



Public Service Commission

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

DATE: February 19, 1996
TO: Tom Williams, Division of Communications
FROM: Sonja Jones, Division of Auditing and Financial Analysis *rs*
RE: Docket No. 960187-TX, LCI International Telecom Corp., Financial Analysis for Certificate Application for Local Exchange Telecommunications Service

ALM
AP
[Handwritten initials]

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

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 QTH _____

Regarding the showing of financial capability, the Finance staff has analyzed the audited financial statements of LCI International Telecom Corp. (LCI) for the period ending December 31, 1994. As the attached schedule shows, LCI has minimal liquidity, but adequate ownership equity and profitability.

In this matter, LCI is asking for a certificate to provide local exchange telecommunications service. Staff notes the limited nature of the application and that no customer provided funds are at risk. Under the minimal requirements of the statute, the application appears adequate.

cc: Division of Legal Services
Division of Records and Reporting

DOCUMENT NUMBER DATE
 02334 FEB 26 96
 FPSC-RECORDS/REPORTING

DOCKET NO. 960187-TX
LCI INTERNATIONAL TELECOM CORP.
LEC CERTIFICATE
FINANCIAL ANALYSIS

FROM AUDITED FINANCIAL STATEMENTS

	AS OF 12/31/94
CURRENT ASSETS	\$98,665,000
CURRENT LIABILITIES	150,476,000
CURRENT RATIO	0.66
CASH	0
COMMON EQUITY	27,772,000
TOTAL DEBT	35,916,000
NET INVESTOR CAPITAL	63,688,000
COMMON EQUITY RATIO	44%
NET INCOME (LOSS)	17,394,000
RETURN ON EQUITY	63%