



Public Service Commission

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

DATE: June 23, 1999
 TO: Tommy Williams, Division of Communications
 FROM: Pete Lester, Division of Auditing and Financial Analysis *PL ALM*
 RE: Docket No. 990484-TI, Parcom Communications, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service

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 financial statements of Parcom Communications, Inc. (Parcom) for the projected period ending December 31, 1999. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, Parcom has adequate liquidity, sufficient common equity and projects positive net income for the period.

In this matter, Parcom is asking for a certificate to provide IXC 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 has full backing from its investors and it projects a profit. 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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DOCUMENT NUMBER-DATE
 07797 JUN 28 89
 PRSC-RECORDS/REPORTING

DOCKET NO. 990484-T
DOCKET NO. 990485-TX

PARCOM COMMUNICATIONS, INC.
IXC AND ALEC CERTIFICATES

FINANCIAL ANALYSIS

FROM UNAUDITED, PROJECTED FINANCIAL STATEMENTS

	PROJECTED <u>1999</u>
CURRENT ASSETS	\$150,000
CURRENT LIABILITIES	0
CURRENT RATIO	NMF
CASH	150,000
COMMON EQUITY	150,000
TOTAL DEBT	0
TOTAL PREFERRED STOCK	0
TOTAL INVESTOR CAPITAL	150,000
COMMON EQUITY RATIO	100%
NET INCOME	2,016,000
RETURN ON EQUITY	1344%

NMF=NO MEANINGFUL FIGURE