

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

In the Matter of)
Numbering Resource Optimization) CC Docket No. 99-200
Administration of the)
North American Numbering Plan) CC Docket No. 92-237

ORDER

Adopted: July 2, 2018

Released: July 9, 2018

By the Commission:

I. INTRODUCTION

1. Telephone numbers are a valuable resource for the American public, and the effective, efficient management of this resource is essential to facilitating communications and maintaining a modern telecommunications network. In this Order, we direct the North American Numbering Council (NANC)1 to advise the Commission on consolidating the contracts of two numbering administrators—the North American Numbering Plan Administrator (NANPA)2 and the Pooling Administrator (PA)3—to bring about more cost-efficient and effective operations by a combined entity (NANPA/PA).

II. BACKGROUND

2. Section 251(e) of the Communications Act of 1934, as amended (the Act), gives the Federal Communications Commission (Commission) exclusive jurisdiction over those portions of the NANP that pertain to the United States. It also directs the Commission to “[c]reate or designate one or more impartial entities to administer telecommunications numbering and to make such numbers available

1 The NANC is a Federal Advisory Committee created to advise the Commission on numbering matters. The NANC makes recommendations, reached through consensus, that foster efficient and impartial number administration.

2 The NANPA is responsible for the neutral administration of North American Numbering Plan (NANP) resources. The NANP is the basic numbering scheme for telecommunications networks located in the United States and its territories, Canada, and parts of the Caribbean. See 47 CFR § 52.5(d). Neustar, Inc. (Neustar) currently serves as the NANPA under contract no. FCC12C0023 (sol. no. FCC12R0007), awarded June 18, 2012 (synopsis at: https://www.fbo.gov/?s=opportunity&mode=form&tab=core&id=7139843383dbe08be92153c1d51e9711&_cview=0).

3 The PA is responsible for administering thousands-block number pooling in populous areas of the United States. Thousands-block number pooling, referred to simply as “pooling,” involves the allocation of blocks of 1,000 sequential telephone numbers within the same 10,000 number central office code to multiple service providers. In March 2000, the Commission adopted pooling as a mandatory nationwide numbering resource optimization strategy. Numbering Resource Optimization, Report and Order and Further Notice of Proposed Rulemaking, 15 FCC Rcd 7574, 7625, para. 122 (2000) (Numbering Resource Optimization Order). In effect, number pooling reduces the quantity of wasted numbers in areas that have multiple service providers by requiring those providers to share a single 10,000 code. Id. at 7625-7627, paras. 122-125. Neustar currently serves as the PA under contract no. FCC13C0007 (sol. no. FCC13R0002) awarded July 12, 2013 (synopsis at: https://www.fbo.gov/?s=opportunity&mode=form&id=24933202937b21d783bd6f2527c400bc&tab=core&_cview=1).

on an equitable basis.⁷⁴ In fulfilling this statutory mandate, the Commission acts to ensure that NANP resources are used efficiently to preserve this finite resource, and that service providers have access to the numbering resources they need to compete in the telecommunications marketplace.⁵ In 1995, the Commission determined that the NANP, previously overseen by Bell Communications Research (Bellcore), should be administered by an independent, non-governmental entity that is not closely associated with any particular industry segment.⁶ After a competitive bidding process, the Commission selected Lockheed Martin's communications services group, the entity recommended by the NANC, as the first NANPA in October 1997.⁷ Lockheed Martin was the NANPA until 1999, when Neustar assumed the NANPA functions.⁸ In June 1999, the Commission released a Notice of Proposed Rulemaking seeking comment on, among other numbering matters, on whether the NANPA should also serve as Pooling Administrator or whether the Commission should seek competitive bids, as it did for the NANPA.⁹ In response, the NANC concluded that number pooling should be considered a numbering administration function under Section 251 of the Act, and recommended that the functions of the NANPA be expanded to include pooling administration.¹⁰ The NANC concluded that having a separate entity serve as the PA would be more expensive and less efficient, and would likely delay implementation of number pooling. Therefore, it recommended that the NANP administrator also administer pooling.¹¹

3. Although several commenters supported appointing the current NANPA to administer pooling,¹² the Commission concluded that using the same competitive bidding process that was used to select the NANPA would best serve the public interest.¹³ In reaching that conclusion, the Commission

⁴ 47 U.S.C. 251(e)(1). Section 251(e)(1) of the Act also states that “[n]othing in this paragraph shall preclude the Commission from delegating to State commissions or other entities all or any portion of such jurisdiction.” *Id.*

⁵ *See Numbering Resource Optimization Order*, 15 FCC Rcd 7577, para. 1.

⁶ *See Administration of the North American Numbering Plan*, Report and Order, 11 FCC Rcd 2588, 2613-14, paras. 57-59 (1995). AT&T administered the NANP until 1984 when Bellcore Communications Research became the NANPA and the Regional Bell Operating Companies served as regional central office code administrators.

⁷ *See Administration of the North American Numbering Plan, Toll Free Service Access Codes*, Third Report and Order, 12 FCC Rcd 23040, 23441-42, para. 1 (1997) (affirming the NANC recommendation to select Lockheed Martin as the NANPA, subject to conditions and the rules suggested by the NANC to govern activities of the NANPA); *see also Numbering Resource Optimization Order*, 15 FCC Rcd at 7637-7638, para. 144. Since 1998, the NANPA has performed both the numbering administration functions and the regional central office code administration functions. *See, e.g., id.*

⁸ Neustar took over for Lockheed Martin because the latter became an affiliate of a telecommunications service provider and thus no longer met the Section 251(e)(1) requirement that numbering administrators be “impartial.” *See Request of Lockheed Martin Corporation and Warburg, Pincus & Co. for Review of the Transfer of the Lockheed Martin Communications Industry Services Business*, Order, 14 FCC Rcd 19792, 19803, para. 18 (1999) (*Warburg Transfer Order*).

⁹ *Numbering Resource Optimization*, et al., Notice of Proposed Rulemaking, 14 FCC Rcd 10322, 10402, para. 184 (1999) (1999 NRO NPRM).

¹⁰ *See Letter from Alan C. Hasselwander, Chairman, North American Numbering Council, to Lawrence E. Strickling, Chief, Common Carrier Bureau*, CC Docket No. 99-200 (July 30, 1999); *see also Numbering Resource Optimization Order*, 15 FCC Rcd at 7638-39, paras. 145-146.

¹¹ *Id.*

¹² *See, e.g., AT&T Comments*, CC Docket No. 99-200, at 50 (filed July 30, 1999) (asserting that “there appear to be significant synergies to be gained by placing these responsibilities in the hands of a single contractor”); *Ohio Commission Comments*, CC Docket No. 99-200, at 34 (filed July 30, 1999) (noting that NANPA is best suited to act as the pooling administrator(s)); *PrimeCo Comments*, CC Docket No. 99-200, at 8-9 (filed July 30, 1999) (stating that using another entity or multiple entities on a state-by-state basis would hinder the timely and competitively neutral allocation of NXX codes).

¹³ *Numbering Resource Optimization Order*, 15 FCC Rcd at 7639-7640, para. 148. The Commission also concluded that its “authority under Section 251(e)(1) of the 1996 Act to designate or create one or more impartial entities to

noted that this approach would further “the competitive framework that Congress established in implementing the” Telecommunications Act of 1996 (1996 Act), and that an open and fair competitive bidding process would “ensure the selection of the most qualified, cost-efficient Pooling Administrator.”¹⁴ The Commission recognized, however, that it may be desirable and possible to link the NANPA and the PA functions in the future to take advantage of any synergies that may exist between these functions.¹⁵ After a competitive bidding process, Neustar was awarded the PA contract,¹⁶ and has served as the PA since 2001.¹⁷

4. In February 2013, the NANC recommended that the Commission consider consolidating the NANPA and PA contracts.¹⁸ This recommendation was driven by the NANC’s desire to explore operational efficiencies to be gained by one unified contract.¹⁹ In April 2013, the Wireline Competition Bureau (Bureau) sought comment on the NANC recommendation regarding consolidation of the NANPA and PA contracts.²⁰ All of the comments filed in response support the NANC recommendation.²¹

III. DISCUSSION

5. We agree with the NANC’s recommendation, and with commenters supporting the recommendation, that the NANPA and PA contract requirements should be consolidated.²² In the *Numbering Resource Optimization Order*, the Commission recognized that it may be desirable to link the NANPA and the PA functions in the future.²³ For the reasons discussed below, the benefits of consolidation are greater than any risks and, accordingly, the time has come to develop a consolidation plan.

6. *Improved Operational Efficiencies.* Consolidating these contracts and combining the functions of the NANPA and the PA will simplify and increase the operational efficiency of numbering

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administer telecommunications numbering and to make numbers available on an equitable basis extends to thousands-block number pooling administration.” *Id.*

¹⁴ *Id.*

¹⁵ *Id.* at 7642, para. 152.

¹⁶ See, e.g., *Federal Communications Commission’s Common Carrier Bureau Selects NeuStar, Inc. as National Thousands-Block Number Pooling Administrator*, Press Release, CC Docket No. 99-200 (June 18, 2001).

¹⁷ Neustar is now serving under contract no. FCC13C0007 (sol. no. FCC13R0002), awarded July 12, 2013 (synopsis at: https://www.fbo.gov/?s=opportunity&mode=form&id=24933202937b21d783bd6f2527c400bc&tab=core&_cview=1).

¹⁸ See Letter from Betty Ann Kane, Chairman, North American Numbering Council, to Julie A. Veach, Chief, Wireline Competition Bureau, Federal Communications Commission, CC Docket Nos. 92-237, 99-200 (filed Feb. 20, 2013) (NANC February 2013 Letter).

¹⁹ *Id.*

²⁰ *Comments Sought on North American Numbering Council Recommendation that FCC Consolidate its North American Numbering Plan Administrator and Pooling Administrator Contracts*, Public Notice, 28 FCC Rcd 5298 (2013).

²¹ The following parties filed comments: Nebraska Public Service Commission (Nebraska PSC); Sprint Nextel Corporation, Verizon, Verizon Wireless, T-Mobile USA, Inc., AT&T Inc., and XO Communications Services, LLC (Sprint Nextel, et al.); and Telcordia Technologies, Inc. D/B/A/ iconectiv (Telcordia). Reply comments were filed by Neustar.

²² *Id.*

²³ *Numbering Resource Optimization Order*, 15 FCC Rcd at 7642, para. 152 (“We acknowledge that it may be desirable in the future to link the thousands-block number pooling administration and central office code administration duties to take advantage of any synergies that may exist between these functions.”).

resources administration for both service providers and regulators.²⁴ For example, having a single number administration website for service providers and regulators will simplify the process for obtaining reports and other information about numbering resources, without duplication of information.²⁵ Also, as the NANC working group that evaluated the issue noted, consolidating these contracts will obviate the need for separate contract change orders when changes occur that affect both NANPA and PA systems.²⁶ Additional efficiencies include having a single application timeline for central office code changes in pooling and non-pooling areas and thus decreased processing time when opening, modifying, or disconnecting central office codes in pooling areas; a single user interface, which would eliminate the need for separate interfaces and passwords for each system; and a single system to submit number forecasts.²⁷ Commenters responding to the *1999 NRO NPRM* also recognized these efficiencies.²⁸ These improved operational efficiencies should result in cost savings to service providers—and in turn to consumers—as well as to state and federal regulators.²⁹ While there may be some upfront costs associated with the consolidation, such as development of a single user interface,³⁰ according to industry experts, the long-term benefits discussed above far outweigh any potential upfront costs.³¹

7. *Improved Bidding Process.* Combining the roles of the NANPA and the PA will also improve the bidding process for these services, making it more cost-efficient and likely resulting in cost savings. By combining the contracts, the Commission will only have to conduct one competitive bidding process. Therefore, vendors and other interested parties will only have to respond to one set of procurement documents,³² and the Commission, the industry and interested parties will only have to review one set of documents. This streamlined bidding process will save time and resources for the Commission, vendors, industry, and interested stakeholders alike.

8. *Potential Additional Competition.* The larger scope of a consolidated NANPA and PA contract may attract increased vendor competition.³³ During the last competitive bidding processes for both contracts, Neustar was the only bidder. Some commenters speculate that one possible reason for this outcome is the relatively small size of the contracts and that building redundant systems for their

²⁴ See *id.* and attached Letter from Laura Dalton et al., Co-Chairs, Numbering Oversight Working Group, to Betty Ann Kane, Chairman, North American Numbering Council at 1, 3 (Nov. 28, 2012) (NOWG November 2012 Letter); see also Nebraska PSC Comments at 1-3; Sprint Nextel, et al. Comments at 1-2; Neustar Reply at 2-4.

²⁵ See NOWG November 2012 Letter at 3; Nebraska PSC Comments at 2.

²⁶ See NOWG November 2012 Letter at 3.

²⁷ See *id.*; Nebraska PSC Comments at 2; Neustar Reply at 4.

²⁸ See, e.g. Massachusetts Department of Telecommunications and Energy Comments, CC Docket No. 99-200, et al. (filed July 30, 1999) (“States believe that there will be substantial efficiencies gained by having the same entity allocating all numbers.”).

²⁹ See NOWG November 2012 Letter at 1 (stating that the NOWG “worked under the assumption that over a contract period, the industry would realize a cost savings based on a single contract versus the two separate contracts”); Sprint Nextel, et al. Comments at 1; Neustar Reply at 2-3.

³⁰ Other upfront costs may include possible changes to the structure of the vendor organization and Commission-related contracting changes. See NOWG November 2012 Letter at 4.

³¹ See *id.* at 1-4; Nebraska PSC Comments at 3.

³² Such procurement documents would include, for example, a Request for Information, a Technical Requirements Document, and a Request for Proposals.

³³ See NOWG November 2012 Letter at 3; Nebraska PSC Comments at 2; Telcordia Comments at 2-4.

relatively small size is economically inefficient.³⁴ Thus far, the competition that the Commission envisioned in the *Numbering Resource Optimization Order* has failed to materialize. Combining these contracts may increase competition, further the competitive framework envisioned by Congress when it implemented the 1996 Act,³⁵ and thereby ensure the selection of the most qualified administrator at the best price.

9. *Procedures for Developing Technical Requirements Document.* As an initial step towards consolidating the NANPA and PA contracts, we direct the NANC, working through its Numbering Administration Oversight Working Group (NAOWG),³⁶ to develop a Technical Requirements Document (TRD) for review by the Commission. That TRD must contain a single, unified set of functional and interface requirements for the new NANPA/PA entity and must consider and address any concerns identified by the NAOWG. The NAOWG will then present its proposed TRD to the NANC for its evaluation. The NANC will meet to discuss the TRD and vote on whether to approve it (subject to any amendments the NANC may consider appropriate). After the NANC approves a draft TRD, the Commission will review it, as well as any comments submitted by interested parties,³⁷ before making a final decision on whether to issue a Request for Proposal to solicit bids for the new NANPA/PA contract. We direct the NANC to submit a draft TRD to the Chief of the Bureau by Monday September 24, 2018.

IV. ORDERING CLAUSES

10. Accordingly, IT IS ORDERED that, pursuant to Sections 1-4 and 251 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 151-154 and 251, this Order IS ADOPTED.

11. IT IS FURTHER ORDERED that the Chairman of the North American Numbering Council SHALL submit a proposed Technical Requirements Document (TRD), outlining a single, unified proposed set of functional and interface requirements that combines the roles of the NANPA and PA, to the Chief of the Wireline Competition Bureau by Monday September 24, 2018. IT IS FURTHER ORDERED that this Order IS EFFECTIVE upon its release.

FEDERAL COMMUNICATIONS COMMISSION

Marlene H. Dortch
Secretary

³⁴ *Id.*; see also Telcordia Comments at 3 (noting that Commission requirements “that any potential new vendor must match and maintain the functionality as well as the identical look-and-feel of the existing systems” further discourages competition).

³⁵ See *Numbering Resource Optimization Order*, 15 FCC Rcd 7640, para. 148 (concluding that “seeking competitive bids in response to a request for a proposal or requirements for thousands-block number pooling administration, as we did with respect to NANP administration, furthers the competitive framework that Congress established in implementing the 1996 Act”).

³⁶ Under the NANC’s current charter, established in September 2017, the NAOWG now oversees the NANPA and PA contracts. See *FCC Announces Plans to Re-Charter New North American Numbering Council*, Public Notice, 32 FCC Rcd 6504 (2017).

³⁷ After receiving the NANC’s recommended TRD, the Commission will issue a Public Notice soliciting comments on it from interested parties.