



Public Service Commission

-M-E-M-O-R-A-N-D-U-M-

DATE: November 1, 1996
TO: Tom Williams, Division of Communications
FROM: Sonja Jones, Division of Auditing and Financial Analysis *SJ AP ALM*
RE: Docket No. 961051-TX, CIMCO Communications, Inc., Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service *mm*

Section 364.337 (1), Florida Statutes, requires the following:

The commission shall grant a certificate of authority to provide alternative local exchange service upon a showing that the applicant has sufficient technical, financial, and managerial capability to provide such service in the geographic area proposed to be served.

Also Section 364.01 (3) and (4) states that:

(3) The Legislature finds that the competitive provision of telecommunications service, including local exchange telecommunications service, is in the public interest.

and

(4)(d) The Commission shall exercise its exclusive jurisdiction in order to: (d) Promote competition by encouraging new entrants into telecommunications markets . . .

Regarding the showing of financial capability, the Finance staff has analyzed the unaudited financial statements of CIMCO Communications, Inc. (CMCO) for the eight-month period ending April 30, 1996. An audit could change one's opinion of the company's financial condition. The company has requested confidential treatment of its financial statements. Based on our review, CMCO has adequate liquidity, ownership equity, and profitability.

ACK _____
 AFA _____
 APP _____ In this matter, CMCO is asking for a certificate to provide alternative local exchange telecommunications service. Staff notes the limited nature of the application and that no customer provided funds appear to be at risk. For purposes of granting a certificate based on the financial information provided, the financial capability appears adequate.
 CAF _____
 CMU _____

CTR _____
 EAG _____ The applicant attests to its financial capability to provide and maintain the proposed telecommunications service. The applicant notes that it has been engaged in the business of offering resold interexchange telecommunications services since 1986, and provides such services in Illinois, Indiana, Massachusetts, Michigan, New Jersey, New York, Texas, the District of Columbia, and Wisconsin. Furthermore, as a non-facilities-based provider of resold telecommunications services, the applicant does not lease or own any telecommunications facilities. All telecommunications facilities are the property of the applicant's underlying carriers. Based on this showing, the applicant appears to meet the financial capability standard of Section 364.337, Florida Statutes.
 LEG _____
 LIN _____
 OPC _____
 RCH _____
 SEC _____

WAS _____ ec: Division of Legal Services
 OTH _____ Division of Records and Reporting

DOCUMENT NUMBER-DATE

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