



Public Service Commission

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

DATE: January 13, 1999  
 TO: Tommy Williams, Division of Communications  
 FROM: Eva P. Samaan, Division of Auditing and Financial Analysis *ALM*  
 RE: Docket No. 981871-TX, C-A Information Systems, Inc. d/b/a Netcon Telecom, Inc. *APC*  
 Financial Analysis for Certificate Application for Alternative Local Exchange  
 Telecommunications Service *[Signature]*

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 . . .

Netcom Telcom, Inc. requested and was granted confidentiality for its financial statements. Regarding the showing of financial capability, the finance staff has analyzed the financial statements of Netcon Telcom, Inc. (NTI) for the period ending December 31, 1997.

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In this matter, NTI 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.

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The applicant attests to its financial capability to provide and maintain the proposed telecommunications service by noting that it has lines of credit with First Union Bank of Florida. Additionally, Netcon Telcom is in the process of initiating a private placement for new shares of preferred stock, estimated to raise approximately \$24.5 million in capital. Based on this showing, the applicant appears to meet the financial capability standard of Section 364.337, Florida Statutes.

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

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