

UTILITIES AND TELECOMMUNICATIONS ALERT

THE LNP ALLIANCE URGES COMMISSION TO EXTEND LNPA SELECTION PROCESS BY TWO YEARS TO ADDRESS NEUTRALITY AND IP TRANSITION ISSUES

On July 25, 2014, the [LNP Alliance](#) filed Comments with the Federal Communications Commission (“FCC” or “Commission”) regarding the recommendation of the North American Numbering Council (“NANC”), which endorsed the bid of Telcordia Technologies (“Telcordia”) as the next Local Number Portability Administrator (“LNPA”). The Alliance also filed Reply Comments on August 21, 2014 responding to the initial round of comments. The LNP Alliance is a consortium of small and medium-sized telecommunications carriers, which currently consists of Comspan Communications, Inc., Telnet Worldwide, Inc., the Northwest Telecommunications Association, and the Michigan Internet and Telecommunications Alliance. The LNP Alliance welcomes additional members that share its concern that small and medium sized carriers could be subject to higher pricing and discriminatory treatment if neutrality and IP Transition issues are not addressed by the Commission during the LNPA selection process. Further information about the LNP Alliance is available at the group’s [website](#).

By way of background, the LNPA is responsible for maintaining, administering, and operating the system that manages the porting and pooling of telephone numbers. Thus, the services provided by the LNPA are a critical component of competitive local exchange service provisioning in that they directly affect the customer's ability to select its provider of choice.

Neutrality. In its Comments, the LNP Alliance did not endorse either the bid of either of the two Respondent’s, Telcordia or Neustar, Inc. (“Neustar”). The LNP Alliance instead noted that, although both companies’ bids have certain strengths, neither bid in its current form is adequate. In addition, the LNP Alliance raised serious concerns about Telcordia’s neutrality given the fact that its parent company, Ericsson, is a telecommunications equipment manufacturer and is very closely aligned with the wireless telecommunications industry segment. These affiliations disqualify Telcordia from becoming the LNPA pursuant to the Commission’s rules. Should the Commission decide to award the bid to Telcordia, the LNP Alliance proposed that the Commission should require Ericsson to spin off Telcordia in order to ensure its neutrality, and urged the Commission to extend the selection process by two years in order to provide time for that transaction to be completed.

The LNP Alliance also emphasized in its Comments and Reply Comments that Telcordia provides Local Service Management Systems (“LSMS”)/Service Order Activation (“SOA”) software systems that carriers utilize to communicate with the Number Portability Administration Center (“NPAC”). Having Telcordia operate the NPAC while being the dominant provider of these LSMS/SOA systems would provide Telcordia a unique opportunity to leverage its NPAC monopoly to expand its dominance in the LSMS/SOA services market.

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The LNP Alliance's Reply Comments also emphasized that Telcordia should not be permitted to provide ENUM registry database services, another related market that Telcordia itself has said could present additional monopoly leveraging opportunities for the LNPA. The LNPA Alliance has urged the Commission to ensure that Telcordia, which also runs the Local Exchange Routing Guide ("LERG"), if chosen as the LNPA, divests itself of all these ancillary businesses to ensure that it does not take competitive advantage of its position as the LNPA.

IP Transition. The LNP Alliance also has drawn attention to the fact that industry is in the midst of the transition of the Public Switched Telephone Network ("PSTN") from TDM-based circuit switched technology to IP-based packet switched technology ("IP Transition"). The Alliance expressed concerns that the industry has yet to define the role of the LNPA and the NPAC in a post-IP Transition world, and it is therefore not clear that Telcordia and Neustar were presenting comparable bids. We encouraged the Commission to let industry task forces complete their work defining the requirements of the NPAC post-IP Transition (work that will be completed shortly), extend the Neustar contract for two years, and then rebid the NPAC contract based on clearly defined requirements. A failure to do that could seriously skew the selection process in Telcordia's favor. Telcordia has already mapped out a post-IP Transition environment where ENUM registries will play an enhanced role, which could lead to higher charges for small to medium sized carriers.

National Security and Public Safety Concerns. In its Reply Comments, the LNP Alliance pointed to the fact that key members of Congress and federal agencies, including the FBI, DEA, and Secret Service ("Federal Agencies"), all see a need for further scrutiny of the transition to a new LNPA. Leaders of the House Intelligence Committee recently expressed concerns about a non-U.S. vendor such as Telcordia taking over as LNPA without adequate national security protections in place. The federal agencies raised similar national security issues, and others raised public safety issues, such as 9-1-1 connectivity issues, that must be addressed. These recently raised concerns also argue for a two-year extension of the current Neustar contract to provide sufficient time not only to address neutrality, antitrust, and IP Transition issues, but to ensure that critical national security and public safety concerns also are thoroughly and comprehensively addressed.

The full text of the public version of the LNP Alliance's Comments can be found [here](#) and Reply Comments [here](#). Parties interested in joining the ongoing advocacy of the LNP Alliance should contact Jim Falvey at 202.659.6655 (jfalvey@eckertseamans.com), or Rob Gastner at 202.695.6674 (rgastner@eckertseamans.com).

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