ORIGINAL

State of Florida

Public Service Commission

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

DATE: January 20, 2000

TO: Tommy Williams, Division of Communications

FROM: Eva P. Samaan, Division of Auditing and Financial Analysis

RE: Docket No. 992016-TI, BroadSpan Communications, Inc., Financial Analysis for Certificate Application to provide Intrastate Interexchange Telecommunications Service

Section 364.337 (1), 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 . . .

BroadSpan Communications, Inc. (BCI) requested and was granted confidentiality for its financial statements. Regarding the showing of financial capability, the finance staff has analyzed the financial statements of BCI for the period ending October 31, 1999.

In this matter, BCI is asking for a certificate to provide IXC telecommunications service. For purposes of granting a certificate based on the financial information provided, the financial capability appears minimal.

Although an analysis of the financial statements reveals the applicant is in a minimal financial position, the applicant attests to its financial capability to provide and maintain the proposed telecommunications service. BCI's parent company, Primary Network Holdings, Inc., pledges infusion of additional capital as necessary to ensure its continued viability. 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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