



Public Service Commission

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

DATE: July 25, 2000
TO: Toni McCoy, Division of Regulatory Oversight
FROM: Pete Lester, Division of Economic Regulation
RE: Docket No. 000627-TR, Comtech 21, LLC, Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service

ALMA

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, projected financial statements of Comtech 21, LLC (Comtech) for the period ending December 31, 2001. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, Comtech projects adequate liquidity, sufficient common equity and positive net income for the period.

In this matter, Comtech 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.

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The applicant attests to its financial capability to provide and maintain the proposed telecommunications service by noting that it has a strong financial base to operate as a reseller and it has a banking relationship with Citizens Bank in Wallingford, Connecticut. 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)

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

DOCKET NO. 000627-TT
COMTECH 21, LLC
IXC CERTIFICATE

FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	PROJECTED <u>12/31/2001</u>
CURRENT ASSETS	\$3,462,762
CURRENT LIABILITIES	2,187,251
CURRENT RATIO	1.58
CASH	1,289,202
COMMON EQUITY	1,275,511
TOTAL DEBT	0
PREFERRED STOCK	0
TOTAL INVESTOR CAPITAL	1,275,511
COMMON EQUITY RATIO	100%
NET INCOME	2,000,851
RETURN ON EQUITY	157%