



Public Service Commission

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

DATE: November 22, 1999  
 TO: Brenda Harkins, Division of Communications  
 FROM: David J. Draper, Division of Auditing and Financial Analysis  
 RE: Docket No. 991221-TX, Florida Phone Systems, Inc., Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service

ALM  
 [Handwritten initials and signature]

Section 364.337 (1), Florida Statutes, requires the following:

The commission shall grant a certificate of authority to provide alternative local exchange 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 Florida Phone Systems, Inc. (FPS) for the period ending December 31, 1998. An audit could change one's opinion of the company's financial condition. The applicant requested confidential treatment of its financial statements. Based on a review of the applicant's financial information, it appears that the company has satisfied the financial requirements for certification in the state of Florida.

- AFA \_\_\_\_\_
- APP \_\_\_\_\_
- CAF \_\_\_\_\_
- CMU \_\_\_\_\_
- CTR \_\_\_\_\_
- EAG \_\_\_\_\_
- LEG \_\_\_\_\_
- MAS \_\_\_\_\_
- OPC \_\_\_\_\_
- PAI \_\_\_\_\_
- SEC \_\_\_\_\_
- WAW \_\_\_\_\_
- OTH \_\_\_\_\_

In this matter, FPS is asking for a certificate to provide alternative local exchange 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 it has acquired sufficient financial backing from outside sources. 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)