



Public Service Commission

-MEMORANDUM-

DATE FILED  
FILE COPY

DATE: April 2, 1997

TO: Tom Williams, Division of Communications

FROM: David J. Draper, Division of Auditing and Financial Analysis

*ADP*  
*ALM*

RE: Docket No. 970380-TX, AT&T Telecom, Inc., Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service

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.
- (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 income tax returns of AT&T Telecom, Inc. (ATT) for the period ending December 31, 1995. An audit could change one's opinion of the company's financial condition. The applicant has requested confidential treatment of its income tax returns. Based on the review of the applicant's financial information, ATT has marginal liquidity, sufficient common equity and shows a positive net income for 1995.

In this matter, ATT 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. The applicant attests to its financial capability to provide and maintain the proposed telecommunications service. In addition, the company anticipates that the resources needed to provide the requested services, in Florida, will be available from its current assets and from the income and revenue generated from its successful provision of telecommunication 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

**State of Florida**

**Commissioners:**

**JULIA L. JOHNSON, CHAIRMAN  
SUSAN F. CLARK  
J. TERRY DEASON  
JOE GARCIA  
DIANE K. KIEMING**



**DIVISION OF RECORDS &  
REPORTING  
BLANCA S. BAYO  
DIRECTOR  
(904) 413-6770**

**Public Service Commission**

**March 27, 1997**

**Margaret M. Charles, Attorney  
Swidler & Berlin Chartered  
3000 K Street, NW, Suite 300  
Washington, DC 20007-5116**

**Re: Docket No. 970380-TX**

**Dear Ms. Charles:**

This will acknowledge receipt of an application for certificate to provide alternative local exchange telecommunications service by AT&T Telecom, Inc., which was filed in this office on March 26, 1997 and assigned the above-referenced docket number. Appropriate staff members will be advised.

Mediation may be available to resolve any dispute in this docket. If mediation is conducted, it does not affect a substantially interested person's right to an administrative hearing. For more information, contact the Office of General Counsel at (904) 413-6078 or FAX (904) 413-6079.

Please make note as well that Commission Rule 25-22.005(7), F.A.C., requires certificated companies to notify the Commission of any changes in name, telephone, address, or contact person. Should your application be granted by the Commission, you will be expected to comply with this rule by advising us of any changes as they occur.

**Division of Records and Reporting  
Florida Public Service Commission**