



Public Service Commission

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

DATE: April 19, 2000

TO: Tommy Williams, Division of Communications

FROM: Pete Lester, Division of Auditing and Financial Analysis *PL*

RE: Docket No. 000211-TX, BroadSpan Communications, Inc., Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service *ALM*

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 financial statements of BroadSpan Communications, Inc. (BroadSpan). The applicant requested and was granted confidentiality for its financial statements.

In this matter, BroadSpan is asking for a certificate to provide alternative local exchange telecommunications 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 raised over \$2 million through a preferred stock issuance. The applicant states that it can rely on the financial assets of its parent company, Primary Network Holdings, Inc. 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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