



Public Service Commission

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

DATE: January 20, 1999  
 TO: Tommy Williams, Division of Communications  
 FROM: Eva P. Samaan, Division of Auditing and Financial Analysis *ALM*  
 RE: Docket No. 981908-TX, Ripple 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 . . .

Ripple Communications, 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 Ripple Communications, Inc. (RCI) for the period ending October 31, 1998.

In this matter, RCI 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.

The applicant attests to its financial capability to provide and maintain the proposed telecommunications service by noting that it can get additional funding through its President, Mr. L. C. Bowman. Mr. Bowman has over a million dollars equity in real estate holdings, which could be utilized in the event that any financial difficulties befall RCI. 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 (2)

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