



Public Service Commission

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

DATE: November 23, 1999
TO: Nancy Pruitt, Division of Communications
FROM: Pete Lester, Division of Auditing and Financial Analysis
RE: Docket No. 991639-TX, Empire Telecom Services, Inc., Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service

Handwritten initials: ALM, [signature]

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 Empire Technologies Corporation, the parent company of Empire Telecom Services, Inc. (Empire). The applicant requested and was granted confidentiality for its parent company's financial statements.

In this matter, Empire 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 its "parent company will provide the resources necessary to provide continuous, reliable telecommunications services to customers in Florida." Based on this showing, the applicant appears to meet the financial capability standard of Section 364.337, Florida Statutes.

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