



Public Service Commission

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

DATE: September 11, 2000
TO: Nancy Pruitt, Division of Regulatory Oversight
FROM: Christine G. Romig, Division of Economic Regulation *CR*
RE: Docket No. 000804-TX, Cbeyond Communications, LLC, Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service *ALM*

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 financial statements of Cbeyond Communications, LLC (Cbeyond) for the period, January 1 through May 31, 2000. The applicant requested confidential treatment of Cbeyond's financial statements.

In this matter, Cbeyond 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 it has the necessary financial resources as demonstrated by its financial statements. It attests that it has access to ample capital to fund the construction and operation of its telecommunications network and to meet any lease and ownership obligations. Based on its financial statements, Cbeyond has adequate liquidity and positive common equity.

For purposes of granting a certificate, the applicant appears to meet the financial capability standard of Section 364.337, Florida Statutes.

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

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