



Public Service Commission

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

DATE: September 24, 1997
TO: Nancy Pruitt, Division of Communications
FROM: Pete Lester, Division of Auditing and Financial Analysis *ALM*
RE: Docket No. 971052-TX, MGC Communications, Inc., Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service *PL APC*

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 financial statements of MGC Communications, Inc. (MGC). MGC requested and was granted confidentiality for its financial statements.

ACK _____
 AFA _____ ~~In~~ this matter, MGC is asking for a certificate to provide alternative local exchange telecommunications service. Staff notes the limited nature of the application.
 APP _____
 CAF _____
 CMU _____ The applicant attests to its financial capability to provide and maintain the proposed telecommunications service by noting that the funding for the construction and operation of its network has been provided by privately placed investment. The applicant also states that it has significant assets and profits. Based on this showing, the applicant appears to meet the financial capability standard of Section 364.337, Florida Statutes.
 CTR _____
 EAG _____
 LEG _____
 LIN _____ cc: Division of Legal Services
 OPC _____ Division of Records and Reporting (2) ✓
 RCH _____
 SEC _____ /
 WAS _____
 OTH _____

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