

ORIGINAL

State of Florida



Public Service Commission

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

**DATE:** October 20, 2000  
**TO:** Tommy Williams, Division of Regulatory Oversight  
**FROM:** Pete Lester, Division of Economic Regulation *PL*  
**RE:** Docket No. 001175-TX, Baytel 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 . . .

Regarding the showing of financial capability, the Finance staff has analyzed the unaudited financial statements of Baytel Communications, Inc. (Baytel) for the period ending September 30, 2000. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, Baytel has adequate liquidity and sufficient common equity. As a start-up, the company projects a loss for the year 2000.

In this matter, Baytel is asking for a certificate to provide alternative local exchange telecommunications 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 it is negotiating a loan for \$500,000 and it expects an equity infusion of \$150,000 from its owners. Pursuant to a Dade County ordinance, the company will post a \$100,000 performance bond. 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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DOCUMENT NUMBER-DATE

14467 NOV-88

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