



**North American Portability
Management LLC**

Honorable Betty Ann Kane
Chairman
1333 H Street, N.W., West Tower 7th Floor
Washington, DC 20005

Mr. Don Gray
Nebraska Public Service Commission
1200 N Street
Lincoln, NE 68508

Re: Limited Comments of the North American Portability Management LLC
("NAPM LLC") to Interim Report of the NANC regarding Telcordia
Technologies, Inc. Request for Dispute Resolution.

Dear Chairman Kane and Mr. Gray:

The Purpose of These Limited Comments

These Limited Comments are submitted by the NAPM LLC in response to a request for additional comments contained in the update and status report, dated May 21, 2010, from Chairman Kane and Mr. Gray in connection with the pending request of Telcordia Technologies, Inc. for Dispute Resolution (such request of Telcordia Technologies, Inc. shall be referred to herein as the "Telcordia Request for Dispute Resolution"). Pursuant to a memorandum dated July 7, 2009, former NANC Chairman Thomas M. Koutsky established a dispute team consisting of himself, now-Chairman Kane and Mr. Gray (the "NANC Dispute Team"). You have advised us in the update and status report that following former Chairman Koutsky's departure from NANC, you will continue together to act as the NANC Dispute Team to resolve the Telcordia Request for Dispute Resolution. The update and status report that you issued shall be referred to herein as the "NANC Dispute Team Interim Report."

The NANC Dispute Team Interim Report states that the report of the Future of Numbering Working Group (the “FoN WG”), revised June 10, 2005, entitled “Report and Recommendations on NANC Change Orders 399 & 400,” (the “FoN WG Report”) provides useful background information on the matter which is the subject of the Telcordia Request for Dispute Resolution.¹ The NANC Dispute Team Interim Report further states that the four policy issues identified in the FoN WG Report will be considered by the NANC Dispute Team in making its determination with respect to the Telcordia Request for Dispute Resolution.

The NANC Dispute Team Interim Report concludes by stating that “[c]omments from parties on the issues will continue to be requested.”² At the NANC meeting on May 21, 2010, those comments were requested by July 31, 2010.

These Limited Comments are submitted in response to that request for comments.

The Scope of These Limited Comments

The FoN WG Report was issued in June 2005, over five years ago. These Limited Comments are submitted solely to advise the NANC Dispute Team of specific changes that have occurred during those five years with respect to actual or potential costs associated with the inclusion of URI fields into the NPAC/SMS database. Recognition of these changes is relevant to the NANC Dispute Team’s consideration of one of the four policy issues identified in the FoN WG Report – the policy issue regarding the potential imposition of costs on parties who do not opt to utilize the added URI fields.

Because the NANC Dispute Team Interim Report states that those four policy issues will be considered by the NANC Dispute Team in making its determination with respect to the Telcordia Request for Dispute Resolution, the NAPM LLC wishes in these Limited Comments to identify those specific changes. It is the view of the NAPM LLC that these changes eliminate any concerns over the imposition of costs associated with the inclusion of the specified URI fields into the NPAC/SMS.

The Specific Policy Issue Involved

These Limited Comments apply solely to the second numbered policy issue identified in the FoN WG Report.

The NANC Dispute Team Interim Report at page 3 states that “Section 3.3 [of the FoN WG Report] provides useful background information on how changes in the industry necessitated changes in the NPSC [sic] data base [the NPAC SMS] between its inception in

-
1. See NANC Dispute Team Interim Report at page 3, referring to Section 3.3 of the FoN WG Report.
 2. See NANC Dispute Team Interim Report at page 5.

1997 and the FoN report in 2005.” The NANC Dispute Team Interim Report at page 4 then cites the following portion of the FoN WG Report regarding costs:

The potential change order costs will need to be more fully determined by the NAPM LLC as there is a concern that the cost of these two change orders may be driven to parties that have no need for them as they could lead to additional porting transactions for which all NPAC Users will be assessed a share.

The NANC Dispute Team Interim Report at page 4 further identifies the “specific policy issues” that must be addressed, and states, “We note with interest that these policy issues are as valid today as they were in 2004.” The NANC Dispute Team Interim Report at page 4 cites the following excerpt of the second such policy issue from the FoN WG Report:

2. If adding this information will impose costs upon those that do not use these features, should the entire industry be forced to pay (will they pay?) for it?
 - The NPAC has in the past had quite a few modifications added that have provided a benefit to a select group of SPs.
 - Cost may be a secondary issue and discussion may be premature if the business case that surrounds it has yet to be developed. Since the change orders will be installed in an inactive state, there is no cost until they are turned on.

What Has Changed Since the FoN WG Report in 2005

Since the issuance of the revised FoN WG Report in 2005, so-called “transactional pricing” for porting transactions has been eliminated pursuant to Amendment No. 70, effective January 1, 2009, and the costs associated with creating and populating the specified URI fields expressly were eliminated pursuant to Amendment No. 72.³ Accordingly, the concerns reflected in the second policy issue in the FoN WG Report expressly have been addressed and have been eliminated by adoption of Amendment No. 70 and Amendment No. 72.

No costs will be incurred by addition of the URI fields into the NPAC/SMS, and, accordingly, no additional costs can then be “driven” or otherwise imposed upon parties that choose not to utilize the URI fields. The combination of the elimination of “transaction-based” pricing under Amendment No. 70, and the express elimination of any charges associated with creating and populating the URI fields within the NPAC/SMS database under

3. In fact, Amendment No. 70 provided for the delivery of three separate National New URI Field Adjustments totaling \$22,500,000 in cumulative reductions in the modified fixed price established under Amendment No. 70, upon the addition of the additional URI fields.

Amendment No. 72, means that parties will NOT be burdened, either directly or indirectly, or either theoretically or actually, with additional costs as a result of the addition of the URI fields.

Elimination of Transaction-Based Porting Pricing under Amendment No. 70

Amendment No. 70 eliminated the long-standing “transaction-based” pricing that formed the basis of charges to service providers that ported and pooled telephone numbers. In its place, Amendment No. 70 introduced an adjusted or limited “fixed contract price” pricing arrangement that was based upon a “Base National Monthly Fixed Porting Fee.”⁴ Accordingly, under Amendment No. 70, NPAC/SMS charges allocated to service providers no longer were directly linked to actual transaction volumes, but, instead, more closely resembled a limited fixed-price, all-you-can-use model of pricing. Under that model, transactions potentially generated as a result of the use by some service providers of the new URI fields **would not** generate any additional or increment costs or charges.⁵

Elimination of Costs Associated with Creating and Inserting the URI Fields

Likewise, Amendment No. 72 was drafted to avoid the imposition of any costs from creation and insertion of the URI fields. Article 10 of Amendment No. 72 expressly states that there is “no cost” for the statement of work to develop and implement the addition of the URI fields into the NPAC/SMS. Accordingly, the mere creation and insertion of the URI fields will not generate any costs to any service providers, whether or not they choose to use and to populate the new fields.

Conclusion

As a result of Amendment No. 70 and the specific provisions of Amendment No. 72, the concerns raised in the FoN WG Report with respect to the costs (and the potential effects of those costs) resulting from transactions associated with the inclusion of URI fields have been eliminated. Accordingly, concerns over an inequitable allocation or unnecessary burdening of some service providers for the benefit of other service providers have been eliminated too. The elimination of any transactional costs and other charges associated with inclusion and use of the URI fields, therefore, means that this second policy issue can be resolved in favor of the inclusion of the URI fields and is not a basis for denying inclusion of the URI fields into the NPAC/SMS.

4. See new Article 35 to the Master Agreements, entitled Aggregate Porting Charge and Adjustments.

5. Although theoretically under Amendment No. 70 charges were fixed, use at a fixed price was not completely unlimited. Instead, if actual transactions exceeded a specified “ceiling” volume, additional charges would be assessed. See Section 35.1 of Amendment No. 70. To guard against the possibility of this ceiling being exceeded due to the use of the URI fields, Amendment No. 70 effectively increased or “pushed up” that ceiling threshold by (a) a specified number of percentage points and (b) by a safety factor of 145% of the number of records. Therefore, use of the URI fields should have no incremental or marginal effect whatsoever on costs and charges for use of the NPAC/SMS.

The NAPM LLC stands ready to provide additional detail regarding these Limited Comments or to respond to any additional questions raised.

Sincerely,

/s/

Melvin Clay
Co-Chair
North American Portability Management LLC

/s/

Timothy Decker
Co-Chair
North American Portability Management LLC