



# Public Service Commission

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

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**DATE:** September 30, 1997  
**TO:** Tom Williams, Division of Communications  
**FROM:** David J. Draper, Division of Auditing and Financial Analysis *DS ALM APC*  
**RE:** Docket No. 994240-TI, Philacom, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service

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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 personal financial statements of Richard Cicciu, Operations Manager and owner of Philacom, Inc. (PCI) for the period ending December 31, 1996. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, PCI has adequate liquidity, sufficient common equity and reported net income for the period.

In this matter, PCI is asking for a certificate to provide IXC service. 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. PCI was incorporated in February 1997, and has just become financially active. The owners have arranged for a line of credit to begin operations and finance start up costs. The Company will maintain capital from internally generated funds. 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 (2) ✓

DOCUMENT NUMBER · DATE  
10228 OCT-65  
FPSC-RECORDS/REPORTING

DOCKET NO. : 971240  
PHILACOM, INC.

IXC TELECOMMUNICATION SERVICE  
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 12/31/98
CURRENT ASSETS	\$47,410
CURRENT LIABILITIES	35,207
CURRENT RATIO	1.35
CASH	47,410
COMMON EQUITY	12,203
TOTAL DEBT	0
TOTAL INVESTOR CAPITAL	12,203
COMMON EQUITY RATIO	100%
NET INCOME	12,203
RETURN ON EQUITY	100%

NMF = No Meaningful Figure