

**CONUCRRING 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.

Making local number portability work is expensive. Over the last three years, our contract with the incumbent LNP administrator, Neustar, has cost consumers \$1.4 billion, or \$466.4 million a year.<sup>1</sup> In contrast, Telcordia has told the FCC it would do the job for the next seven years for less than \$1 billion, or \$142.9 million a year.<sup>2</sup>

That \$300 million per year differential represented substantial savings for the American public and was the decisive factor in my decision to support last year's order to transition the portability contract from Neustar to Telcordia.<sup>3</sup> Indeed, three of my colleagues apparently agreed that cost savings were a major, if not *the* major, benefit of the switch.<sup>4</sup>

When we made that decision last year, we knew it was unrealistic to expect that the contract would start by July 1, 2015—the day after Neustar's existing contract expired.<sup>5</sup> But I certainly expected that Telcordia would be able to take over no more than a year later. Indeed, that's what the counsel to the North American Portability Management (NAPM), a consortium of industry participants responsible for managing our nation's local number portability contract, told my office before the vote. And that's what my colleagues apparently expected as well.<sup>6</sup>

That deadline passed two weeks ago. And I've been told that Telcordia will not be ready to take over until September 30, 2017 at the earliest. The result is a \$375 million bill that we didn't expect and that consumers shouldn't have to pay for. And these delays and extra costs largely arose from the new vendor's decision to hire foreign nationals to write code for months, rather than follow the national security dictates of the *LNPA Selection Order* from the outset.

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<sup>1</sup> NeuStar, Inc. Form 10-K at 8 (Feb. 29, 2016).

<sup>2</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>3</sup> *Telcordia Technologies, Inc. Petition to Reform Amendment 57 and to Order a Competitive Bidding Process for Number Portability Administration et al.*, WC Docket Nos. 07-149, 09-109, CC Docket No. 95-116, Order, 30 FCC Rcd 3082, 3173 (2015) (*LNPA Selection Order*) (Statement of Commissioner Ajit Pai).

<sup>4</sup> *Id.* at 3170 (Statement of Chairman Tom Wheeler) (“This effort has led to a better deal for American consumers; one that will yield significant cost savings over the existing contract.”); *id.* at 3172 (Statement of Commissioner Mignon Clyburn) (“When it is all said and done, it should be noted that this transition should yield significant savings over the next seven years – savings that I hope will ultimately be passed along, to consumers.”); *id.* at 3174 (Statement of Commissioner Michael O’Rielly, Approving in Part and Dissenting in Part) (“Nonetheless, assuming all of the information in the item is accurate, especially the analysis comparing the two proposals on the technical, managerial, and cost aspects, the outcome seems justified. Notably, Telcordia stated for the record: ‘On price, however, there was simply no contest.’”).

<sup>5</sup> *Wireline Competition Bureau Announces Release of Procurement Documents for the Local Number Portability (LNP) Administrator Contract*, WC Docket Nos. 07-149, 09-109, CC Docket No. 95-116, Public Notice, 28 FCC Rcd 1003, 1003 (Wireline Comp. Bur. 2013).

<sup>6</sup> *LNPA Selection Order*, 30 FCC Rcd at 3147, n.535.

And yet, we cannot recapture the savings we were promised last year, and so I reluctantly agree that we must move forward and accordingly vote to concur.