



Public Service Commission

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

DATE: November 18, 1999
TO: Nancy Pruitt, Division of Communications
FROM: David J. Draper, Division of Auditing and Financial Analysis
RE: Docket No. 991687-TI, Compact Data Systems, 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 Compact Data Systems, Inc. (CDS) for the six month period ending June 30, 1999. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, CDS has adequate liquidity, sufficient common equity and positive income for the period.

In this matter, CDS is asking for a certificate to provide IXC 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 CDS will maintain capital from internally generated funds. 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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7000-RECORDS & REPORTING

DOCKET NO. 991687-11
COMPACT DATA SYSTEMS, INC.

IXC TELECOMMUNICATION SERVICE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 06/30/99
CURRENT ASSETS	\$84,638
CURRENT LIABILITIES	52,563
CURRENT RATIO	1.61
CASH	15,596
COMMON EQUITY	42,625
TOTAL DEBT	0
TOTAL INVESTOR CAPITAL	42,625
COMMON EQUITY RATIO	100%
NET INCOME	48,138
RETURN ON EQUITY	113%

NMF = No Meaningful Figure

STATE OF FLORIDA

Commissioners:
JOE GARCIA, CHAIRMAN
J. TERRY DEASON
SUSAN F. CLARK
JULIA L. JOHNSON
E. LEON JACOBS, JR.



DIVISION OF RECORDS & REPORTING
BLANCA S. BAYÓ
DIRECTOR
(850) 413-6770

Public Service Commission

November 12, 1999

Josh Anderson
Compact Data Systems, Inc.
1527 West Carmen Street
Tampa, Florida 33606

Re: Docket No. 991687-TI

Dear Mr. Anderson:

This will acknowledge receipt of an application for certificate to provide interexchange telecommunications service by Compact Data Systems, Inc., which was filed with this office on November 8, 1999 and assigned the above-referenced docket number. Appropriate staff members will be advised.

Mediation may be available to resolve any dispute in this docket. If mediation is conducted, it does not affect a substantially interested person's right to an administrative hearing. For more information, contact the Office of General Counsel at (850) 413-6078 or FAX (850) 413-6079.

Please make notes as well that Commission Rule 25-22.005(7), F.A.C., requires certificated companies to notify the Commission of any changes in name, telephone, address, or contact person. Should your application be granted by the Commission, you will be expected to comply with this rule by advising us of any changes as they occur.

Division of Records and Reporting
Florida Public Service Commission