



Public Service Commission

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

DATE: January 10, 2000  
 TO: Nancy Pruitt, Division of Communications  
 FROM: Pete Lester, Division of Auditing and Financial Analysis *PL AK*  
 RE: Docket No. 991842-TI, BCGI Communications Corp., Financial Analysis for  
 Certificate Application for Intrastate Interexchange Telecommunications Service *ALM*

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 audited financial statements of BCGI Communications Corp. (BCC) for the period ending December 31, 1998. As the attached schedule shows, BCC's parent company has adequate liquidity and sufficient common equity. The parent company reported a loss for the period.

In this matter, BCC 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 its parent company will provide additional investment if necessary. BCC has access to the financial resources of its parent company, which has access to the public capital markets. 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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FPSC-RECORDS/REPORTING

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DOCKET NO. 991842-TT  
BCGI COMMUNICATIONS CORP.  
IXC CERTIFICATE

FINANCIAL ANALYSIS

FROM AUDITED FINANCIAL STATEMENTS  
OF BOSTON COMMUNICATIONS GROUP, INC,  
THE PARENT COMPANY

IN THOUSANDS

	<u>AS OF</u> <u>12/31/1998</u>
CURRENT ASSETS	\$49,953
CURRENT LIABILITIES	11,504
CURRENT RATIO	4.34
CASH	18,253
COMMON EQUITY	78,658
TOTAL DEBT	1,598
PREFERRED STOCK	0
TOTAL INVESTOR CAPITAL	80,256
COMMON EQUITY RATIO	98%
NET INCOME	(1,800)
RETURN ON EQUITY	NEGATIVE