter 2021 Financial Results (Feb. 24, 2022), <https://www.vonage.com/about-us/newsroom/press-releases/Vonage-Reports-Fourth-Quarter-2021-Financial-Results-02-24-2022/ba62c500-59b8-4820-be7d-6d2f93dd5e8e/>. Vonage also had a declared interest in numbering administration by virtue of both its membership on the North American Numbering Council (NANC), the federal advisory committee that previously advised the Commission on numbering administration issues, *FCC Announces Membership of the Rechartered North American Numbering Council and the Date of its First Meeting*, CC Docket No. 92-237, Public Notice, 36 FCC Rcd 11772 (WCB July 29, 2021), and its numbering authorization from the Commission granted by the Bureau in 2016. *Notice of Interconnected VOIP Numbering Authorization Granted*, WC Docket No. 16-49, Public Notice, 31 FCC Rcd 2295 (WCB Mar. 31, 2016).

⁶¹ *See, e.g., Warburg Transfer Order*, 14 FCC Rcd at 19802, para. 29 (finding a neutrality violation but allowing Lockheed time to transition its numbering administrator business unit to new ownership, which had interests between 50.6% and less than 5% in various TSPs, but did not utilize numbering resources). Similarly, the four interconnected VoIP providers at issue in the *iconectiv FP-LogMeIn Order* reported a combined total of {{ }} in fixed local service revenue (traditional circuit-switched and interconnected VoIP) on their FCC Form 499s for the calendar year immediately preceding the pertinent iconectiv request (calendar year 2019), compared to {{ }} of similar revenue reported by Vonage for calendar year 2024. *See* 2020 FCC Form 499-A filings of GetGo Communications LLC (filer ID 829933), Grasshopper Group, LLC (filer ID 827977), and Jive Communications, Inc. (828093); 2025 FCC Form 499-A filing of Vonage Business Inc. (filer ID 827095). LogMeIn Communications is listed as a trade name in Jive Communications, Inc.'s FCC Form 499 Filer database entry. FCC Form 499 Filer Database, <https://apps.fcc.gov/cgb/form499/499detail.cfm?FilerNum=828093> (last visited Aug. 7, 2025).

Material that is set off by double brackets {{ }} is subject to confidential treatment under the Commission's rules or is subject to a request for confidential treatment and is redacted from the public version of this document.

⁶² For this reason, and consistent with the approach in the *Warburg Transfer Order*, we also find it unnecessary at this stage to formally notify iconectiv that it has defaulted on its LNPA obligations by becoming an affiliate of a

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C. Neutrality Under the Proposed Structure

22. Under the Proposed Transaction, iconectiv would become a wholly-owned indirect subsidiary of KED; KED in turn wholly owns a TSP, TNS-TransLine, LLC (TransLine), through its subsidiary, Transaction Network Services, Inc. (TNS). Both TransLine and TNS would become affiliates of iconectiv upon closing. As explained below, iconectiv's proposed affiliation with TransLine would be contrary to the neutrality prohibition on TSP affiliations, and TNS and TransLine's additional financial relationships with other TSPs raise questions under the revenue and debt standard. Accordingly, we find that iconectiv would be in violation of the Neutrality Rules following the Proposed Transaction in the absence of additional safeguards to protect against the potential for undue influence.

1. Affiliate Relationship with Telecommunications Service Providers

23. For purposes of our Neutrality Rules, the term "affiliate" has the same meaning as in the Act—"a person who controls, is controlled by, or is under the direct or indirect common control with another person."⁶³ Our rules, in pertinent part, consider "control" to be an equity interest of 10% or more.⁶⁴ As stated above, KED is the "principal investment and acquisition subsidiary of Koch, Inc., one of the largest privately held businesses in America."⁶⁵ While "KED's investments involve companies in a variety of industries," KED owns one subsidiary that provides "telecommunications related services"—TNS—and another that is itself a TSP—TNS's subsidiary, TransLine.⁶⁶

24. The Requesting Parties acknowledge that TransLine, an indirect subsidiary of KED, is a TSP, albeit claiming a "*de minimis* footprint."⁶⁷ Under this proposed structure, TransLine would be under common ownership with iconectiv, contrary to section 52.12(a)(1)(i) of the Neutrality Rules which prohibits the numbering administrator from having an affiliation with a TSP. Thus, if the transaction were consummated as currently structured, we find that iconectiv would be in violation of section 52.12(a)(1)(i).

2. Debt or Revenues from Telecommunications Service Providers

25. 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 TSP.⁶⁸ There is no indication in the record that the pending transaction will result in iconectiv itself issuing any new debt or deriving a majority of its revenues from a TSP. Examining its affiliates, based on the Requesting Parties' representations, neither TransLine nor TNS issues any third party debt, much less issues any debt to a TSP. As to revenues, while TNS does not derive a majority of its revenues from TSPs, the Requesting Parties, however, indicate that {[]} of TransLine's 2024 revenues were derived from TSPs⁶⁹ and its business is focused on "[acting] as an intermediary between its carrier

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significant TSP or VoIP as otherwise required by our rules. See *Warburg Transfer Order*, 14 FCC Rcd at 19805-06, para. 19.

⁶³ 47 CFR § 52.12(a)(1)(i); 47 U.S.C. § 153(2).

⁶⁴ 47 CFR § 52.12(a)(1)(i)(A).

⁶⁵ Request at 3 (noting that Koch, Inc.'s companies have made investments of "nearly \$168 billion in growth and improvements" since 2003).

⁶⁶ *Id.* at 3-4.

⁶⁷ *Id.* at 7.

⁶⁸ 47 CFR § 52.12(a)(1)(ii).

⁶⁹ Letter from Steven A. Augustino, Counsel to Koch Equity Development, LLC to Michele Ellison, Deputy General Counsel, FCC (July 10, 2025) (on file in CC Docket No. 95-116). TransLine's reported revenue in 2024 was

(continued....)

customers and their interconnection partners, receiving TDM [time-division multiplexing] calls originated on its customers' networks and routing them to its customers' partners via IP interconnections.”⁷⁰ Given TransLine's revenues, we conclude that iconectiv's affiliation with TransLine would violate the second prong of the Neutrality Rules.

3. Undue Influence

26. Section 52.12(a)(1)(iii) of our rules states that, “[n]otwithstanding the neutrality criteria set forth in paragraphs (a)(1)(i) and (ii) of this section, the NANPA and B&C Agent [or other numbering administrator] may be determined to be or not to be subject to undue influence by parties with a vested interest in the outcome of numbering administration and activities.”⁷¹ The Commission's rules give us flexibility to consider potential sources of undue influence that might impair neutrality even when the bright line affiliation and economic interest portions of the Neutrality Rules are not violated.⁷² This provision also permits the Commission to consider and determine whether the potential for undue influence arising from affiliation or economic relationships with TSPs can be sufficiently addressed by appropriate conditions and safeguards.⁷³ In effect, this provision permits the Commission to determine, if appropriate, that the LNPA is not subject to the undue influence of an affiliate. Historically, the Commission has addressed undue influence concerns such as those here by adopting safeguards and imposing conditions on the numbering administrators.⁷⁴ As detailed below, while we find the Proposed Transaction poses some risk of undue influence, we conclude that with appropriate safeguards in place iconectiv will satisfy the neutrality requirements of the numbering administrator.

a. Potential for Undue Influence

27. We begin by evaluating iconectiv's potential affiliation with TransLine. The Requesting Parties acknowledge that TransLine is a TSP, but argue that those operations are miniscule compared to those of both KED and iconectiv.⁷⁵ The Requesting Parties rely heavily on the *Lockheed Approval Order*,⁷⁶ and argue that because KED's interest in TransLine is analogous to Lockheed's interest in SKYNET, the Commission should similarly find that such ownership interests are unlikely to create an incentive for undue influence.⁷⁷ While the relative economic size of TransLine and KED {{ }} is similar to that of SKYNET and Lockheed {{ }},⁷⁸ the Commission also considered and relied on other factors which make the *Lockheed Approval Order* particularly inapposite in this case. We address these in turn.

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 {{ }}. *Id.* ({{ }}).

⁷⁰ Request at 4.

⁷¹ 47 CFR § 52.12(a)(1)(iii).

⁷² *LNPA Selection Order*, 30 FCC Rcd at 3159, para. 181; *see also North American Numbering Plan Administration Neustar, Inc.*, CC Docket 92-237, Order, 19 FCC Rcd 16982, 16991, para. 22. (2004) (*Safe Harbor Order*).

⁷³ *Warburg Transfer Order*, 14 FCC Rcd at 19810, 19811, paras. 28, 31; *iconectiv FP-LogMeIn Order*, 35 FCC Rcd at 7110, para. 12.

⁷⁴ *See, e.g., LNPA Selection Order*, 30 FCC Rcd at 3159, para. 181; *Safe Harbor Order*, 19 FCC Rcd at 16991, para. 22; *Warburg Transfer Order*, 14 FCC Rcd at 19813, para. 34.

⁷⁵ Request at 9.

⁷⁶ *Id.* at 9-10.

⁷⁷ *Lockheed Approval Order*, 12 FCC Rcd at 23080.

⁷⁸ *Id.* at 23081, para. 80.

28. First, as to ownership, the Commission noted that Lockheed held only 16% of the equity of Loral Space and Communications Ltd., which purchased SKYNET in 1997.⁷⁹ The administrator was thus a minority owner, without a controlling stake, of the TSP. Any incentive to give special treatment or benefit to the TSP would therefore be substantially discounted.⁸⁰ Under the Proposed Transaction, by contrast, KED's incentive to have iconectiv (which it owns and controls) favor its wholly-owned TSP subsidiary would be subject to no such limitation.

29. Second, as to the utilization of numbering resources, although SKYNET was technically a TSP because it offered some satellite services on a common carrier basis, the Commission emphasized Lockheed's representation that SKYNET did not use numbering resources and noted that its customers only utilized video teleconferencing and broadcast video distribution.⁸¹ Under those circumstances, the Commission found that the service offerings did not jeopardize the neutrality of Lockheed as the numbering administrator.⁸² By contrast, TransLine's business directly implicates numbering resources as it is "reliant on TDM capabilities, access to telephone numbers, or porting," and functions as a routing connection for TSPs customers.⁸³ Moreover, TransLine applied for and received direct access to numbering resources as an interconnected VoIP provider in May 2024, just three months before filing the Request here.⁸⁴ Although the Requesting Parties indicate they have not yet obtained any numbers using this authorization,⁸⁵ the nature of its operations and the growth trajectory of its TSP business line increase the likelihood of an incentive to exert undue influence in the future.

30. Finally, as to growth potential, in the *Lockheed Approval Order*, the Commission found that SKYNET customers constituted "a discrete, specific group of former AT&T customers," using video teleconferencing and broadcast video distribution rather than numbering administration resources,⁸⁶ a seemingly stagnant and inherited customer base. Likewise, the Commission found there was a direct indication that SKYNET's TSP operations, or its interest in using numbering resources, would not increase.⁸⁷ TransLine is the opposite: a new, {[]} company, {[]},⁸⁸ whose use of numbering resources is likely to increase, given that it affirmatively sought and, in May 2024, obtained the authorization to access such resources.⁸⁹ In sum,

⁷⁹ *Id.*

⁸⁰ *Id.*

⁸¹ *Id.* at 23080, para. 79.

⁸² *Id.*

⁸³ Request at 4. Furthermore, "[a]s part of the solution it offers, . . . [TransLine] acts as an intermediary between its carrier customers and their interconnection partners, receiving TDM calls originated on its customers' networks and routing them to its customers' partners via IP interconnections." *Id.* TransLine does this "by converting TDM calls originated on a customer's network for delivery through IP interconnections to the customer's selected partners." *Id.* at 9.

⁸⁴ *Notice of Interconnected VoIP Numbering Authorization Granted*, WC Docket No. 24-95, Public Notice, 39 FCC Rcd 5600 (WCB 2024) (*TransLine iVoIP Authorization Grant*).

⁸⁵ *Id.* at 4.

⁸⁶ *Lockheed Approval Order*, 12 FCC Rcd at 23080, para. 79.

⁸⁷ *Id.*

⁸⁸ Letter from Steven A. Augustino, Counsel to Koch Equity Development, LLC to Michele Ellison, Deputy General Counsel, FCC (June 23, 2025) (on file in CC Docket No. 95-116).

⁸⁹ *TransLine iVoIP Authorization Grant*, *supra* note 84.

while the degree of potential undue influence may be currently limited by TransLine's size, the *Lockheed Approval Order* does not counsel in favor of ignoring that potential here.

31. We next examine iconectiv's potential affiliation with TNS, TransLine's parent company. The Requesting Parties explain that TNS is not itself a TSP.⁹⁰ While TNS apparently receives less than 50% of its total revenues from TSPs,⁹¹ this TSP revenue is nonetheless significant {{ }}.⁹² Furthermore, these {{ }} account for {{ }} of KED's total revenues.⁹³ This may provide an incentive for KED to use its ownership of the LNPA to favor {{ }}.⁹⁴ Given the substantial amount of TNS revenue from TSPs in both absolute and relative terms, and the relationships between the functions provided by TNS and the growing business of TransLine (which is used by KED to support TNS's growing business), we find that the Proposed Transaction without additional safeguards would subject iconectiv to undue influence by parties with a vested interest in the outcome of numbering administration activities. We therefore consider what conditions are appropriate under our precedents to address this potential for undue influence.

b. Safeguards and Conditions

32. Although the Requesting Parties contend that the potential for undue influence will be minimal, iconectiv nevertheless proposes to adhere to a neutrality-based code of conduct similar to the current code of conduct governing iconectiv and to establish a new voting trust with independent trustees, similar to those currently applicable to iconectiv's current ownership.⁹⁵ We have reviewed that proposal, and after consultations with OGC and the Bureau, KED submitted targeted revisions including additional safeguards.⁹⁶ We find these additional safeguards, as described below, sufficient to protect against undue influence and hereby adopt them as a condition of our approval in this *Order*.

⁹⁰ The Requesting Parties note that, "[a]lthough TNS assists many service providers, including TSPs, it does not itself provide telecommunications services" and "[t]o the extent any of [TNS's] services involve transmission elements, TNS either procures those from unaffiliated TSPs or has isolated such transmission through its subsidiary, TransLine." Request at 7-8. "Within the telecommunications sector, TNS' services enable functions like call setup and call analytics which, by their nature, enable interoperability among providers of all types, and must be provided without favor to any segment or industry." *Id.* at 8.

⁹¹ Request at 7 (TNS does not "derive a majority of its revenues from a TSP"). TNS has three primary lines of business, of which telecommunications is only one. *See id.* We note that if the three business lines were organized as separate affiliated corporations, the telecommunications affiliate would receive {{ }} of its revenues from TSPs and nearly {{ }}.

⁹² Letter from Steven A. Augustino, Counsel to Koch Equity Development, LLC to Michele Ellison, Deputy General Counsel, FCC (July 3, 2025) (on file in CC Docket No. 95-116).

⁹³ *Id.*

⁹⁴ *See LNPA Selection Order*, 30 FCC Rcd at 3152, para. 164, 3159, para. 181 (requiring safeguards to protect against undue influence created by similar structure).

⁹⁵ Request at 14, 16. Initial drafts of KED's proposed Local Number Portability Administrator Code of Conduct and Voting Trust Agreement were attached to the Request as Exhibits B and C, respectively.

⁹⁶ *See, e.g.*, Letter from Steven A. Augustino, Counsel to Koch Equity Development LLC, and John T. Nakahata, Counsel to iconectiv, LLC, to Marlene Dortch, Secretary, FCC (June 27, 2025) (on file in CC Docket No. 95-116); Letter from Steven A. Augustino, Counsel to Koch Equity Development LLC, and John T. Nakahata, Counsel to iconectiv, LLC, to Marlene Dortch, Secretary, FCC (July 3, 2025) (on file in CC Docket No. 95-116).

33. *Voting Trust.* Originally adopted in the *Warburg Transfer Order* (and imposed in several subsequent LNPA neutrality orders),⁹⁷ voting trusts for neutrality purposes required appointment of trustees who were independent, unaffiliated, approved by the Commission and were to make all stockholder voting decisions except for those involving certain major corporate actions.⁹⁸ Moreover, in the *Warburg Transfer Order*, two of the five members of the board of directors were also independent and unaffiliated, and a third was the existing CEO of the LNPA.⁹⁹ Subsequently, with the selection of the current numbering administrator, the Commission refined that latter requirement to provide that a majority of the board needed to be independent in part to address the new circumstance that the LNPA was 100% owned by a parent whose business was a source of undue influence.¹⁰⁰

34. The Requesting Parties now propose to adopt a voting trust similar to those approved by the *iconectiv FP-LogMeIn Order*.¹⁰¹ Specifically, they propose that the trustees be independent and unaffiliated with each other, have no familial or business connection with the management of iconectiv, KED (including any of its subsidiaries and affiliates), or a TSP, and not hold any voting or beneficial interests in any Koch entity, or any TSP.¹⁰² Additionally, the Requesting Parties propose that the trustees, “shall vote on all the matters that are ordinarily subject to a stockholders’ vote, including on the election of iconectiv’s independent directors, except certain specified, material reserved matters that may be voted by [KED].”¹⁰³

35. *Code of Conduct and Neutrality Audits.* In the *Warburg Transfer Order*, the Commission required a code of conduct which contained provisions to ensure that the numbering administrator managed all of its operations in competitively neutral ways, that all service providers were treated

⁹⁷ See *LNPA Selection Order*, 30 FCC Rcd at 3159-3161, paras. 182-85; *LNPA Approval Order*, 31 FCC Rcd at 8416, paras. 27-28; *Francisco Partners Investment Order*, 32 FCC Rcd at 5839; *iconectiv FP-LogMeIn Order*, 35 FCC Rcd at 7106.

⁹⁸ *Warburg Transfer Order*, 14 FCC Rcd at 19800-01, paras. 10-11, 19812, para. 32.

⁹⁹ *Id.* at 19801-02, para. 12.

¹⁰⁰ *LNPA Selection Order*, 30 FCC Rcd at 3159, para 181, 3161 para. 185. The Requesting Parties assert that the Bureau has previously found that the establishment of a voting trust “‘sever[s] the affiliation link’ with the commonly owned TSP.” Request at 16, citing the 2020 *iconectiv FP-LogMeIn Order*, 35 FCC Rcd at 7109, para. 10. We clarify here that in making any neutrality determination, the Commission looks at the totality of the circumstances presented by each request, and that the existence of a voting trust while reducing the amount of control of the affected entity if properly implemented, does not actually sever the affiliation link nor end our affiliation analysis. The elements of any voting trust, and, in addition, the provision of a code of conduct or other safeguards, must be tailored by the Requesting Parties and the Commission to address the potential harm the affiliation poses. Indeed, in both the *iconectiv FP-LogMeIn Order* and in this instance, we analyze fact-specific considerations regarding any affiliation and tailor measures, such as the operating parameters of a voting trust or any code of conduct safeguards, in order to address the potential for undue influence. See *iconectiv FP-LogMeIn Order*, 35 FCC Rcd at 7109, para. 10 (describing ownership interests that would mean the administrator would be affiliated with a TSP); *id.* at 7110-12, paras. 12-20 (describing placement of equity interest in voting trust and measures to reduce the influence on the Board of Directors and voting rights). See generally *cf. Intermountain Microwave*, 24 Rad. Reg. (P&F) 983 (1963) (question of *de facto* control is a fact-intensive inquiry).

¹⁰¹ Request at 14-16.

¹⁰² *Id.*

¹⁰³ *Id.* at 16. See also Voting Trust Agreement, attached as Exhibit C to the Request, at section 1.3 (listing certain major corporate actions upon which KED would be able to direct the trustees’ votes, such as a merger, sale, or bankruptcy of the company).

equally, and that the confidentiality of all the numbering administration data was maintained.¹⁰⁴ It also ensured that no employees of the parent were involved in the numbering administrator's day-to-day operations.¹⁰⁵ More recently, with the selection and approval of the current LNPA, the Commission added further requirements to the code of conduct imposed in the *Warburg Transfer Order* to ensure neutrality, including prohibiting the sharing of employees and imposing neutrality training for certain employees.¹⁰⁶ Finally, the Commission has previously required the hiring of an independent party, approved by the Commission, to conduct a quarterly neutrality review that was to be made public.¹⁰⁷

36. The Requesting Parties initially proposed the adoption of a code of conduct that places limitations on iconectiv employees, subcontractors, and management involved with "core LNP activities," including limiting the ownership of certain assets and the undertaking of certain management roles.¹⁰⁸ The proposed code of conduct also provides that absent express authorization of the Commission, no employee, recently retired employee, officer, director, managing member, or partner of a TSP, may serve as a member of the Board of Managers.¹⁰⁹ Additionally, the Requesting Parties proposed a semiannual neutrality audit by "third party" auditors, consistent with the current code of conduct.¹¹⁰

37. After review of the particular facts and circumstances here, we require that two additional safeguards be added to the proposed code of conduct. First, since KED will be the 100% owner of iconectiv, we will require that the iconectiv Board of Managers consist of five members, two of which are independent, consistent with the structure in the *Warburg Transfer Order*.¹¹¹ Second, given the potential for growth and other changes in the businesses of TNS and TransLine, we will require that the semiannual neutrality audits be performed by an independent third party and require that such audits consider, among their other subjects, the implications of changes (such as expansion of size or operations that might affect incentives to discriminate) in iconectiv's TSP-related affiliates, including any potential future acquisitions.

38. We conclude that with the adoption of the voting trust and code of conduct as revised herein, we can approve KED's acquisition of iconectiv despite KED also owning TransLine and TNS. The terms of the voting trust and the code of conduct are similar to what the Commission has previously found to be sufficient, and with our additional safeguards, we find them to be sufficient here. In reaching that conclusion, we consider the fact that the percentage of KED's total revenues attributable to TNS and derived from TSPs is sufficiently low that KED's incentive to jeopardize its significant investment in iconectiv will be limited (although not insignificant). Similarly, we find that the much smaller percentage of KED revenues attributable to TransLine provides KED an even smaller incentive to exert undue influence over iconectiv in favor of TransLine, especially when compared to its incentives to maintain iconectiv's neutrality, and, thus, profitability. We find that these incentives will be held in check by the

¹⁰⁴ *LNPA Approval Order*, 31 FCC Rcd at 8415-18, paras. 26-31; *LNPA Selection Order*, 30 FCC Rcd at 3161, para. 186.

¹⁰⁵ *LNPA Approval Order*, 31 FCC Rcd at 8415-18, paras. 26-31.

¹⁰⁶ *Id.* at 8416, paras. 27-28; *LNPA Selection Order*, 30 FCC Rcd at 3161, para 186.

¹⁰⁷ *Warburg Transfer Order*, 14 FCC Rcd at 19813-14, paras. 35-36.

¹⁰⁸ Request at Exhibit B.

¹⁰⁹ *Id.*

¹¹⁰ Request at 14-15.

¹¹¹ Under the totality of the circumstances presented in this case, we do not require a majority of independent directors, as in the *LNPA Selection Order*, where the incentives to favor TSP customers were, on balance, more significant than in this case.

safeguards we adopt so as to ensure that the numbering administrator is not “subject to undue influence by parties with a vested interest in the outcome of numbering administration and activities.”¹¹²

39. We condition our finding that iconectiv will not be subject to undue influence stemming from its affiliations with TransLine and TNS and approval of the subsequent transfer of control of iconectiv to KED on the adoption of the safeguards described above and attached hereto as Appendices A and B. We ultimately find that subject to the adoption of these safeguards, iconectiv will satisfy the neutrality requirements following consummation of the Proposed Transaction.

D. Other Issues Regarding the Transfer of Control

40. Upon the consummation of the transaction between Ericsson and FP-Icon and KED, we approve the termination of the existing Ericsson-FP-Icon voting trust.

IV. CONCLUSION AND ORDERING CLAUSES

41. In accordance with the terms of this *Order*, the Bureau approves iconectiv’s Request, including the revised versions of the proposed voting trust and code of conduct as described above. We direct iconectiv to file with the Commission within seven days of their execution copies of the voting trust, the code of conduct, and the iconectiv operating agreement.

42. Although we find that the pending transaction, as conditioned herein, will be consistent with our neutrality criteria, we recognize that any further change in the structure of the voting trust, the code of conduct, iconectiv’s board of directors, or overall ownership structure (such as potential changes in the size and market position of TransLine) may render iconectiv in violation of our neutrality requirements. Thus, we condition our approval on iconectiv’s maintenance of the proposed organizational structure, voting trust, and code of conduct described in this *Order* during its continued term as the LNPA. In this regard, we emphasize that the robust neutrality audits to be conducted by an independent, third party as required above will be instrumental in identifying any changes to this framework and enabling prompt Commission review.

43. 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), and section 52.12(a) of the Commission’s rules, 47 CFR § 52.12(a), that the transfer of control of the Local Number Portability Administrator from Ericsson to KED is APPROVED subject to the terms and conditions described in this *Order*, including but not limited to the adoption and implementation of the approved Code of Conduct, approved Voting Trust, semiannual neutrality audits to be performed by an independent third party auditor, and the reconstitution of a board of directors consisting of five members, two of which must be independent.

44. 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 section 52.12(a) of the Commission’s rules, 47 CFR § 52.12(a), that iconectiv SHALL FILE executed copies of the voting trust, code of conduct, and iconectiv operating agreement with the Commission within seven days of their execution.

45. 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 section 52.12(a) of the Commission’s rules, 47 CFR § 52.12(a), and pursuant to authority delegated under sections 0.41, 0.91, 0.251 and 0.291 of the Commission’s rules, 47 CFR §§ 0.41, 0.91, 0.251 and 0.291, that the Request of iconectiv and KED: (1) to confirm that, post-close of the Proposed Transaction in which iconectiv will become wholly-owned by a to-be-formed subsidiary of KED, iconectiv will meet

¹¹² 47 CFR § 52.12(a)(1)(iii).

the Commission's neutrality requirements for the Local Number Portability Administrator (LNPA), as set forth in the Commission's rules, (2) to the extent necessary, for approval to be given for the LNPA to be indirectly acquired by KED, and (3) to consent to terminate the existing Ericsson-FP-Icon voting trust at close of the KED transaction, is GRANTED as set forth herein.

46. 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), sections 1.103 and 52.12(a) of the Commission's rules, 47 CFR §§ 1.103, 52.12(a), and pursuant to authority delegated under sections 0.41, 0.91, 0.251 and 0.291 of the Commission's rules, 47 CFR §§ 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

Joseph Calascione
Chief
Wireline Competition Bureau