



Public Service Commission

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

DATE: September 20, 1996
 TO: Tom Williams, Division of Communications
 FROM: Sonja Jones, Division of Auditing and Financial Analysis *SJT APC ALM*
 RE: Docket No. **960868-TI**, International Telemedia Associates, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service *Amis*

Section 364.337 (3), Florida Statutes, requires the following:

The commission shall grant a certificate of authority to provide intrastate interexchange telecommunications 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 International Telemedia Associates, Inc. (ITA) for the periods ending December 31, 1994 and 1995. An audit could change one's opinion of the company's financial condition. The company has requested confidential treatment of its financial statements. Based on our review, ITA has adequate liquidity, ownership equity, and profitability.

In this matter, ITA is asking for a certificate to provide IXC service. Staff notes the limited nature of the application and that no customer provided funds appear to be at risk. 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. ITA has noted that it is well-qualified to operate as a resale provider of telecommunications services in Florida, and its net income has grown substantially over the last few years. Furthermore, since ITA intends to operate as a reseller in Florida, it will not be required to invest any substantial amount for equipment or network operations.

cc: Division of Legal Services
Division of Records and Reporting

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