

FLORIDA PUBLIC SERVICE COMMISSION  
Capital Circle Office Center • 2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

M E M O R A N D U M

APRIL 18, 1996

TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYO)

FROM: DIVISION OF COMMUNICATIONS (WILKINS) *W*  
DIVISION OF AUDITING & FINANCIAL ANALYSIS (LESTER) *ALM*  
DIVISION OF LEGAL SERVICES (EDMONDS) *PL* *TR*

RE: DOCKET NO. 960199-TS - APPLICATION FOR CERTIFICATE TO  
PROVIDE SHARED TENANT SERVICE BY INTERMEDIA  
COMMUNICATIONS OF FLORIDA, INC. *TR*

AGENDA: 04/30/96 - REGULAR AGENDA - PROPOSED AGENCY ACTION -  
INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: I:\PSC\CMU\WP\960199TS.RCM

CASE BACKGROUND

Pursuant to Section 364.339(1)(a)(b), Florida Statutes  
(effective July 1, 1995):

(1) The Commission shall have exclusive jurisdiction to  
authorize the provision of any shared tenant services  
which:

(a) Duplicates or competes with local service  
provided by an existing local exchange  
telecommunications company; and

(b) Effective January 1, 1996, is furnished through  
a common switching or billing arrangement to tenants by  
an entity other than an existing local exchange  
telecommunications company.

DOCUMENT NUMBER-DATE

04438 APR 18 96

FPSC-RECORDS/REPORTING

DOCKET NO. 960199-TB  
DATE: April 18, 1996

STAFF DISCUSSION

ISSUE 1: Should the Commission grant INTERMEDIA COMMUNICATIONS OF FLORIDA, INC. (ICF) a certificate to provide statewide shared tenant service within the State of Florida as provided by Section 364.339 (2), Florida Statutes?

RECOMMENDATION: Yes, ICF should be granted:

Florida Public Service Commission Certificate #4448

STAFF ANALYSIS: ICF filed an application with this Commission on February 19, 1996, to offer telecommunications service as a shared tenant service provider in Florida. Pursuant to Chapter 364.339 (2), Florida Statutes, (effective July 1, 1995):

(2) No person shall provide shared tenant service without first obtaining from the commission a certificate of public convenience and necessity to provide such service. The commission shall grant certificates to telecommunication companies upon showing that the applicants have sufficient technical, financial, and managerial capabilities to provide shared tenant services. The commission may require such services to be offered and priced differently to residential and commercial tenants if deemed to be in the public interest.

Further, the offering of shared tenant service shall not interfere with or preclude a tenant's right to obtain direct access to the lines and services of the serving local exchange telecommunications company or the right of the serving local telecommunications company to serve the tenant directly under the terms and conditions of commission approved tariffs.

ICF's exhibit of managerial qualifications reflects satisfactory records in telecommunications sales, marketing and service (pages 4-6). In regard to technical capability, ICF's exhibit indicates that ICF will have the expertise to ensure that a high quality of service is maintained at their facilities. The Division of Auditing and Financial Analysis reviewed ICF's financial statements to determine the company's financial viability (pages 7-8). Based on the information provided by ICF, the financial capability of the company appears marginal.

DOCKET NO. 960199-T8  
DATE: April 18, 1996

ISSUE 2: Should this docket be closed?

RECOMMENDATION: Yes, if no person whose substantial interests are affected by the Commission's Proposed Agency Action files a protest within 21 days of the issuance date of the order.

STAFF ANALYSIS: This docket should be closed if no person whose substantial interests are affected by the Commission's Proposed Agency Action files a protest within 21 days of the issuance date of the order.

**INTERMEDIA COMMUNICATIONS OF FLORIDA, INC.**

**David C. Ruberg - Chairman, President and CEO**

Mr. Ruberg has served as President, Chief Executive Officer and Director of ICI since May 1993. In May 1994, Mr. Ruberg was elected as Chairman of the Board of Directors. From September 1991 to May 1993, Mr. Ruberg was an independent consultant to the computer and telecommunications industries. From 1989 to September 1991, Mr. Ruberg served as Vice President and General Manager of the Telecommunications Division and then of the Personal Computer/Systems Integration Division of Data General Corporation, a computer manufacturer. From 1984 to 1989, Mr. Ruberg served as a Vice President of TIE Communications, Inc., a manufacturer of telecommunications equipment. Mr. Ruberg received his B.A. in Mathematics from Middlebury College and his M.S. in computer sciences from the University of Michigan.

**Barbara L. Samson - Senior Vice President**

Ms. Samson, a co-founder of ICI has served as a Vice President of ICI since June 1987, and as a Senior Vice President since October 1992. She served as President of ICI's predecessor from September 1986 to June 1987. Ms. Samson recently served two terms as Chairman of the Association for Local Telecommunications Services (ALTS), a national Competitive Access Trade Association. Ms. Samson is currently responsible for all Investor Relations, and External Affairs activities of the Company. Ms. Samson received her B.S. degree in Telecommunications from the University of Florida, and her MBA degree from the University of South Florida.

**Ronald L. Tolliver - CFO and Senior Vice President**

Mr. Tolliver has served as a Senior Vice President of ICI since June 1993, Chief Financial Officer since 1992 and Secretary since June 1993. He also served as Vice President of Government and Regulatory Affairs from July 1991 through June 1993. Mr. Tolliver joined ICI as Director of Government and Regulatory Affairs in January 1991. From July 1989 to January 1991, Mr. Tolliver was owner and founder of Tolliver and Company (a consulting company). Prior to starting his own company, Mr. Tolliver was a Vice President at Gold Key Incentives (a marketing incentives company) from April 1989 to July 1989. From 1981 to 1989, he held various executive positions at United Telephone System in Government and Regulatory Affairs. Mr. Tolliver received his B.S. degree in Management and Finance from Florida Southern College and his MBA degree from the University of South Florida.

**James Geiger - Senior Vice President, Sales**

Mr. Geiger served as the Vice President of Alternate Channel Sales and the President of ICI's non-Florida properties in the FiberNet Acquisition of February, 1995. From April 1990 to February 1995, Mr. Geiger was one of the founding principals of the FiberNet Companies, initially as the Vice President of Sales & Marketing, and subsequently serving as President. From April 1989 to April 1990, Mr. Geiger served as Director of Marketing for Associated Communications, owners of the non-wireline Cellular franchises in Buffalo, Rochester, and Albany, New York. From February 1984 to March 1989, Mr. Geiger was employed by Rochester Telephone's long distance subsidiary, RCI Corporation (now Frontier International) in several sales & marketing roles including Director of Marketing and Director of Commercial Sales. Mr. Geiger is a graduate with distinction from Clarkson University and began his professional career with Price Waterhouse in Rochester, New York.

**Chris Brown - Senior Vice President, Marketing and Strategic Planning**

Mr. Brown joined Intermedia with over 20 years of telecommunications experience. After seven years of experience in Communications Engineering and Engineering Management with Tampa Electric Company (TECO), Mr. Brown entered the telecom vendor field as one of the founding members of United Telecom's entry into the long distance business, now Sprint. During his ten years at Sprint, he held management positions in Engineering, Customer Service, Business Development, Product Management, and Marketing. Mr. Brown spent three years in British Telecom's Syncordia unit, heading the Market Development and Marketing Departments of this global start up company, now part of BT and MCI's Concert joint venture. Mr. Brown obtained a Bachelor of Sciences degree in Electrical Engineering from the University of South Florida in Tampa and an MBA from Emory University in Atlanta.

**Mark Masi - Vice President, Operations and Customer Service**

In November of 1989, Mr. Masi became one of the founding principals of the FiberNet Companies as the Executive Vice President and Chief Financial Officer responsible for funding and developing competitive access operations in Rochester, Buffalo, and Albany, New York markets - and later expanding into Cincinnati, Ohio, Raleigh-Durham, North Carolina, St. Louis, Missouri and Huntsville, Alabama. From March 1982 until November 1989 Mr. Masi was employed by Rochester Telephone Corporation (now Frontier) in several operating and strategic management roles, highlighted by his selection as one of the start-up members of RTC's long distance subsidiary RCI Corporation (now Frontier International) in July of 1983. Mr. Masi is a graduate of The State University of New York College at Oswego with a degree in Economics and The State University of New York at Binghamton with an MBA in Finance and MIS.

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**Michael A. Viren - Vice President, Product Development**

Mr. Viren has served as Vice President, Product Development, of ICI since December 1992. Mr. Viren joined ICI in February 1991 as Director of Product Development. Mr. Viren worked for GTE from August 1986 to February 1991 as a specialist in wide and local area networking. Prior to that he operated his own consulting firm concentrating in WAN and LAN design; was Senior Vice President of Criterion, Inc., a Economic Consulting Firm in Dallas, Texas; and served as the Director of the Utility Division of the Missouri Public Service Commission. Mr. Viren taught Economics for 10 years, most recently as an Associate Professor of Economics at the University of Missouri-Columbia and prior to that at the University of Kansas. Mr. Viren received his Ph.D. in Economics from the University of California-Santa Barbara and a B.S. in Mechanical Engineering from the California State University at Long Beach.



# Public Service Commission

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

DATE: April 17, 1996

TO: Tom Williams, Division of Communications

FROM: Pete Lester, Division of Auditing and Financial Analysis

RE: Docket No. 960199-TS, Intermedia Communications of Florida, Inc. Financial Analysis for Certificate Application for Shared Tenant Service

*ALM*  
*[Signature]*  
*T92*

Section 364.339 (2), Florida Statutes, requires the following:

The commission shall grant certificates to telecommunications companies upon showings that the applicants have sufficient technical, financial, and managerial capabilities to provide shared tenant services.

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 Intermedia Communications of Florida, Inc. A schedule presenting financial ratios for this company is attached. Intermedia has adequate liquidity but has low ownership equity. For the period examined, the Company reported a loss.

For certification purposes, the application appears marginal.

cc: Division of Legal Services  
Division of Records and Reporting

DOCKET NO. 960199-TS  
INTERMEDIA COMMUNICATIONS OF FLORIDA, INC.  
SHARED TENANT SERVICE CERTIFICATE  
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	SIX MONTHS ENDING <u>06/30/95</u>
CURRENT ASSETS	85,806,620
CURRENT LIABILITIES	11,216,935
CURRENT RATIO	7.65
CASH	73,273,793
COMMON EQUITY	54,337,346
TOTAL DEBT	177,280,139
TOTAL INVESTOR CAPITAL	231,617,485
COMMON EQUITY RATIO	23%
NET INCOME	(1,592,045)
RETURN ON EQUITY	-3%