



Public Service Commission

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

DATE: March 21, 2000
TO: Nancy Pruitt, Division of Communications
FROM: David J. Draper, Division of Auditing and Financial Analysis *DD* *ALM*
RE: Docket No. 000305-TX, Advanced TelCom Group, Inc., Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service

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 Advanced TelCom Group, Inc (ATG) for the nine month period ending November 30, 1999. An audit could change one's opinion of the company's financial condition. The applicant requested confidential treatment of its financial statements.

In this matter, ATG is asking for a certificate to provide alternative local exchange telecommunications service. An analysis of the financial statements, for purposes of granting a certificate, reveals the applicant is in a minimal financial position. ATG attests to its financial capability to provide communication services by noting that ATG's parent company has raised a considerable amount of capital to finance this newly formed facilities-based local exchange subsidiary. Based on this showing, the applicant appears to meet the financial capability standard of Section 364.337, Florida Statutes.

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

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