



# Public Service Commission

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

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**DATE:** February 15, 2001  
**TO:** Nancy Pruitt, Division of Regulatory Oversight  
**FROM:** David J. Draper, Division of Economic Regulation *DD*  
**RE:** Docket No. 010178-TI, KDD America, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service *ALM*

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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 audited financial statements of KDD America, Inc. (KDD) for the period ending December 31, 1999. As the attached schedule shows, KDD reports negative income for the period, but has adequate liquidity and sufficient common equity.

In this matter, KDD is asking for a certificate to provide IXC 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)

DOCUMENT NUMBER-DATE

02433 FEB 21 01

FPSC-RECORDS/REPORTING

DOCKET NO. 010178-TI  
KDD AMERICA, INC.

IXC APPLICATION  
FINANCIAL ANALYSIS

FROM AUDITED FINANCIAL STATEMENTS

	AS OF 12/31/1999 (,000)
CURRENT ASSETS	\$41,575
CURRENT LIABILITIES	17,432
CURRENT RATIO	2.39
CASH	12,996
COMMON EQUITY	60,532
TOTAL DEBT	0
TOTAL INVESTOR CAPITAL	60,532
COMMON EQUITY RATIO	100%
NET INCOME	(6,029)
RETURN ON EQUITY	NMF

NMF = No Meaningful Figure