New White Paper Finds Vast Differences Between U.S. and India Number Portability

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STERLING, VA – Today, Neustar, Inc. (NYSE: NSR), the United States’ Local Number Portability (LNP) Administrator, released a newly commissioned white paper that compares the number portability systems in India and the United States. This paper is the next installment in a series of papers looking at the importance and complexity of the local number portability system in the United States. Authored by W. Bruce Allen, a Professor of Business and Public Policy at the Wharton School at the University of Pennsylvania and a visiting professor at the Indian School of Business, the paper reviews India’s Mobile Number Portability (MNP) system and finds that significant differences exist between India’s model and the portability system in the United States.

The paper evaluates the characteristics of each nation’s telecommunications market and draws comparisons based on the characteristics of consumer demand, the porting process itself, and the wider communications infrastructure. The paper finds that the major differences between the United States and India markets include: the preponderance of prepaid services in India (versus a preference for post-paid in the U.S.); the dominance of 2G services in India compared to the advancements in 3G and 4G in the U.S.; the use of wireless handsets that support multiple carriers in India, as compared to the U.S. where services and devices are generally bundled together; and the much higher churn rate in India as consumers switch to lower-cost plans.

Together these factors contribute to a number portability system that is vastly different from the United States’ portability infrastructure, where consumers place a higher value on keeping their phone numbers when they switch service providers. Additionally, the paper finds that India’s MNP system, which launched in January 2011, has sparked a high volume of consumer complaints related to porting delays and rejections.

The paper concludes: “The United States and India are both large democracies with growing telecom markets, but the factors which drive a successful mobile number portability experience could not be more distinct between the two countries. Therefore, regulators and service providers should rely solely on the characteristics of their respective markets when making decisions regarding number portability in the future.”

“Neustar is the effective, trusted provider of the highly technical, complex local number portability service that
American consumers have relied on for the last 15 years,” said Steve Edwards, senior vice president, Carrier Services at Neustar. “As regulators and others review lessons learned from other countries’ portability systems, it is important to keep in mind the differences in telecommunications markets around the world, particularly when comparing the United States’ reliable and tested number portability system and the younger, sometimes unconventional portability systems of other nations.”

The paper released today follows a recent paper by the Yankee Group that reviewed the complex, robust and expanding Number Portability Administration Center (NPAC) system in the United States and its important role in our nation’s telecommunications infrastructure. The Yankee Group paper concluded that under Neustar’s leadership and operation, the NPAC has achieved incredible growth and technological advances, provided reliable services to consumers and responded during emergencies and natural disasters. Further, an NPAC study by Dr. Scott E. Masten, Professor of Business Economics and Public Policy at the University of Michigan’s Ross School of Business, found NPAC services are best delivered by a single, tested administrator.

About Neustar

Neustar, Inc., (NYSE: NSR) is a trusted, neutral provider of real-time information and analysis to the Internet, telecommunications, entertainment and marketing industries throughout the world. Neustar applies its advanced, secure technologies in routing, addressing and authentication to its customers’ data to help them identify new revenue opportunities and network efficiencies, and institute cybersecurity and fraud protection measures. More information is available at www.neustar.biz.