



ORIGINAL

Public Service Commission

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

DATE: August 25, 1998  
 TO: Tommy Williams, Division of Communications  
 FROM: David J. Draper, Division of Auditing and Financial Analysis *ALM*  
 RE: Docket No. 980862-TX, Florida Digital Network, Inc., Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service *DD*

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 Florida Digital Network, Inc. (FDN) for the period ending July 31, 1998. FDN is a start-up company and does not have a relevant income statement at this time. An audit could change one's opinion of the company's financial condition. The applicant requested confidential treatment of its financial statements. Based on the review of the applicant's financial information, FDN has adequate liquidity and sufficient common equity.

ACK \_\_\_\_\_

AFA \_\_\_\_\_ In this matter, FDN is asking for a certificate to provide alternative local exchange  
 APP \_\_\_\_\_ telecommunications service. For purposes of granting a certificate based on the financial  
 CAF \_\_\_\_\_ information provided, the financial capability appears adequate. The applicant attests to its  
 CTR \_\_\_\_\_ financial capability by noting that it has adequate liquid assets to provide and maintain the  
 proposed telecommunications service. Based on this showing, the applicant appears to meet the  
 financial capability standard of Section 364.337, Florida Statutes.

EAG \_\_\_\_\_  
 LEG \_\_\_\_\_ cc: Division of Legal Services  
 Division of Records and Reporting (2)

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