



# Public Service Commission

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

**DATE:** April 2, 1998  
**TO:** Tommy Williams, Division of Communications  
**FROM:** David J. Draper, Division of Auditing and Financial Analysis *DD*  
**RE:** Docket No. 971427-TX, Salem Discount Insurance, Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service *ALM APC*

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.

and

(4)(d) The Commission shall exercise its exclusive jurisdiction in order to: (d) Promote competition by encouraging new entrants into telecommunications markets . . .

In this matter, Salem Discount Insurance (SDI) is asking for a certificate to provide alternative local exchange telecommunications service. However, staff is unable to make a determination of the company's financial capability. Staff has made numerous requests for the company's financial statements since November 14, 1997, and to this date has not received any financial information.

For this reason, the Finance staff is unable to determine if the applicant meets the financial capability standard of Section 364.337, Florida Statutes.

cc: Division of Legal Services  
Division of Records and Reporting (2)

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