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Tennessee Regulatory Authority  
Telecommunications Division  
460 James Robertson Parkway  
Nashville, Tennessee 37243-0505

Attention: Ms. Sara Kyle  
TRA Chairman

07-00084

Dear Ms. Kyle:

TeleCommunication Systems, Inc (TCS) is pleased to submit its application for Competitive Local Exchange Carrier (CLEC) status to the Tennessee Regulatory Authority (TRA). Enclosed you will find 13 copies (one original and twelve copies) of the application.

TCS currently provides E9-1-1 call routing and caller data to Public Safety Answering Points in the State of Tennessee. It is TCS' intention to begin offering selective routing services in competition with existing 9-1-1 system service providers. TCS believes that the enclosed application establishes that it is qualified to be granted a certificate by the TRA. As a company, TCS is financially and technically able to meet the quality of service requirements, and the award of CLEC status to TCS is in the public interest.

Please feel free to contact the undersigned at (206) 792-2224 or via e-mail at [ddickinson@telecomsys.com](mailto:ddickinson@telecomsys.com) with any questions or comments. TCS looks forward to providing telecommunication services in the State of Tennessee.

Sincerely,



Richard H. Dickinson  
Senior Director, Public Safety



# **Tennessee Regulatory Authority – Telecommunications Division**

## **Tennessee CLEC Application**

**March 30, 2007**

**Prepared for:**

**Tennessee Regulatory Authority  
Telecommunications Division**  
460 James Robertson Parkway  
Nashville, Tennessee 37243-0505

**Prepared by:**

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## **Tennessee Regulatory Authority – Telecommunications Division**

### **Tennessee CLEC Application**

**March 30, 2007**

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**Use or Disclosure Restriction:**

This application includes data that shall not be disclosed outside of the **Tennessee Regulatory Authority** and shall not be duplicated, used or disclosed—in whole or in part—for any purpose other than to evaluate this application. If, however, a certification is awarded to this applicant as a result of or in conjunction with the submission of this data, the **Tennessee Regulatory Authority** shall have the right to duplicate, use or disclose the data to the extent provided in the resulting certification. This restriction does not limit the **Tennessee Regulatory Authority's** right to use information contained in this data if it is obtained from another source without restriction. The data subject to this restriction are contained in sheets so marked in this application.

## List of Exhibits

TCS' Corporate Organizational Charts .....	Exhibit A
TCS' Articles of Incorporation .....	Exhibit B
TCS' Authority to Transact Business in Tennessee .....	Exhibit C
TCS' List of Corporate Principal Officers .....	Exhibit D
TCS' Corporate Principal Offices and Key Technical Personnel Biographies .....	Exhibit E
TCS Financial Information – 2005 Annual Report and 2006 Form 10-K .....	Exhibit F
TCS Component Hardware and Pricing .....	Exhibit G
TCS' Corporate Surety Bond .....	Exhibit H
TCS' Small and Minority-Owned Telecommunications Business Participation Plan .....	Exhibit I
TCS' Complete Notification List of ILEC Companies in Tennessee and Certificate of Service .....	Exhibit J
TCS' Sworn Pre-Filed Testimony .....	Exhibit K

**In the matter of the application of  
TeleCommunication Systems, Inc. (TCS)  
for a Certificate to Provide Competing  
Local Telecommunication Services**

**Application for Certificate to Provide Competing Local Telecommunication Services**

Pursuant to applicable Tennessee Statutes and the Rules and Regulations of the Tennessee Regulatory Authority and Section 253 of the federal Telecommunications Act of 1996 ("Act"), TeleCommunication Systems, Inc. (TCS), respectfully requests that the Tennessee Regulatory Authority ("TRA") grant TCS authority to provide competing local telecommunications services, specifically authority to acquire and manage pseudo Automated Number Indicators ("pANI"), to own and/or operate ALI databases, selective routers, Emergency Services Gateways ("ESGW") and other protocol converters, Master Street Address Guides ("MSAG") and other telecommunications services related to E9-1-1. TCS is willing and able to comply with all applicable rules and regulations in Tennessee pertaining to the above proposed services.

In support of its application TCS submits the following:

**1. The full name and address of the Applicant is:**

TeleCommunication Systems, Inc. (TCS)  
275 West Street  
Annapolis, MD 21401  
Tel: (410) 263-7616

**Questions regarding this application should be directed to:**

Technical Contact:	Richard H. Dickinson
Technical Contact Title:	Senior Director, Public Safety
Technical Contact Address:	2401 Elliott Avenue, 2 <sup>nd</sup> Floor Seattle, WA 98121
Technical Contact Telephone:	(206) 792-2224
Technical Contact Fax:	(206) 792-2001

Contractual Contact:	A. Celeste Ciecierski
Contractual Contact Title:	Senior Director, Contracts
Contractual Contact Address:	275 West Street Annapolis, MD 21401
Contractual Contact Telephone:	(410) 295-1451
Contractual Contact Fax:	(410) 263-7617

Contact name and address at the Company is:

Richard H. Dickinson  
Senior Director, Public Safety  
2401 Elliott Avenue, 2<sup>nd</sup> Floor  
Seattle, WA 98121  
Telephone: (206) 792-2224  
Fax: (206) 792-2001

2. Please refer to **Exhibit A** for TCS' Organizational Chart of Corporate Structure.

3. Corporate Information

TCS was incorporated in the state of Maryland in 1987. A copy of TCS' Articles of Incorporation is provided in **Exhibit B**. TCS' authority to transact business in Tennessee is provided as **Exhibit C**. A list of TCS' corporate principal officers, with their addresses, is included in **Exhibit D**. The biographies of the listed principal officers and key technical staff are provided as **Exhibit E**. TCS currently does not have any principal officers in Tennessee.

4. TCS possesses the managerial, technical, and financial ability to provide local telecommunications service in the State of Tennessee as demonstrated below:

A. Financial Qualifications

TCS is a publicly traded company (NASDAQ: TSYS). It was founded in 1987 and reported \$102 million in 2005. Please refer to **Exhibit F** for TCS' 2005 Annual Report and 2006 SEC Form 10-K.

Note 9 to the Consolidated Financial Statements in **Exhibit F** lists the capital expenditures for 2005 and 2006.

Neither TCS' financials nor their projected financials reflect any revenues or expenses associated with reciprocal compensation.

The essential network components required to deliver TCS services are already built and installed in the TCS infrastructure in Seattle and Phoenix (redundant backup). Additional software development may be required depending upon the individual requirements of specific customers; the price of those developments will depend upon each individual case. Deployment and installation costs will vary according to the contracts executed by the customer and by the terms by which broadband access can be acquired at each site.

The network components are illustrated in **Exhibit G**.

TCS' surety bond in the amount of \$20,000 has been included with this submission of its CLEC application to the State of Tennessee as **Exhibit H**.

**B. Managerial Ability:**

A list of TCS' corporate principal officers, with their addresses, is included in **Exhibit D**.

The biographies of the listed principal officers and key technical staff are provided as **Exhibit E**. The biographies include degrees, professional licenses, and experience.

**C. Technical Qualifications:**

As noted in the biographies (**Exhibit E**) of the principal officers, TCS is an engineering and telecommunications company with extensive expertise. TCS has been performing MPC/VPC functions nationwide, as well as in the State of Tennessee for over eight (8) years with a cumulative reliability rate of 99.999%. TCS' technical depth of knowledge and superlative track record demonstrate that we are qualified for certification in Tennessee.

**5. Proposed Service Area:**

Currently, TCS is only certified as a telecommunications provider in the State of Texas. The State of Tennessee is the second certification application that TCS has submitted as of March 2007. TCS plans to apply for certification to all the remaining states in the US.

TCS proposes to offer services throughout the State of Tennessee with redundant data centers, Emergency Service gateways (ESGWs), and selective routers located in TCS offices in Seattle, WA and Phoenix, AZ. TCS intends to offer E9-1-1 services through the use of its own facilities and/or resold facilities. Due to the nature of TCS technology, it is not necessary to locate hardware within the State of Tennessee. In some cases, TCS may opt to locate protocol converters at Public Safety Answering Points ("PSAP") or within other collocation facilities in the State of Tennessee.

TCS proposes to deploy E9-1-1 services throughout the State of Tennessee via VoIP technology. VoIP requires no physical hardware within the State of Tennessee. TCS will deliver E9-1-1 calls to PSAPs via broadband IP connections purchased by the State or by individual PSAP from ISPs of their choice. TCS intends to install IP-based selective routers manufactured by TCI.

**6. Types of Local Exchange Service to be provided:**

TCS proposes to offer a broad range of E9-1-1 related services to other CLECs, LECs, wireless carriers, VoIP Service Providers ("VSP"), and PSAPs. TCS' initial services include the function of Mobile Positioning Center ("MPC") and VoIP Positioning Center ("VPC") offered to wireless carriers and VSPs. TCS intends to expand service offerings to include ALI, Selective Routing, and all related E9-1-1 services.

TCS does not provide traditional circuit switched telephone service, but voice grade service will be provided by TCS' selective routers and ESGWs.

Grant of the application will further the public interest by expanding the availability of competitive E9-1-1 services and other telecommunications services in the State of Tennessee. By offering competitive E9-1-1 services, TCS will increase incentives for incumbent E9-1-1 providers to lower rates, increase services, and improve quality. In addition, TCS has been acquiring and managing pANI for wireless and VoIP service providers for eight (8) years.

Certification will enable TCS to continue to acquire and manage pANI pursuant with the FCC directive of September 8, 2006 in which such certification is now required.

There are no special customer provided equipment (CPE) requirements that would not be compatible with an incumbent carrier. As PSAPs upgrade their CPE to be IP-capable, their equipment will become increasingly compatible with TCS' technology. Nevertheless, TCS will offer necessary protocol conversion hardware that will integrate with legacy technologies provided by incumbent carriers. It will not be necessary for incumbent carriers to upgrade their equipment.

#### 7. Repair and Maintenance:

TCS provides a 24/7/365 Network Operations Center (NOC) accessible via a toll free number, (800) 959-3749. TCS is ISO 9000 certified and TL9000 certified. Sophisticated escalation matrices exist to ensure prompt resolution of outages. TCS reports outages to the FCC per established guidelines.

Due to the nature of TCS technology, there will be no physical presence in the State of Tennessee. All queries from the State, any carriers, or PSAPs should be directed to the TCS NOC, 24x7. Queries regarding issues unrelated to operations, troubleshooting, outages, etc., can be routed to TCS' Sr. Director of Public Safety:

Richard H. Dickinson  
2401 Elliott Ave  
Seattle WA 98121  
(206) 792-2224  
ddickinson@telecomsys.com

#### 8. Small and Minority-Owned Telecommunications Business Participation Plan:

TCS' Small and Minority-Owned Telecommunications Business Participation Plan is provided as **Exhibit I**.



9. Toll Dialing Parity Plan:

This is not applicable to TCS. TCS does not propose to operate traditional services or to offer dial tone. If in the future TCS offers traditional services to include Toll Dialing we will comply with the Tennessee Regulatory Authority rules.

10. TCS has served notice of this application to the eighteen (18) incumbent local exchange telephone companies in Tennessee with a statement regarding TCS' intention of operating within the State of Tennessee. TCS provides a "Certificate of Service" in **Exhibit J**. This "Certificate of Service" is a signed statement providing a listing the names and addresses of the carriers TCS notified with its intention to operate geographically in Tennessee. TCS also lists how the notification was sent to each company.

11. Numbering Issues:

This is not applicable to TCS. TCS does not propose to offer dial tone or to acquire assignable, dial-able numbers. However, TCS is required to obtain certification as a telecommunications provider in the State of Tennessee in order to be able to acquire and manage pANI from authorized Routing Number Authorities ("RNA") as mandated by the FCC. TCS' E9-1-1 service will serve all NPAs in the State. TCS expects to offer service by Q407.

12. Tennessee Specific Operational Issues:

This is not applicable to TCS. Tennessee's specific operational issues do not apply to services that TCS is proposing to supply to the State of Tennessee.

13. Miscellaneous:

Please refer to **Exhibit K** for TCS' Sworn Pre-filed Testimony.

Currently, TCS is certified as a telecommunications provider in the State of Texas. The State of Tennessee is the second certification application that TCS has submitted as of March 2007. TCS plans to apply for certification to all the remaining states in the US.

Please refer to **Exhibit A** for TCS' corporate organizational chart.

TCS will not offer retail telephone service to individual subscribers. TCS customers will be PSAPs or telecommunications carriers. Customer deposits may or may not be required depending upon the individual contracts negotiated with each entity.

As of March 2007, TCS has not been subject to complaints in any of the states in which we are doing business.

Yes, TCS plans to offer its services in areas served by any ILEC with fewer than 100,000 total access lines.

TCS will provide additional information requested by the TRA as needed.

14. Notes:

Tennessee's Public Interest Basic Obligations and Responsibilities are not applicable to TCS. TCS does not propose to offer retail telephone service to individuals. TCS is a provider of E9-1-1 services only to carriers or PSAPs. If in the future TCS offers traditional services that are subject to Tennessee's Public Interest Basic Obligations and Responsibilities we will comply with the Tennessee Regulatory Authority rules.

TCS will be compliant in providing an explanation for information that is not available or cannot be provided. TCS will identify any information being replaced for requested information.

TCS has reviewed TRA §65-4-201 and will be compliant with this clause

TCS understands that the TRA will grant a certificate of convenience and necessity to a CLEC service provider if it finds the applicant to possess sufficient managerial, financial, and technical abilities and that it has demonstrated a willingness to adhere to all applicable TRA policies, rules, and orders.

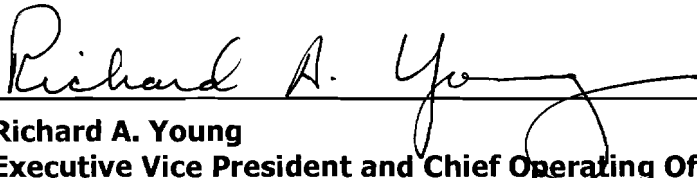
TCS understands that it will need to file a petition to modify an awarded certificate if it wishes to expand its services into areas served by other incumbent providers.

The monthly wireline activity report to the State of Tennessee is not applicable to TCS because TCS is not proposing to offer wireline, VoIP, or wireless telephone services directly to customers; TCS' proposed services will be offered to PSAPs or carriers only.

Conclusion

TCS respectfully requests that the TRA enter an order granting it a certificate of convenience and necessity to operate as a competing telecommunications service provider and authority to provide a full range of E9-1-1 services throughout the State of Tennessee in the service areas of Bell South, GTE, and Sprint and any other ILEC that does not utilize a rural exemption under Section 25(f) of the Telecommunications Act of 1996. For the reasons stated above, TCS' provision of these services would promote the public interest by providing high-quality service at competitive prices and by creating greater economic incentives for the development and improvement for all competing providers.

Respectfully submitted 30th day of March 2007

A handwritten signature in black ink, reading "Richard A. Young", is written over a horizontal line. The signature is fluid and cursive, with a large loop at the end of the last name.

**Richard A. Young**  
**Executive Vice President and Chief Operating Officer**  
**TeleCommunication Systems, Inc.**