



Public Service Commission

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

DATE: June 3, 1999
 TO: Nancy Pruitt, Division of Communications
 FROM: Eva P. Samaan, Division of Auditing and Financial Analysis *ED* *ALM*
 RE: Docket No. 990580-TI, Adeptel, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service *[Signature]*

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 financial statements of Adeptel, Inc. (AI) for the period ending March 31, 1999. AI requested and was granted confidentiality for its financial statements.

In this matter, AI 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 minimal.

AFA _____ Although an analysis of the financial statements reveals the applicant is in a minimal financial
 APP _____ position, the applicant attests to its financial capability to provide and maintain the proposed
 CAF _____ telecommunications service. 800 Adept, a sister company of AI, pledges a total of \$132,500
 CMU _____ through its Merrill Lynch accounts and \$68,000 through its line of credit and checking account
 CTR _____ with Huntington Bank to support AI's future operations. Based on this showing, the applicant
 EAG _____ appears to meet the financial capability standard of Section 364.337, Florida Statutes.
 LEG _____
 MAS _____
 OPC _____
 RRR _____
 SEC _____
 WAW _____
 OTH _____

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

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COMMUNICATIONS SECTION