



Public Service Commission

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

DATE: April 26, 2000

TO: Nancy Pruitt, Division of Communications

FROM: David J. Draper, Division of Auditing and Financial Analysis

Handwritten initials: ALM, JD, and a signature.

RE: Docket No. 000360-TX, Arbros Communications Licensing Company, S.E., LLC, 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 audited financial statements of Arbros Communications Licensing Company, S.E., LLC (Arbros) for the ten month period ending October 31, 1999. The applicant requested confidential treatment of its financial statements. Based on a review of the applicant's financial information, the company's financial capability appears minimal.

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In this matter, Arbros is asking for a certificate to provide alternative local exchange telecommunications service. The applicant attests to its financial capability to provide and maintain the proposed telecommunications service by noting that the Company will maintain capital from internally generated funds. In addition, Arbros can rely upon the financial support of the parent company if needed. 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)

DOCUMENT NUMBER-DATE

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