



Public Service Commission

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

DATE: October 11, 2000
TO: Brenda Hawkins, Division of Regulatory Oversight *ALM CSR*
FROM: Pete Lester, Division of Economic Regulation *PL*
RE: Docket No. 000906-TX, Broadwing Local Services, 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 balance sheet of Broadwing Local Services, Inc. (Broadwing) for the period ending June 30, 2000. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, Broadwing has adequate liquidity and sufficient common equity. The company is a start-up and only has a balance sheet.

In this matter, Broadwing 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.

APP _____
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OTH _____

The applicant attests to its financial capability to provide and maintain the proposed telecommunications service by noting that its parent company, Broadwing Communications, Inc., 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)

DOCUMENT NUMBER - DATE

13399 OCT 20 00

FPSC-RECORDS/REPORTING

FINANCIAL ANALYSIS
FROM UNAUDITED BALANCE SHEET

	AS OF <u>06/30/2000</u>
CURRENT ASSETS	\$2,000
CURRENT LIABILITIES	1,700
CURRENT RATIO	1.18
CASH	2,000
COMMON EQUITY	300
TOTAL DEBT	0
PREFERRED STOCK	0
TOTAL INVESTOR CAPITAL	300
COMMON EQUITY RATIO	100%
NET INCOME	-- *
RETURN ON EQUITY	-- *

*START-UP COMPANY, BALANCE SHEET ONLY