



Public Service Commission

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

DATE: January 3, 1997
TO: Tom Williams, Division of Communications
FROM: Pete Lester, Division of Auditing and Financial Analysis *PL*
RE: Docket No. 961330-TI, J3 Communications, Inc., Financial Analysts *ALM* for Certificate Application for Intrastate Interexchange Telecommunications Service *182*

Section 364.337 (3), Florida Statutes, requires the following:

The commission shall grant a certificate of authority to provide intrastate interexchange telecommunications 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, balance sheet as of September 30, 1996 for J3 Communications, Inc. An audit could change one's opinion of the company's financial condition. The company has adequate liquidity and ownership equity. As a development stage company, it has no net income. The company attests that it has the financial capability to provide IXC service.

Based on this representation, the application appears adequate for certification purposes.

cc: Division of Legal Services
Division of Records and Reporting

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