



Flawless Today. **Right for Tomorrow.**<sup>™</sup>  
NPAC

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## Frequently Asked Questions

### When and why was the NPAC established?

In 1996, Congress passed the Telecommunications Act to open up local telephone markets to competition. As part of its efforts to promote competition among providers, Congress also required that the administrator of such a service be a trusted, neutral third party. As a result, a comprehensive telephone number registry – the NPAC – was created to support local number portability, make sure all calls are routed correctly, and inform service providers of changes as soon as they happen.

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### How does Number Portability work?

The NPAC supports the routing of 4 billion telephone calls and 6 billion text messages every day for the telecommunications industry. It does this by storing the relationship between telephone numbers, service providers, and network routing instructions, and broadcasting updates to the entire communications network when they happen. In this way, Neustar makes sure that you can take your number with you when you switch to a new telecommunications carrier. In the United States, this process occurs in real time, and transferring your number from one carrier to another typically happens in less than two hours. In many cases, it only takes a few minutes. That's compared to other countries where it can take days or even weeks.

Local Number Portability Administration (LNPA), which is the service that Neustar administers in the United States, enhances competition in the telecommunications industry by giving consumers the freedom to choose and change providers quickly and efficiently. With LNP, consumers can choose a service provider based on the price, services and devices it offers, without having to give up their phone numbers.

In the past 17 years, our nation's telecommunications systems have evolved dramatically as consumers have moved to mobile devices and applications. To meet the demand, Neustar has grown alongside the industry to deliver reliable, trusted and neutral local number portability service that consumers and business rely on.

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### **When did Neustar become the Administrator of the NPAC?**

Following enactment of the Telecommunications Act of 1996, Neustar (as Lockheed Martin IMS) was selected by the telecommunications industry and approved by the Federal Communications Commission to be the Local Number Portability Administrator (LNPA). As the LNPA, Neustar developed and began operating the Number Portability Administration Center (NPAC) in 1997.

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### **Why must Neustar be neutral?**

The benefits of Local Number Portability (LNP) depend on a neutral LNP administrator. It is essential that the LNP administrator not be aligned with any particular service provider, technology or segment of the telecommunications industry to prevent the incentive to favor one company, technology or sector over another.

Currently, as a result of having a neutral LNP administrator, any consumer can quickly and easily change providers. However, if the administrator had any incentive to make that process more difficult, in order to discourage a consumer from leaving a telecommunications company the administrator favored, the local number portability system—and the competitive benefits that are dependent on it—would suffer.

Similarly, carriers entrust sensitive competitive data to the LNP administrator and must have confidence in its ability to safeguard that information and limit access for unauthorized purposes. LNP would not work if carriers were concerned that a competitor might receive access to proprietary data from a non-neutral administrator.

Neutrality is in Neustar's DNA. In fact, the "Neu" in Neustar reflects the company's commitment to ensuring that no calls or text messages are favored over others.

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### **What sets Neustar apart from your competitors?**

We are proud to be an American company that is the trusted, reliable provider of this critical service that thousands of companies and millions of consumers depend on daily. The NPAC is unique worldwide in its size, complexity, and breadth of functionality. Neustar has a proven track record of reliable performance, neutrality and the highest level of customer service.

A report by the Yankee Group found that the NPAC under Neustar's management has been incredibly successful since 1997. Neustar has successfully evolved to meet the changing demands of consumers while ensuring reliable, effective portability services.

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**How would a change in the NPAC Administrator affect service providers and consumers?**

Under Neustar's management, the NPAC has become the most efficient number portability system in the world. A new administrator could bring serious disruptions and risk the reliability of the system, which could harm consumers through decreased competition and less reliable service. Problems with reliability and increased number transfer time under a new Administrator, as well as the increased customer care costs on service providers, should raise concerns for both consumers and service providers.

A report by Dr. Scott E. Masten, Professor of Business Economics and Public Policy at the University of Michigan's Ross School of Business, found that having a single nationwide administrator of number portability provides significant economic benefits that support innovation, reliability and efficiency.