



ORIGINAL  
Public Service Commission

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

**DATE:** August 10, 1999  
**TO:** Nancy Pruitt, Division of Communications  
**FROM:** Pete Lester, Division of Auditing and Financial Analysis *PL* *ALM*  
**RE:** Docket No. 990752-TI, Ciera Network Systems, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service *APC*

Section 364.337 (3), Florida Statutes, requires the following:

The commission shall grant a certificate of authority to provide intrastate interexchange telecommunications 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 Ciera Network Systems, Inc. (Ciera) for the projected period ending December 31, 2000. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, Ciera projects adequate liquidity, sufficient common equity and positive net income for the period.

In this matter, Ciera is asking for a certificate to provide IXC service. Staff notes the limited nature of the application. 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 its investment banker believes the company has a sound business plan and has raised the necessary capitalization. Based on this showing, the applicant appears to meet the financial capability standard of Section 364.337, Florida Statutes.

- AFA
  - APP
  - CAF
  - CMU
  - CER
  - EAG
  - LEG
  - MAG
  - OPC
  - PAI
  - SEC
  - WAW
  - OTH
- cc: Division of Legal Services  
Division of Records and Reporting (2)

DOCUMENT NUMBER-DATE

09607 AUG 12 99

FRSO-RECORDS/REPORTING

DOCKET NO. 990752-1  
DOCKET NO. 990962-TX  
CIERA NETWORK SYSTEMS, INC.  
IXC CERTIFICATE  
ALEC CERTIFICATE

FINANCIAL ANALYSIS

FROM UNAUDITED, PROJECTED FINANCIAL STATEMENTS

	PROJECTED <u>12/31/00</u>
CURRENT ASSETS	\$3,895,314
CURRENT LIABILITIES	2,987,175
CURRENT RATIO	1.30
CASH	3,737,014
COMMON EQUITY	2,187,183
TOTAL DEBT	0
TOTAL PREFERRED STOCK	0
TOTAL INVESTOR CAPITAL	2,187,183
COMMON EQUITY RATIO	100%
NET INCOME	263,683
RETURN ON EQUITY	12%