

BEFORE THE
UTAH PUBLIC SERVICE COMMISSION

Application of)
NextGen Communications, Inc.)
) Docket No. _____
For a Certificate of Public Convenience and)
Necessity to Provide Resold and Facilities-Based)
Local Exchange Services within the State of Utah)

APPLICATION

NextGen Communications, Inc. ("NextGen" or "Applicant"), by its undersigned officer and pursuant to Chapter 8b of Title 54 of the Utah Code; the Commission's Rules of Practice and Procedure, Utah Admin. Code § 746-100 *et seq.*; and the federal Telecommunications Act of 1996, 47 U.S.C. § 151 *et seq.*, hereby applies to the Utah Public Service Commission ("Commission") for a certificate of public convenience and necessity authorizing Applicant to operate as a provider of resold and facilities-based local exchange telecommunications services in the State of Utah.

In support of its application, NextGen provides the following information:

1. General Information

Corporate Information

A. Applicant's legal name is NextGen communications, Inc. Applicant may be reached at its principal place of business:

275 West Street
Annapolis, MD 21401
Tel: (410) 263-7616
Fax: (410) 263-7617
www.telecomsys.com

B. NextGen was incorporated on October 27, 2008, under the laws of the State of Maryland. NextGen is a wholly owned subsidiary of TeleCommunication Systems, Inc., which was incorporated on July 30, 1987, under the laws of the State of Maryland. Copies of NextGen's certificate of formation and certificate of good standing as a foreign corporation in Utah are attached hereto as **Exhibit A**.

Contact Information

Correspondence or communications pertaining to this Application should be directed to:

Mr. H. Russell Frisby, Jr. Esq.
Fleischman & Harding, LLP
1255 23rd Street, 8th Floor
Washington DC, 20037
Tel. (202) 939-7980
Fax. (202) 939-0928
jmoskowitz@fh-law.com

Questions concerning the ongoing operations of Applicant following certification should be directed to:

Mr. Kim Scovill
Senior Director, Government Affairs
275 West Street
Annapolis, MD 21401
Tel: (410) 349-7090
Fax: (410) 295-1884
E-mail: kscovill@telecomsys.com

Applicant's registered agent in the State of Utah is:

Corporation Service Company
NextGen Communications, Inc.
2180 South 1300 east, Suite 650
Salt Lake City, UT 84106

Customer Service Information

NextGen's toll-free number for customer inquiries is (800) 959-3749.

2. R746-349-3(A)(2) Proof of Bond in the Amount of \$100,000

This bond is intended to provide security for customer deposits or other liabilities to telecommunications customers of the Applicant. NextGen does not plan to collect customer deposits or offer any prepaid services in Utah. NextGen hereby requests a waiver of this bond requirement.

3. R746-349-3(A)(3) Construction or Acquisition of Facilities

NextGen does not currently own property in the State of Utah, but it does plan to lease or otherwise locate call routing equipment in the state for use with the E9-1-1 routing and location services that NextGen offers. To facilitate the deployment of these services, NextGen intends to obtain collocation arrangements, access to databases, special access trunking facilities, and to interconnect with the incumbent local exchange carriers (“ILEC”) or other competitive carriers as permitted under the federal Telecommunications Act of 1996, 47 U.S.C. § 251(c).

4. R746-349-3(A)(4) Services to be Offered

NextGen seeks certification so that it may aggregate and transport emergency local, VoIP, telemetric, PBX, and mobile E9-1-1 traffic, manage and transmit location and calling number data, and provide call routing management for the delivery of emergency calls to PSAPs throughout the state of Utah. NextGen’s services are used by large wireline carriers, VoIP providers, cable TV system operators who provide telecommunications services and/or VoIP, telemetric operators, PBX users, and mobile voice service providers.

NextGen does not provide traditional long distance voice toll services or traditional local exchange dial tone services and does not intend to provide such services. However, in order to aggregate and transport emergency calls, deliver location and

calling number data, and manage emergency call location services and call routing, NextGen will require the same sort of interconnection and collocation made available to certificated CLECs. NextGen needs the ability to order carrier grade circuits, order special access facilities, and to locate its equipment in proximity to other network devices for connection to ILECs and other carriers as the most efficient method for this interconnection may be collocation. NextGen respectfully requests, therefore, that the Commission find that NextGen is entitled to the rights of interconnection, collocation, resale, access to automatic location identification information, ALI databases, special access, access to unbundled network elements, and all other rights and privileges as enjoyed by CLECs under the Telecommunications Act of 1996.

TCS, NextGen's parent company, is currently a provider of unregulated VoIP Positioning Center ("VPC") and Mobile Positioning Center ("MPC") services for wireless and VoIP service providers. With the evolution of the next generation of Internet protocol-based ("IP-based") E9-1-1 technology, NextGen proposes to expand its service offerings to include full selective routing, ALI database, and database management system functionality in direct competition with the regulated and tariffed services offered by the current E9-1-1 System Service Provider, which is typically the ILEC.

As a separate offering, NextGen proposes to provide Emergency Services Gateway services ("ESGW"). An ESGW is a media converter that converts IP-based Voice to TDM and connects E9-1-1 calls via NextGen's dedicated trunks to local ILEC (or other) selective routers. ESGW services could be offered to VoIP Service Providers and other VPCs with a requirement to route IP E9-1-1 calls to PSAPs in Utah that rely upon the legacy selective routers of the ILECs for E9-1-1 calls.

There are no special customer provided equipment (“CPE”) requirements for ESGW services. As PSAPs upgrade their CPE to be IP-capable, their equipment will become increasingly compatible with NextGen’s technology. Nevertheless, NextGen will offer necessary protocol conversion hardware that will integrate with legacy technologies provided by incumbent carriers. As noted above, collocation of this equipment with other carriers’ operations may be the most efficient network design. It will not be necessary for incumbent carriers or PSAPs to upgrade their equipment.

NextGen, through its parent, TCS, provides a 24/7/365 Network Operations Center accessible via a toll free number, (800) 959-3749. TCS, and by association, NextGen, is ISO 9001 certified and TL9000 certified. TL9000 certification is the highest relevant industry specification in this arena and mandates that sophisticated escalation matrices exist to ensure prompt resolution of outages. NextGen/TCS will report E9-1-1 outages to the Federal Communications Commission (“FCC”) per established FCC guidelines.

In summary, NextGen will contract with telecommunications carriers operating in Utah and/or local 9-1-1 authorities to enable residential and business end users, whether on traditional landline, wireless, VoIP, or other devices, to place emergency calls and to have those calls routed to the correct PSAP for their needs, and to deliver calling number and location data to the PSAP in coordination with those calls. These services will be operated in conjunction with or in parallel to legacy emergency systems operated by other carriers.

4(a) R746-349-3(A)(4)(a) Classes of Customers

NextGen intends to offer its E9-1-1 routing and location-related services

on a wholesale basis to VoIP providers, ILECs, cellular telephone providers, competitive local exchange (“CLEC”) providers, and/or local 9-1-1 authorities.

The Applicant does not anticipate providing any form of dial tone services on a retail basis to either residential or business end users.

4(b) R746-349-3(A)(4)(b) Location of Service

NextGen intends to make its services available on a wholesale basis to carriers and/or local 9-1-1 authorities throughout the state of Utah.

5. R746-349-3(A)(5) Access to Standard Services

Because NextGen does not provide dial tone services, it will not be providing access to local exchange, toll, operator services, directory assistance, and directory listings. These requirements are not applicable to the services that NextGen offers. Instead, NextGen’s carrier-customers will provide end-user focused services to their own customers. For its part, NextGen will be responsible for providing its carrier customers with 9-1-1 and E9-1-1 routing and location information.

6. R746-349-3(A)(6) Implementation Schedule

Prior to the provision of service in Utah, several important developments must occur. Among these developments are: the issuance of a certification by the Utah Commission; successful negotiation of interconnection agreements with the incumbent carriers; and successful completion of the installation of any facilities NextGen needs to offer its service in the State of Utah. Each of these activities may be subject to delay beyond the control of NextGen. Therefore, NextGen has no timetable established for the commencement of its services and the Applicant has not yet begun to market its services in Utah.

7 R746-349-3(A)(7) Professional Experience and Education of Managerial Personnel and Personnel Responsible for Utah Operations

Descriptions of the extensive telecommunications and managerial experience of NextGen's key personnel are attached hereto as **Exhibit B**. NextGen does not plan to operate an office with personnel within Utah. Responsibility for Utah operations will be handled by Applicant's current management team from its existing operations in multiple states.

8. R746-349-3(A)(8) Organization Chart

Please see **Exhibit B** for the Applicant's organizational charts.

9. R746-349-3(A)(9) Chart of Accounts

NextGen's accounting methods are identical to its parent company's, TCS. TCS is a public company (NASDAQ: TSYS) and follows all applicable SEC and GAAP accounting rules. The requirement for a chart of accounts is typically necessary with an entity using regulated rate base or rate of return methodology so that authorities can be confident of the proper classification of revenue and expenses for end user price calculations in a monopoly environment. This is not the financial environment surrounding the provision of competitive E9-1-1 services. Therefore, NextGen asks that the requirement for a chart of accounts be waived, or in the alternative, that the Commission accept the use of SEC approved GAAP accounting as a reasonable substitute, as contained in **Exhibit D**.

10. R746-349-3(A)(10) Financial Statements

(a) R746-349-3(A)(10)(a) Balance Sheet, Income Statement and Cash flow Statement

The Applicant will have consolidated accounting with its parent company, TCS, Therefore, the Applicant is providing, in **Exhibit D**, the year-end 2008 Financial Statements, income statement, cash flow statement ,and Annual Report, and SEC Form 10 K, in support of its parent company TCS's financial ability to provide local exchange services. TCS/NextGen is financially qualified to provide local exchange services in Utah.

(b) R746-349-3(A)(10).(b) Letter from Management

Please see the management letters in the Annual Report and SEC Form 10 K, as well as the auditor's statement in both documents.

(c) R746-349-3(A)(10)(c) Start-up Company

Applicant is not a start-up company.

(d) R746-349-3(A)(10)(d) Parent Company Financials

TCS's financials are provided in **Exhibit D**.

11. R746-349-3(A)(11) Additional Financial Statements

(a) R746-349-3(A)(11)(a) Positive net worth

The Applicant is providing, in **Exhibit D**, the year-end 2008 Financial Statements, income statement, cash flow statement and Annual Report, and SEC Form 10 K, in support of TCS's financial ability to provide local exchange services.

(b) R746-349-3(A)(11)(b) Income and Cash Flow Statements

The Applicant is providing, in **Exhibit D**, the year-end 2008 Financial Statements, income statement, cash flow statement and Annual Report, and SEC Form 10 K, in support of TCS's financial ability to provide local exchange services.

(c) R746-349-3(A)(11)(c) Proof of Bond

Applicant requests a waiver as the company does not solicit customer deposits or offer any prepaid telecommunications services.

12. R746-349-3(A)(12) Five-year Projection

(a) R746-349-3(A)(12)(a) Pro-forma Income and Cash Flow Statements

Because the Applicant uses consolidated financial statements with its parent, which is a publicly traded company (NASDAQ: TSYS) and regulated by the federal Securities and Exchange Commission, it does not generate pro-forma accounting statements for its subsidiaries.

(b) R746-349-3(A)(12)(b) Technical Description

In order to provide its selective routing service and location information services, NextGen will utilize resources located in the state of Utah and those of its parent, TCS. The Utah facilities will include geographically diverse/redundant Automatic Location Information ("ALI") nodes and a Service Control Point located at TCS' redundant and diverse facilities in Seattle, Washington, and Phoenix. NextGen may propose to provide selective routing services using similarly configured ALI nodes located in TCS's existing diverse and redundant facilities in Seattle and Phoenix.

E911 calls will be routed from the LEC end office or CMRS mobile

switch to dedicated DBM gateways via dedicated CAMA or SS7 circuits. The DBM gateways will be located in various LATAs throughout Utah. The DBM gateways will communicate via VoIP signaling to the Utah selective routers. Alternatively, the carriers may elect to originate their calls in IP or convert them to IP at their own switches, and to route those calls to the NextGen selective router. The selective routers will coordinate with the appropriate routing databases to ascertain routing information to properly route the call via VoIP to the appropriate DBM gateway or simply switch the call to the correct PSAP via CAMA or SS7 Trunking. The Utah selective routers will be comprised of Cisco 3600 series multiservice routers configured in diverse and redundant manner and housed or collocated in data centers supported by UPS and generator power, redundant and diverse network entrance facilities, and redundant data communications hardware and facilities monitoring equipment.

The Utah ALI nodes are comprised of tandem fault-tolerant computers running in a mated-pair arrangement. Each of these computers is located or collocated in a data center facility supported by UPS and generator power, redundant and diverse network entrance facilities, and redundant data communications hardware and facilities monitoring equipment. To ensure continued coordinated operations, mated pairs of host computers are redundantly interconnected using network facilities that are diverse routed and specifically engineered to ensure that no single points of convergence occurs. This systems arrangement, in use elsewhere by NextGen's parent, TCS, to provide wireless ALI service, provides a fail-safe, fault-tolerant implementation that has delivered

service reliability in excess of 99.999% availability since 1998.

All data communications hardware employed by NextGen in Utah, and elsewhere, is of redundant design and is also deployed in a dual arrangement to assure no single point of failure. All equipment is SNMP enabled for remote monitoring and management.

The redundant fault tolerant Data Centers in Seattle and Phoenix provide E911 selective routing services throughout the country. Links to any ALI nodes in Utah will be deployed in a diverse fault-tolerant fashion to ensure high availability for emergency calling. These links are used to monitor, manage, and relay data between systems in Seattle or Phoenix and Utah based systems. TCS and NextGen currently employ high availability SUN-based computing platforms in the Seattle and Phoenix facilities.

The Applicant utilizes HP OpenView as its standard network-monitoring tool. All data communications hardware (so equipped) and remote facility environments are capable of being monitored at the Network Operations Center. The facilities in Seattle and Phoenix are powered by Public Service utilities and are backed-up by generators and UPS systems. Telecommunications interconnectivity is provided by traditional local ILEC copper facilities and two separate vendors' SONETA fiber rings incorporating diverse building entrances.

The voice telephone systems serving these facilities are fully redundant in terms of internal common equipment, power, and serving facilities. TCS/NextGen also has disaster recovery plans to fall-back to our Maryland facility for remote

monitoring and operations, and has a program in place to archive all key data on a daily basis in a secure offsite bonded location.

(c) R746-349-3(A)(12)(c) Detailed Maps of Facilities Locations

Not applicable. NextGen does not yet have physical facilities and does not now know where it will construct such facilities in Utah. Also, to the extent that maps are necessary or useful to the supervision of NextGen's services, the service areas would coincide with the maps of its customers (which would already be on file with the Commission).

13. R746-349-3(13) Implementation schedule

As discussed in paragraph 4 above, NextGen does not intend to provide dial tone services to any customers in Utah. As such, it will not create an implementation schedule setting forth the date that dial tone services will commence. The Applicant intends to offer its 9-1-1-related services in Utah upon a valid request from Customers in its target market. (See response to 4(a) of this application for a definition of a target market customer). The Applicant will enter into negotiations with Qwest Communications and other appropriate ILECs for a region-wide interconnection/commercial agreement after the Commission approves NextGen's application and it receives orders from its carrier-customers for service.

14. R746-349-3(A)(14) Technical and managerial abilities

NextGen and its parent, TCS, have the necessary managerial and technical resources and qualifications necessary to execute its business plan and to provide its proposed telecommunications services. TCS has been providing telecommunication services to customers across the globe since 1987. The company is a founding member of

the SMS Forum, the PAM Forum, and the IN Forum. It is also an active member of a number of other professional committees and standards-making organizations, including NENA, NRIC7, APCO, ATIS, CTIA, ETSI, 3GPP, and the WAP forum.

TCS provides a variety of telecommunications products and services internationally to 42 wireless carriers including; SMS messaging, Wireless Internet Gateway, satellite communications, IT management services, and location based services. Its expertise in E9-1-1 has been developed over the last eleven (11) years in the wireless industry, providing E9-1-1 service to wireless carriers. In that capacity, the Applicant has developed a knowledge base and hands-on experience in managing wireless ALI databases, establishing ALI circuits, provisioning ALI databases and selective routers, and installing voice and data circuits to a wide variety of selective routers. As an MPC vendor, TCS is familiar with PSAP messaging, ALI screen formatting, and all messaging related to Phase 1 and Phase 2 wireless E911 deployments. In addition, TCS provides AGPS PDE service for E9-1-1 Phase 2 and hosts the Wide Area Reference Network used by virtually all AGPS users in the United States.

All equipment is monitored 24x7 in the sophisticated Network Operations Center (“NOC”) located in Seattle, Washington, with a failover backup NOC in Annapolis, Maryland and a redundant and diverse data center in Phoenix, Arizona. The NOC monitors 1400,000 E9-1-1 calls per day on average with a network availability rate in excess of 99.999%. The NOC maintains direct communications with PSAPs, LEC NOCs and the NOCs of our wireless customers. Trouble tickets are managed according to strict Service Impairment Levels that mandate escalation according to the nature and extent of the problems.

TCS's management team is available to NextGen and has extensive experience in the telecommunications and emergency calling industries. Biographies of the Applicant's key personnel are attached hereto as **Exhibit B**.

NextGen would be considered a non-dominant telecommunications company. See **Exhibit E** for a complete listing of the certification status of TCS. The Applicant has CLEC applications pending in other states and plans on filing applications for service nationwide.

(a) R746-349-3(A)(14)(a) Proof of Certification

Please see **Exhibit E**.

(b) R746-349-3(A)(14)(b) Experience

Please see **Exhibit B**.

15. R746-349-3(A)(15) Public interest

Both the Utah Legislature and the United States Congress have determined that it is in the public interest to promote competition in the provision of telecommunications services. E9-1-1 services such as those offered by NextGen are in the public interest. The existence of two (or more) such E9-1-1 services providers could only improve the competitive and technological landscape for such services in Utah with the resulting public interest benefits.

The experience with the introduction of competition into other telecommunications markets, such as long distance, competitive access, and customer premises equipment, has led to public interest benefits in those markets. For more than thirty years, the existing 9-1-1 infrastructure performed admirably. However, the introduction and proliferation of portable communications technologies such as cellular telephones, VoIP services, personal data assistants, telemetric devices in automobiles, and other portable devices places burdens on the existing 9-1-

1 infrastructure that severely strains its capability to deliver emergency calls to the appropriate PSAP in a cost effective manner.

NextGen's services are designed to accommodate both traditional and non-traditional emergency calls that originate from any number of different communications platforms, access networks, and service providers. NextGen's services could replace portions of the existing 9-1-1 infrastructure in Utah and would enable Utah's 9-1-1 infrastructure to accommodate the many new advanced service options available in the market today. NextGen's 9-1-1 services will benefit telecommunications service providers by allowing them to bring innovative new services to the market in Utah without having to develop E9-1-1 solutions organically in-house, which can be a very daunting proposition. These services similarly benefit end user consumers by allowing them to take advantage of the increased productivity that these services can provide, while still having quick and accurate connectivity to the appropriate 9-1-1 resources. E9-1-1 services also play an important role as the backbone for homeland security in Utah and the nation.

In addition, by granting this application, the Commission will build upon its well-established policy of promoting competition in the telecommunications marketplace. The Commission has long recognized that increased competition in the telecommunications marketplace will further the public interest by increasing efficiency, stimulating technological innovation, and increasing the range, variety, and utility of services offered to end users. The Applicant plans to contribute to this competitive marketplace in Utah by providing its advanced competitive E9-1-1 services.

16. R746-349-3(A)(16) Proof of Authority to Conduct Business in Utah

Please see **Exhibit A**.

17. R746-349-3(A)(17) Unauthorized switching, solicitation of new customers, and prevention of unauthorized switching

As discussed previously, these provisions are generally not applicable to the services that NextGen plans to provide in Utah, which are not dial tone services. However, NextGen will comply with Utah law and the Federal Communications Commission's ("FCC's") regulations regarding how interexchange carriers may change a consumer's Primary Interchange Carrier to the extent applicable. NextGen will also comply with the FCC's regulations regarding how carriers may change a consumer's primary local exchange provider.

(a) R746-349-3(A)(17)(a) Sanctions

NextGen has never had any complaints, investigations, or sanctions imposed against it for slamming or any other conduct in any state. Nor has the Applicant ever had its Authority to Conduct Business revoked in any state.

(b) R746-349-3(A)(17)(b)

Not applicable.

(c) R746-349-3(A)(17)(c)

Not applicable.

18. R746-349-3(A)(18) Applicant's written policies

As discussed, NextGen does not provide dial tone services or have any direct contact with end user telephone customers. Further, as detailed in 4(a) above, the Applicant's marketing plan for Utah will be limited in nature and will focus on large sophisticated carriers. As such, the public's exposure to unauthorized PIC changes relating to NextGen's marketing activities is non-existent.

WHEREFORE, NextGen Communications, Inc., respectfully requests that the Utah Public Service Commission issue a Certificate of Public Convenience and Necessity authorizing NextGen Communications, Inc. to provide resold and facilities-based local exchange telecommunications services in the State of Utah.

Respectfully submitted,



Richard H. Dickinson
Senior Direct, Public Safety
NextGen Communications, Inc.

Dated:

6/24/09

VERIFICATION

State of Maryland)
)
City of Annapolis)

I, Richard H. Dickinson, being first duly sworn, depose and state that I am the Senior Director, Pubic Safety, NextGen Communications, Inc., on behalf of the Applicant in the subject proceeding; that I am authorized to make this Verification on its behalf; that I have read the foregoing application and exhibits and know the content thereof; that the same are true and correct to the best of my knowledge, information, and belief.

Executed on this 24 day of JUNE, 2009

By: Richard H. Dickinson
Richard H. Dickinson
Senior Direct, Public Safety
NextGen Communications, Inc.

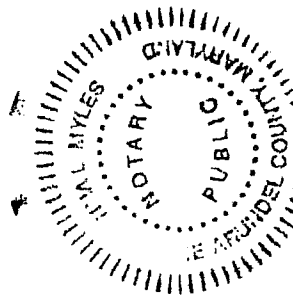
*State of Maryland
County of Anne Arundel*

Sworn and subscribed before me this 24th day of June 2009

Tina L. Myles
Signature of official administering oath

My Commission expires

TINA L. MYLES
NOTARY PUBLIC
ANNE ARUNDEL COUNTY
MY COMMISSION EXPIRES 11-04-11



LIST OF EXHIBITS

- EXHIBIT A** Certificate of Formation and Certificate of Good Standing in Utah
- EXHIBIT B** Managerial and Technical Qualifications
- EXHIBIT C** Chart of Accounts
- EXHIBIT D** Financial Statements
- EXHIBIT E** Evidence of Certification in Other Jurisdictions