



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 ⁵⁰³ APC ALM [Signature]
 RE: Docket No. 960999-TX, Siemens Rolm Communications Inc., Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service

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 Siemens Corporation (SRC) for the period ending September 30, 1995. The applicant, Siemens Rolm Communications, is the communications division of Siemens Corporation. As the attached schedule shows, SRC has adequate liquidity, ownership equity, and profitability.

In this matter, SRC is asking for a certificate to provide alternative local exchange telecommunications 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. SRC notes that it has 148 years in the telecommunications business, \$62 billion in revenue, and provides service in 120 countries. Based on this showing, the applicant appears to meet the financial capability standard of Section 364.337, Florida Statutes.

cc: Division of Legal Services
 Division of Records and Reporting

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DOCKET NO. 960999-TX
SIEMENS ROLM COMMUNICATIONS INC.
A DIVISION OF SIEMENS CORPORATION
LEC CERTIFICATE
FINANCIAL ANALYSIS

FROM AUDITED FINANCIAL STATEMENTS
OF SIEMENS CORPORATION
(in millions of DM)

	AS OF 9/30/95
CURRENT ASSETS	58,920 DM
CURRENT LIABILITIES	34,166
CURRENT RATIO	1.72
COMMON EQUITY	22,445
PREFERRED STOCK	46
TOTAL DEBT	5,141
TOTAL INVESTOR CAPITAL	27,632
COMMON EQUITY RATIO	81%
NET INCOME	2,084
RETURN ON EQUITY	9%