



Public Service Commission

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

DATE: December 20, 2000

TO: Nancy Pruitt, Division of Communications

FROM: La'Ticca M. Iyamu, Division of Auditing and Financial Analysis *LM* *ALM*

RE: Docket No. 001751-TX, SCC Communications Corp., Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service *ST*

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 SCC Communications Corp. (SCC) for the 8-month period ending December 31, 1999. As the attached schedule shows, SCC reported a negative net income for the period; however, the company has adequate liquidity and sufficient common equity.

In this matter, SCC is asking for a certificate to provide alternative local exchange telecommunications service. 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 the company will maintain capital from internally generated funds. Based on this showing, the applicant appears to meet the financial capability standard of Section 364.337, Florida Statutes.

- APP
- CAF
- CMP
- COM
- CTR
- ECR
- LEG
- OPC
- PAI
- RGO
- SEC
- SER
- OTH

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

DOCUMENT NUMBER-DATE

16496 DEC 29 8

FPSC-RECORDS/REPORTING

DOCKET NO. 00175
SCC Communications Corp.

ALEC APPLICATION
FINANCIAL ANALYSIS

FROM AUDITED FINANCIAL STATEMENTS

	AS OF 12/31/1999
CURRENT ASSETS	\$24,821
CURRENT LIABILITIES	6,807
CURRENT RATIO	3.65
CASH	8,354
COMMON EQUITY	32,935
TOTAL DEBT	8,845
TOTAL INVESTOR CAPITAL	41,780
COMMON EQUITY RATIO	79%
NET INCOME	(1,288)
RETURN ON EQUITY	-4%

NMF = No Meaningful Figure