

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

IN THE MATTER OF THE) Docket No.
APPLICATION OF NEXTGEN)
COMMUNICATIONS INC. FOR A)
CERTIFICATE OF AUTHORITY TO)
PROVIDE LOCAL EXCHANGE AND)
INTEREXCHANGE SERVICE IN)
THE STATE OF SOUTH DAKOTA)

APPLICATION

NextGen Communications, Inc. ("NextGen") and hereby files this Application with the South Dakota Public Utilities Commission ("Commission") pursuant to S.D. Admin. R. 20:10:32:03 and S.D. Admin. R. 20:10:24:02 for a Certificate of Authority ("Certificate") to provide local exchange and interexchange services in the State of South Dakota. The issuance of the Certificate is in the public interest.

- (1) The applicant's name, address, telephone number, facsimile number, web page URL, and E-mail address:**

NextGen Communications, Inc.
c/o TeleCommunication Systems, Inc.
275 West Street – 4th Floor
Annapolis, MD 21401
Tel: 410-263-7616
Fax: 410-263-7617
www.telecomsys.com
Tlorello@telecomsys.com

- (2) A description of the legal and organizational structure of the applicant's company:**

NextGen is a corporation incorporated under the laws of Maryland and is a wholly-owned subsidiary of TeleCommunication Systems, Inc. ("TCS") whose stock is publically traded (NASDAQ: TSYS).

- (3) **The name under which applicant will provide local exchange and interexchange services if different than in subdivision (1) of this section:**

NextGen Communications, Inc. will be the entity providing service in South Dakota.

- (4) **The location of the applicant's principal office, if any, in this state and the name and address of its current registered agent, if applicable:**

NextGen has no principal office in the State of South Dakota. The name and address of its Registered Agent is:

Corporation Service Company
503 South Pierre Street
Pierre, South Dakota 57501

- (5) **A copy of its certificate of authority to transact business in South Dakota from the secretary of state:**

See Exhibit A

- (6) **A description of the applicant's experience providing any telecommunications services in South Dakota or in other jurisdictions, including the types of services provided, and the dates and nature of state or federal authorization to provide the services:**

As of the date of this filing, NextGen is currently provides VoIP Positioning Center ("VPC") and Mobile Positioning Center ("MPC") services in Alabama, Alaska, Arkansas, Arizona, Connecticut, Delaware, Florida, Georgia, Hawaii, Illinois, Indiana, Idaho, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, New Hampshire, New Jersey, New Mexico, New York, Nebraska, Nevada, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, Texas, Tennessee, Utah, Vermont, Virginia, and Wisconsin. By Order released on April 13, 2013, the Federal Communications Commission ("FCC") granted TCS a limited waiver of section 52.15(g)(2)(i) of the FCC's rules so that it might obtain p-ANI codes from the RNA in South Carolina and other states where it cannot obtain certification. *Petition of TeleCommunication Systems, Inc. and HBF Group, Inc. for Waiver of Part 52 of the Commission's Rules*, CC Docket No. 99-200, at ¶ 112-114, FCC13-51 (Released April 18, 2013).

- (7) **Names and addresses of applicant's affiliates, subsidiaries, and parent organizations, if any:**

TeleCommunication Systems, Inc.
275 West Street – 4th Floor
Annapolis, MD 21401

Tel: 410-263-7616
Fax: 410-263-7617
www.telecomsys.com
Tlorello@telecomsys.com

(8) A list and specific description of the types of services the applicant seeks to offer and how the services will be provided:

Pursuant to this application NextGen seeks certification so that it may provide "VPC" and MPC services in South Dakota which involve the aggregation and transport of emergency local, VoIP, telemetric, PBX, and mobile E9-1-1 traffic, the management and transmission of location and calling number data, and the provision of call routing management for the delivery of emergency calls to Public Service Answering Points (PSAPs) throughout South Dakota. NextGen's services are used by PSAPs as well as large wireless 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 currently provide long distance voice toll services or local exchange voice dial tone services to residential or business customers. However, in order to aggregate and transport emergency calls and/or calling data, NextGen may require the same sort of interconnection and co-location made available to certificated Competitive Local Exchange Carriers ("CLEC").

In addition, certification will enable NextGen to acquire and manage Pseudo Automatic Number Identification ("pANI") numbering resources, which are essential to routing emergency calls, pursuant to the Federal Communications Commission's ("FCC's") directive of September 8, 2006 which states that CLEC certification is now required for pANI management. Furtherance of this FCC objective and of the availability of competitive sources for emergency call routing and management are in the public interest.

NextGen intends to provide service as soon as practicable upon approval of the Application. NextGen provides service through a variety of TCS facilities located throughout the United States. Hardware and software processes are monitored 24x7 in the state-of-the-art Network Operations Center ("NOC") located in Seattle, Washington with a duplicate active redundant backup NOC in Phoenix, Arizona, and a standby NOC in Annapolis, Maryland. The NOC monitors an average of approximately 140,000 E9-1-1 calls per day with a network availability rate in excess of 99.999%. The NOC maintains direct communications with PSAPs, local exchange carriers 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. These years of experience supporting the 9-1-1 call routing process have yielded the ability to support the selective routing switches of any 9-1-1 provider in the country, including switch updates and/or external selective routing database ("SRDB") functionality to the following equipment:

. Lucent 5ESS

. Lucent ECP

. Nortel DMX

. Ericsson

(9) A service area map or narrative description indicating with particularity the geographic area proposed to be served by the applicant:

NextGen proposes to serve the entire State of South Dakota.

(10) Information regarding the technical competence of the applicant to provide its proposed local exchange services:

NextGen possesses the technical and managerial expertise and experience necessary to provide the services it proposes. NextGen is the wholly owned subsidiary of TCS, the leading unregulated wireless and VoIP 911 location and call data provider in the nation. With unlimited access to these resources, NextGen is technically qualified to provide the proposed local exchange and interexchange services in South Dakota. NextGen's management team has extensive management and telecommunications experience. TCS provides a variety of telecommunications products and services internationally to approximately 42 wireless carriers including Short Message Service ("SMS") messaging, Wireless Internet Gateway, satellite communications, information technologies ("IT") management services, and location based services. This expertise in E9-1-1 has been developed over the last 17 years in the wireless industry, providing E9-1-1 service to wireless carriers. In that capacity, NextGen has developed a knowledge base and hands-on experience in managing wireless automatic location identification ("ALI") databases, establishing ALI circuits, provisioning ALI databases and selective routers, and provisioning voice and data circuits to a wide variety of selective routers. As a VPC and MPC vendor, we are familiar with PSAP messaging, ALI screen formatting, and all messaging related to Phase 1 and Phase 2 wireless E9-1-1 deployments. In addition, we provide Assisted Global Positioning System Positioning Determining Entity service for E9-11 Phase 2 and host the Wide Area Reference Network used by virtually all AGPS E9-1-1 users in the United States.

NextGen's technological qualifications are also reflected in its officers and directors. NextGen's key managerial personnel and their qualifications are set forth in more detail in the attached **Exhibit B**. As Exhibit B illustrates, NextGen possesses the managerial and technical expertise necessary to provide the services it proposes to offer in South Dakota. TCS, NextGen's parent corporation employs approximately 1,050 highly-qualified individuals that represent some of the most accomplished innovators and experienced technical experts in the telecommunications industry. Gathered from the telecommunications, public safety, and software development industries, NextGen's team of professionals is at the forefront of industry innovation, development, and standard-setting. These individuals are uniquely qualified to and design, implement, and manage E9-1-1 solutions.

NextGen provides a 24/7/365 NOC accessible via a toll free number, (800) 959-3749. These operations are ISO9001 certified, and the NOC is the industry's only TL9000 certified facility supporting Wireless and VoIP E9-1-1. Sophisticated escalation matrices exist to ensure prompt resolution of outages. NextGen will report outages to the Federal Communications Commission per established guidelines.

(11) Information explaining how the applicant will provide customers with access to emergency services such as 911 or enhanced 911, operator services, interexchange services, directory assistance, and telecommunications relay services:

This question is not generally applicable to the VPC and MPC services that NextGen will provide. NextGen does not currently provide long distance voice toll services or local exchange voice dial tone services to residential or business customers. A waiver of this requirement is appropriate pursuant to S.D. Admin. R. 20:10:32:10. Consistent with that rule, NextGen's proposed service does not involve providing customers with access to operator services, interexchange services, directory assistance, or the other services referenced above. In addition, the waiver is in the public interest and is not contrary to universal service, the public safety and welfare, and quality of service.

(12) For the most recent 12 month period, financial statements of the applicant consisting of balance sheets, income statements, and cash flow statements:

NextGen is a direct, wholly-owned subsidiary of TCS a publicly held corporation incorporated in the State of Maryland. NextGen possesses the financial qualifications required of applicants for the license requested here. NextGen's finances are identical to its parent company's, and the most recent financial statements for TCS provided as hereto, demonstrate that NextGen possesses sufficient financial resources to provide the services it proposed in this application competently and effectively. Attached hereto as **Exhibit C** are copies of TCS's most recent Annual Report, which contains TCS's most recent SEC Form 10-K and TCS's most recent SEC Form 10-Q.

(13) Information detailing the following matters associated with interconnection to provide proposed local exchange services:

- (a) The identity of all local exchange carriers with which the applicant plans to interconnect:

AT&T
CenturyLink
ComNet
Golden West
SDN
Sprint

Swiftwell
Verizon
Windstream
WOW

- (b) The likely timing of initiation of interconnection service and a statement as to when negotiations for interconnection started or when negotiations are likely to start:

To Be Decided

- (c) A copy of any request for interconnection made by the applicant to any local exchange carrier:

NextGen has not requested an interconnection agreement as of the date of this filing.

- (14) A description of how the applicant intends to market its local exchange services, its target market, whether the applicant engages in multilevel marketing, and copies of any company brochures that will be used to assist in sale of the services:**

This question is not generally applicable to the VPC and MPC services that NextGen will provide. NextGen will provide VPC and MPC services in South Dakota to PSAPs. NextGen does not currently provide long distance voice toll services or local exchange voice dial tone services to residential or business customers. It does not engage in multilevel marketing and similar activities.

- (15) If the applicant is seeking authority to provide local exchange service in the service area of a rural telephone company, the date by which the applicant expects to meet the service obligations imposed pursuant to § 20:10:32:15 and applicant's plans for meeting the service obligations:**

This question is not generally applicable to the VPC and MPC services that NextGen will provide. NextGen does not currently provide long distance voice toll services or local exchange voice dial tone services to residential or business customers. NextGen will enter into agreements with rural telephone companies as necessary.

- (16) A list of the states in which the applicant is registered or certified to provide telecommunications services, whether the applicant has ever been denied registration or certification in any state and the reasons for any such denial, a statement as to whether or not the applicant is in good standing with the appropriate regulatory agency in the states where it is registered or certified, and a detailed explanation of why the applicant is not in good standing in a given state, if applicable:**

As of the date of this filing, NextGen is currently certified and in good standing in Alabama, Alaska, Arkansas, Arizona, Connecticut, Delaware, Florida, Georgia, Hawaii, Illinois, Indiana, Idaho, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, New Hampshire, New Jersey, New Mexico, New York, Nebraska, Nevada, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, Texas, Tennessee, Utah, Vermont, Virginia, and Wisconsin. NextGen is in good standing in these states. NextGen was unable to obtain certification in South Carolina because the services it provides are not subject to state regulation. Subsequently, by Order released on April 13, 2013, the Federal Communications Commission ("FCC") granted TCS a limited waiver of section 52.15(g)(2)(i) of the FCC's rules so that it might obtain p-ANI codes from the RNA in South Carolina and other states where it cannot obtain certification. *Petition of TeleCommunication Systems, Inc. and HBF Group, Inc. for Waiver of Part 52 of the Commission's Rules*, CC Docket No. 99-200, at ¶ 112-114, FCC13-51 (Released April 18, 2013).

- (17) The names, addresses, telephone numbers, E-mail addresses, and facsimile numbers of the applicant's representatives to whom all inquiries must be made regarding customer complaints and other regulatory matters:**

Contact for customer complaints:

NextGen NOC
2401 Elliott Avenue
Seattle, WA 98121
1-800-959-3749

Contact for regulatory matters:

Timothy James Lorello
275 West Street
Annapolis, MD 21410
Office: 410-280-1275
Fax: 410-263-7617

(18) Information concerning how the applicant plans to bill and collect charges from customers who subscribe to its proposed local and interexchange exchange services:

This question is not generally applicable to the VPC and MPC services that NextGen will provide. NextGen does not currently provide long distance voice toll services or local exchange voice dial tone services to residential or business customers. NextGen will bill its PSAP customers in South Dakota pursuant to the terms of their contracts.

(19) Information concerning the applicant's policies relating to solicitation of new customers and a description of the efforts the applicant shall use to prevent the unauthorized switching of local and interexchange service customers by the applicant, its employees, or agents:

This question is not generally applicable to the VPC and MPC services that NextGen will provide. NextGen does not currently provide long distance voice toll services or local exchange voice dial tone services to residential or business customers and as a result, no retail service will be switched.

(20) The number and nature of complaints filed against the applicant with any state or federal commission regarding the unauthorized switching of a customer's telecommunications provider and the act of charging customers for services that have not been ordered:

None

(21) Information concerning how the applicant will make available to any person information concerning the applicant's current rates, terms, and conditions for all of its telecommunications services:

NextGen does not currently provide long distance voice toll services or local exchange voice dial tone services to residential or business customers. NextGen provides VPC and MPC service through contracts with PSAPs and carriers. The rates, terms and conditions will be set forth in those contracts.

(22) Information concerning how the applicant will notify a customer of any materially adverse change to any rate, term, or condition of any telecommunications service being provided to the customer. The notification must be made at least thirty days in advance of the change:

NextGen does not currently provide long distance voice toll services or local exchange voice dial tone services to residential or business customers. NextGen provides VPC and MPC service through contracts with PSAPs and carriers. Each of these contracts has notice provisions.

(23) A written request for waiver of those rules believed to be inapplicable:

NextGen is requesting waiver of the requirement that it provide customers with access to emergency services such as 911 or enhanced 911, operator services, directory assistance, and telecommunications relay services (see response to question 11). Additionally, while not a request for waiver, NextGen requests that it not be required to post a performance bond. NextGen does not intend to collect deposits and will provide its 9-1-1 emergency services through contracts with government entities and carriers. As such, it does not believe that a performance bond is necessary to protect the public interest.

NextGen is not requesting a waiver of any additional rules at this time.

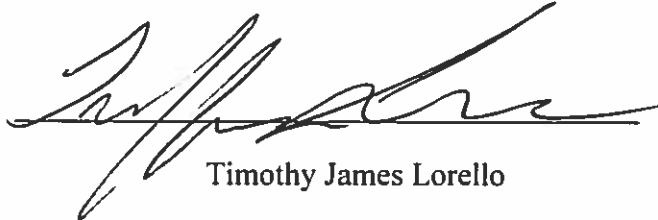
(24) Federal tax identification number and South Dakota sales tax number: and South Dakota sales tax number:

Federal Tax ID Number: 26-3772103
State Tax ID Number: 1029-5968-St

(25) Other information requested by the Commission needed to demonstrate that the applicant has sufficient technical, financial, and managerial capabilities to provide the local exchange services it intends to offer consistent with the requirements of this chapter and other applicable rules and laws:

At this time, NextGen has no additional information which it believes to be relevant to its qualifications to provide the proposed service.

WHEREFORE, NextGen Communications, Inc. respectfully requests that this commission grant it authority to provide local and interexchange services in the State of South Dakota.



Timothy James Lorello

Verification

I, Timothy James Lorello, being duly sworn, do hereby certify, depose and state that I am the authorized representative for NextGen Communications, Inc. in this proceeding; and that I have read the above and foregoing Application and the allegations contained within are true and correct to the best of my knowledge, information and belief; and I further state that I am authorized to verify the foregoing application by the above said Applicant.

State of Maryland
County of Anne Arundel

Tina L Myles

Notary

TINA L. MYLES
NOTARY PUBLIC
ANNE ARUNDEL COUNTY
MY COMMISSION EXPIRES 11-04-2015

