

**STATEMENT OF  
COMMISSIONER AJIT PAI**

Re: *Telcordia Technologies, Inc. Petition to Reform Amendment 57 and to Order a Competitive Bidding Process for Number Portability Administration*, WC Docket No. 07-149, *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*, WC Docket No. 09-109, *Telephone Number Portability*, CC Docket No. 95-116.

Almost eight years ago, Telcordia petitioned the FCC to hold a competitive bidding process to select the next local number portability administrator.<sup>1</sup> Two years later, Telcordia petitioned us again, reminding us that “costs drop through competition.”<sup>2</sup> Today, the Commission responds to those petitions by awarding Telcordia the contract for local number portability administration.

Some question how we arrived at this point. Should the full Commission have responded to those petitions sooner? Should we have put safeguards in place before commencing the bidding process to ensure the winner's impartiality? Are there legitimate concerns about whether the needs of law enforcement or small carriers were adequately represented? One could reasonably answer in the affirmative to these (and perhaps other) queries about the competitive bidding process. But by the time the commissioners received this item three weeks ago, that process had run its course.

And so today, we confront a different question: Should we now declare Telcordia the next local number portability administrator? When you compare the numbers, the answer is clear. Last year, the current contract cost about \$460 million.<sup>3</sup> In contrast, Telcordia bid less than \$1 billion for a seven-year term—that's less than \$143 million per year.<sup>4</sup> That's substantial savings for the American public. And the stringent conditions set forth in the Appendix mitigate any concerns about Telcordia's impartiality, which is a critical factor under the Communications Act and our rules. As our precedent makes clear,<sup>5</sup> measures like these will ensure that Telcordia is impartial notwithstanding any preferences its parent company (Ericsson) might have.

I appreciate the efforts Commissioners Clyburn and O'Rielly made to ensure that the transition from one local number portability administrator to the next will be smooth. I also thank my colleagues for supporting my suggestions to guarantee impartiality. Finally, I am grateful to the staff of the Wireline Competition Bureau and the Office of General Counsel for accommodating my office's request to reduce the number of redactions in this *Order* in order to promote transparency.

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<sup>1</sup> Petition of Telcordia Technologies, Inc. to Reform Amendment 57 and to Order a Competitive Bidding Process for Number Portability Administration, WC Docket No. 07-149 (filed June 13, 2007).

<sup>2</sup> 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, WC Docket No. 09-109, at iii (filed May 20, 2009).

<sup>3</sup> NeuStar, Inc. Form 10-K at 7, 15 (Feb. 13, 2015) (total contracts with NAPM of \$474.8 million represented 49% of total revenue, with the local number portability contract representing approximately 48% of total revenue).

<sup>4</sup> See Letter from John T. Nakahata, Counsel to Telcordia Technologies, Inc. d/b/a iconectiv, to Marlene H. Dortch, Secretary, FCC, CC Docket No. 95-116, WC Docket Nos. 07-149, 09-109, at 3 (Mar. 25, 2015).

<sup>5</sup> *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 (1999).