



Public Service Commission

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

DATE: November 9, 1998
 TO: Nancy Pruitt, Division of Communications
 FROM: Eva P. Samaan, Division of Auditing and Financial Analysis *ed* *ALM*
 RE: Docket No. 981045-TI, Financial Analysis for Certificate Application *ap* for Intrastate Interexchange Telecommunications Service

Section 364.337 (1), 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 . . .

Computer Business Sciences, Inc. (CBSI) requested and was granted confidentiality for its financial statements. Regarding the showing of financial capability, the Finance staff has analyzed the financial statements of CBSI for the period ending September 30, 1997.

In this matter, CBSI is asking for a certificate to provide IXC telecommunications service. Staff notes the limited nature of the application. 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 by noting that it will finance its operations with funds from its parent corporation, Fidelity Holdings, Inc., through its own internal funding, as well as from anticipated revenues. 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)

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