



# Public Service Commission

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

DATE: March 19, 1999  
 TO: Nancy Pruitt, Division of Communications  
 FROM: Eva P. Samaan, Division of Auditing and Financial Analysis *ALM*  
 RE: Docket No. 990114-TI Connect Communications, Inc., Financial Analysis for Certificate Application to provide Intrastate Interexchange Telecommunications Service *APC*

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 . . .

Connect Communications, Inc. (CCI) requested and was granted confidentiality for its financial statements. Regarding the showing of financial capability, the finance staff has analyzed the financial statements of CCI for the period ending June 30, 1998.

In this matter, CCI is asking for a certificate to provide IXC telecommunications 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 by noting that CCI has no debt and recently issued \$2 million in equity. In addition, CCI's Chairman, Richard Rice has pledged to guarantee \$75,000 in perpetuity to support the company's operations. 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)

- ACK \_\_\_\_\_
- AFA \_\_\_\_\_
- APP \_\_\_\_\_
- CAF \_\_\_\_\_
- CMU \_\_\_\_\_
- CTR \_\_\_\_\_
- EAG \_\_\_\_\_
- LEG \_\_\_\_\_
- LIN \_\_\_\_\_
- OPC \_\_\_\_\_
- RCH \_\_\_\_\_
- SEC 1
- WAS \_\_\_\_\_
- OTH \_\_\_\_\_

DOCUMENT NUMBER-DATE

04134 MAR 31 99

REC'D - RECORDS & REPORTING