



# Public Service Commission

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ORIGINAL  
FILE COPY

**DATE:** July 16, 1997  
**TO:** Tom Williams, Division of Communications  
**FROM:** Pete Lester, Division of Auditing and Financial Analysis *ALM*  
**RE:** Docket No. 970666-TX, International Design Group, Inc., *PL* 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 financial statements of International Design Group, Inc. (IDG). IDG requested and was granted confidentiality for its financial statements.

ACK \_\_\_\_\_ In this matter, IDG is asking for a certificate to provide alternative local exchange  
AFA \_\_\_\_\_ telecommunications service. Staff notes the limited nature of the application.

APP \_\_\_\_\_  
CAF \_\_\_\_\_ The applicant attests to its financial capability to provide and maintain the proposed  
CMU \_\_\_\_\_ telecommunications service by noting that it has audited financial statements showing \$2.8  
CTR \_\_\_\_\_ million in common equity, and it has an \$11 million credit facility with NationsBank that could  
EAG \_\_\_\_\_ be increased if necessary. Also, it anticipates profitability for its ALEC operations, and it has  
LEG \_\_\_\_\_ access to private investors. Based on this showing, the applicant appears to meet the financial  
\_\_\_\_\_ capability standard of Section 364.337, Florida Statutes.

LIN \_\_\_\_\_  
OPC \_\_\_\_\_ cc: Division of Legal Services  
RCH \_\_\_\_\_ Division of Records and Reporting (2) ✓

SEC \_\_\_\_\_  
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