Agenda Date: 8/18/10 Agenda Item: IB



STATE OF NEW JERSEY

Board of Public Utilities Two Gateway Center Newark, NJ 07102 www.nj.gov/bpu/

TELECOMMUNIC	CATIONS
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IN THE MATTER OF THE PETITION OF NEXTGEN)	ORDER
COMMUNICATIONS, INC. FOR APPROVAL TO)	
PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE)	
TELECOMMUNICATIONS SERVICES)	
THROUGHOUT THE STATE OF NEW JERSEY)	DOCKET NO. TE10050373

(SERVICE LIST ATTACHED)

Hesser G. McBride, Jr., Esq., Wilentz, Goldman & Spitzer, P. C. Woodbridge, New Jersey - for Petitioner

BY THE BOARD:

Pursuant to N.J.S.A. 48:2-1 et seq. and Section 253 of the Federal Telecommunications Act of 1996, 47 U.S.C. §151 et seq., and by letter dated May 27, 2010, NextGen Communications, Inc. ("Petitioner" or "NextGen") filed a Petition with the New Jersey Board of Public Utilities ("Board") requesting authority to provide local exchange and interexchange telecommunications services throughout the State of New Jersey.

NextGen is a privately held company organized under the laws of the State of Maryland and is a wholly owned subsidiary of TeleCommunications Systems, Inc. ("TCS"), a publicly traded Maryland Corporation. TCS is a leading provider of unregulated E911 location and routing services in the United States and provides a variety of telecommunications products and services internationally to approximately forty-two (42) wireless carriers including Short Message Service messaging, Wireless Internet Gateway, satellite communications, information technologies management services, and location based services. Petitioner's principal offices are located at 275 West Street, Suite 400, Annapolis, Maryland 21401.

Petitioner has submitted copies of its Articles of Incorporation, its Certificate of Incorporation and Good Standing from the State of Maryland and its New Jersey Certificate of Authority to operate as a Foreign Corporation. Petitioner is currently certified to provide telecommunications services in Alabama, Connecticut, Hawaii, Indiana, Iowa, Louisiana, Maryland, Michigan, Nebraska, North Carolina, Oregon, Rhode Island, Vermont, Virginia and Utah and has applications pending in Arizona, Kentucky, New Mexico and New York. Petitioner has not commenced negotiations to enter into an interconnection agreement with any Incumbent Local Exchange Carriers.

Petitioner seeks competitive local exchange carrier ("CLEC") authority to provide local exchange and interexchange telecommunications services so that it may aggregate and transport emergency local, Voice over Internet Protocol ("VoIP"), Private Branch Exchange ("PBX"), and mobile E911 traffic, manage and transmit location and calling number data, and provide call routing management for the delivery of emergency calls to Public Service Answering Points in New Jersey. Petitioner offers wholesale services used by 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. Petitioner neither provides nor intends to provide local exchange voice dial tone and long distance voice toll services to residential or business end-users. However, in order to aggregate and transport emergency calls, Petitioner will require the same type of interconnection and collocation available to CLECs. CLEC certification will enable Petitioner to acquire and manage Pseudo Automatic Number Identification ("PANI") numbering resources, which is essential to routing emergency calls, pursuant to the Federal Communications Commission's directive of September 8, 2006 which states that CLEC certification is required for PANI management. Petitioner therefore requests CLEC certification to exercise its rights of interconnection, collocation, resale, access to automatic location identification information, and access to unbundled network elements under the Telecommunications Act of 1996.

Petitioner has no current plans to build, locate, acquire, or expand facilities in New Jersey. Petitioner's service is available twenty-four (24) hours a day and seven (7) days a week. Petitioner maintains a toll-free number for customer service inquiries. Petitioner will file a proposed tariff with the Board.

Petitioner states that it has not been denied authority to provide telecommunications services, its authority has not been revoked in any jurisdiction and it has not been the subject of any civil or criminal proceedings.

Petitioner requests a waiver of N.J.S.A. 48:3-7.8 and N.J.A.C. 14:1-4.3, which require that books and records be kept within the State of New Jersey and be maintained in accordance with the Uniform System of Accounts ("USOA"), respectively. Petitioner, instead, requests permission to maintain its books and records in accordance with Generally Accepted Accounting Principles and to keep all books, records, documents and other writings incident to the conduct of Petitioner's business in the State of New Jersey at Petitioner's corporate offices located in Annapolis, Maryland.

DISCUSSION

On February 8, 1996, the Federal Telecommunications Act of 1996, P.L. 104-104, 110 Stat. 56, codified in scattered sections of 47 <u>U.S.C.</u> §151 <u>et seq.</u>, was signed into law, removing barriers to competition by providing that "[n]o State or local statute or regulation, or other State or local legal requirement, may prohibit or have the effect of prohibiting the ability of any entity to provide any interstate or intrastate telecommunications service." 47 <u>U.S.C.</u> §253(a).

Any grant of authority is subject to the right of the Board as the state regulatory authority to impose requirements necessary to protect the public safety and welfare, ensure the continued quality of telecommunications services, and safeguard the rights of consumers. 47 <u>U.S.C.</u> §253(c).

In considering this Petition, the Board recognizes its obligation not to prohibit entry into intrastate telecommunications markets of qualified applicants. 47 <u>U.S.C.</u> §253(a). The Board also considers the New Jersey State Legislature's declaration that it is the policy of the State to provide diversity in the supply of telecommunications services and the Legislature's findings that "competition will promote efficiency, reduce regulatory delay, and foster productivity and innovation" and "produce a wider selection of services at competitive market-based prices." N.J.S.A. 48:2-21.16(a)(4); N.J.S.A. 48:2-21.16(b)(1) and (3).

Therefore, having reviewed NextGen's Petition and the information supplied in support thereof, the Board <u>FINDS</u> that the Petitioner is in compliance with the Board's filing requirements to provide telecommunications services in New Jersey. Accordingly, the Board <u>HEREBY AUTHORIZES</u> the Petitioner to provide local exchange and interexchange telecommunications services throughout the State of New Jersey. The Board notes that the Petitioner will not be permitted to provide telecommunications services until a tariff is filed with the Board. Additionally, Petitioner is not relieved from its responsibility to file an Annual Report and a Statement of Gross Intrastate Revenues from Operations form for the preceding calendar year.

Furthermore, the Board <u>FINDS</u> that in accordance with <u>N.J.S.A.</u> 48:2-59 and 48:2-60 and <u>N.J.S.A.</u> 52:27EE-52 the Petitioner is subject to an annual assessment by both the Board and the Division of Rate Counsel, respectively.

The Board HEREBY ORDERS

- 1) Petitioner shall file its tariff with the Board.
- 2) Pursuant to N.J.S.A. 48:2-16(2)(b) and N.J.A.C. 14:3-6.3, Petitioner shall file an annual report as of December 31 of each year, which is due on or before March 31 of the following year. Pursuant to N.J.S.A. 48:2-16.3, if Petitioner fails to file an annual report by the due date, Petitioner shall be subject to a penalty of \$5.00 for each day thereafter until such report is filed.
- 3) Pursuant to N.J.S.A. 48:2-62, Petitioner shall file a statement of gross intrastate revenues from operations form (AR3-1) as of December 31 of each year, which is due on or before June 1 of the following year.

On or before February 1st of each year, the Petitioner will receive from the Division of Audits an annual report package and a statement of gross intrastate revenues from operations form for the preceding calendar year. The purpose of these documents is to report the Petitioner's financial information and gross intrastate revenues from operations as of December 31 of each year. The annual report and a statement of gross intrastate revenues from operations form are due on or before March 31 and June 1 of the following year, respectively. If Petitioner does not receive these documents, it is Petitioner's responsibility to obtain them from the Board. It is also the Petitioner's responsibility to ensure timely filing of these reports.

Regarding the Petitioner's request for waivers of the Board rules, the Board FINDS that the Petitioner has demonstrated good cause why the Board should grant relief from its requirements that the Petitioner maintains its books and records in accordance with USOA and within New Jersey. Therefore, subject to the Petitioner's continuing responsibility to provide the Board books and records upon 48 hours notice, and in the manner requested, and to pay to the Board all expenses or charges incurred by the Board for any investigation or examination of these

books and records, the Board <u>APPROVES</u> the Petitioner's request for the exemptions from maintaining its books and records in accordance with USOA and in New Jersey.

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BOARD OF PUBLIC UTILITIES

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ATTEST:

KRISTI IZZO SECRETARY

I HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public

BPU Docket No. TE10050373

IN THE MATTER OF THE PETITION OF NEXTGEN COMMUNICATIONS, INC. FOR AUTHORITY TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES IN THE STATE OF NEW JERSEY

DOCKET NO. TE10050373

SERVICE LIST

Petitioner's Contact Person:

Kim Robert Scovill
Sr. Director, Legal & Govt. Affairs and
Regulatory Contact
NextGen Communications, Inc.
275 West Street, Suite 400
Annapolis, Maryland 21401

Petitioner's Attorney:

Hesser G. McBride, Jr., Esq. Wilentz, Goldman & Spitzer, P.C. Attorneys At Law 90 Woodbridge Center Drive P. O. Box 10 Woodbridge, New Jersey 07095

Board's Staff:

Dennis J. Moran Director, Division of Audits Board of Public Utilities Two Gateway Center Newark, New Jersey 07102

Public Advocate:

Stefanie A. Brand, Esquire
Director, Division of Rate Counsel
Department of Public Advocate
31 Clinton Street, 11th Floor
P. O. Box 46005
Newark, New Jersey 07101

Deputy Attorney General:

Jessica L. Campbell, DAG
Department of Law & Public Safety
Division of Law
124 Halsey Street, 5th Floor
P. O. Box 45029
Newark, New Jersey 07102

Board's Staff:

Anthony Centrella Director, Division of Telecommunications Board of Public Utilities Two Gateway Center Newark, New Jersey 07102