



Public Service Commission

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

DATE: March 18, 1997
TO: Tom Williams, Division of Communications
FROM: Sonja Jones, Division of Auditing and Financial Analysis *ALM APC*
RE: Docket No. 961405-TI, BFI Communication, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service

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 financial statements of BFI Communication, Inc. (BFI) for the period ending December 31, 1995. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, BFI has adequate liquidity, ownership equity and profitability.

- ACK _____
- AFA _____
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG _____
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- LIN _____
- OPC _____
- RCH _____
- SEC 1 _____
- WAS _____
- OTH _____

In this matter, BFI is asking for a certificate to provide IXC 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.

The applicant attests to its financial capability to provide and maintain the proposed telecommunications service. The applicant notes that its operating revenues provide it with sufficient financial resources to provide services, and no additional funding to offer the proposed services will be required. Further, as a switchless reseller, the applicant will not own or lease any facilities to provide the services. Based on this showing, the applicant appears to meet the financial capability standard of Section 364.337, Florida Statutes.

cc: Division of Legal Services
Division of Records and Reporting

DOCUMENT NUMBER DATE

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FPC-RECORDS/REPORTING

**DOCKET NO. 961405-T1
BFI COMMUNICATIONS, INC.
IXC CERTIFICATE
FINANCIAL ANALYSIS**

FROM UNAUDITED FINANCIAL STATEMENTS

**AS
OF
12/31/96**

CURRENT ASSETS	\$284,973
CURRENT LIABILITIES	37,300
CURRENT RATIO	7.64
CASH	114,082
COMMON EQUITY	185,021
TOTAL DEBT	255,476
TOTAL INVESTOR CAPITAL	440,497
COMMON EQUITY RATIO	42%
NET INCOME	101,317
RETURN ON EQUITY	55%