



Public Service Commission

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

DATE: January 7, 2000
TO: Nancy Pruitt, Division of Communications
FROM: David J. Draper, Division of Auditing and Financial Analysis
RE: Docket No. 991860-TX, Broadslate Networks of Florida, Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service

Handwritten initials: DS, ALM, and a signature.

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 statement of Broadslate Networks of Florida (BNF) for the nine month period ending September 30, 1999. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, BNF has adequate liquidity, but reports minimal common equity. BNF is currently not in operations, and does not have a relevant income statement at this time.

In this matter, BNF 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 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.

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

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FPSC-RECORDS/REPORTING

DOCKET NO. 991860-~~XX~~
BROADSLATE NETWORKS OF FLORIDA, INC.

ALTERNATIVE LOCAL EXCHANGE SERVICE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 09/30/99
CURRENT ASSETS	\$1,005,000
CURRENT LIABILITIES	0
CURRENT RATIO	NMF
CASH	1,005,000
COMMON EQUITY	5,000
TOTAL DEBT	1,000,000
TOTAL INVESTOR CAPITAL	1,005,000
COMMON EQUITY RATIO	0.50%
NET INCOME	0
RETURN ON EQUITY	0%

NMF = No Meaningful Figure