



Public Service Commission

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

DATE: October 12, 1999
TO: Tommy Williams, Division of Communications
FROM: David J. Draper, Division of Auditing and Financial Analysis
RE: Docket No. 991415-TI, DONTEL International L.L.C., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service

Handwritten initials and signatures:
 JLD
 ALM
 APC
 [Signature]

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 financial statements of DONTEL International L.L.C. (DON) for the eight month period ending August 18, 1999. An audit could change one's opinion of the company's financial condition. The applicant requested confidential treatment of its financial statements. In this matter, DON 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 minimal.

AFA _____ Although an analysis of the financial statements reveals the applicant is in a minimal financial
 APP _____ position, the applicant attests to its financial capability to provide and maintain the proposed
 CAF _____ telecommunications service by noting that DON proposes to operate as a reseller in the state of
 CMU _____ Florida, and will incur minimal capital or operating expenses. In addition, the company has
 CTR _____ structured its retail pricing so that its per minute rate covers its per minute cost, thus assuring an
 EAG _____ almost instantaneous positive cash flow. Based on this showing, the applicant appears to meet the
 LEG _____ financial capability standard of Section 364.337, Florida Statutes.
 MAS _____
 OPC _____
 PAI _____

SEC + cc: Division of Legal Services
 WAW _____ Division of Records and Reporting (2)
 OTH _____

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