



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

DATE: April 17, 1997
TO: Tom Williams, Division of Communications
FROM: Pete Lester, Division of Auditing and Financial Analysis *ALM APC*
RE: Docket No. 970378-TI, Galaxy Long Distance, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service *ML*

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 Galaxy Long Distance, Inc. (Galaxy) for the period ending November 30, 1996. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, Galaxy has adequate liquidity and ownership equity but, as a start-up company, it has no net income.

ACK _____ In this matter, Galaxy is asking for a certificate to provide IXC 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 marginal.

CAF _____ Although an analysis of the financial statements reveals the applicant is in a marginal financial position, the applicant attests to its financial capability to provide and maintain the proposed telecommunications service by noting that its affiliate, The Belleair Group, Inc., is its funding source, and it has guaranteed lines of credit. Based on this showing, the applicant appears to meet the financial capability standard of Section 364.337, Florida Statutes.

N _____ cc: Division of Legal Services
C _____ Division of Records and Reporting

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

**DOCKET NO. 970378-TI
GALAXY LONG DISTANCE, INC.
IXC CERTIFICATE
FINANCIAL ANALYSIS
ATTESTATION DONE**

FROM UNAUDITED FINANCIAL STATEMENTS

**AS OF
NOVEMBER 30, 1996**

CURRENT ASSETS	21,500	
CURRENT LIABILITIES	17,656	
CURRENT RATIO	1.22	
CASH	21,500	
COMMON EQUITY	312,566	
TOTAL DEBT	130,000	
TOTAL INVESTOR CAPITAL	442,566	
COMMON EQUITY RATIO	71%	
NET INCOME	NONE	START-UP COMPANY
RETURN ON EQUITY	NMF	

NMF=NO MEANINGFUL FIGURE

DEPOSIT
D489

DATE
MAR 26 1997

MEMORANDUM

TO: Dan Davis
FROM: Margot Wilkinson
DATE: March 24, 1997
RE: Galaxy Application and Tariff

Dan,

Enclosed please find the FPSC Application. I have paper clipped the pages Mr. DiRose has to sign (please double check). Also enclosed is the Florida Tariff with your faxed Product Description inserted.

Also enclosed is the check for \$250. Have Galaxy send the originals and twelve (12) copies to the Division of Records and Reporting. The 12 copies is a ruling under the new 25-24.471 Application for Certificate.

This should do it. Any questions, please call.

Margot. *M.*

RECEIVED
FLORIDA PUBLIC
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MAR 26 AM 9 30
MAIL ROOM

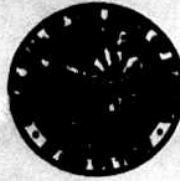
Check received with filing and forwarded to Fiscal for deposit. Fiscal to forward a copy of check to RAR with proof of deposit.

Initials of person who forwarded check:

A.G.

State of Florida

Commissioners:
JULIA L. JOHNSON, CHAIRMAN
SUSAN F. CLARK
J. TERRY DEASON
JOE GARCIA
DIANE K. KIESLING



DIVISION OF RECORDS &
REPORTING
BLANCA S. BAYÓ
DIRECTOR
(904) 413-6770

Public Service Commission

March 26, 1997

J. Richard DiRose, President
Galaxy Long Distance, Inc.
12600 South Belcher Road, Suite 104
Largo, Florida 33773

Re: Docket No. 970378-TI

Dear Mr. DiRose:

This will acknowledge receipt of an application for certificate to provide interexchange telecommunications service by Galaxy Long Distance, Inc., which was filed in this office on March 26, 1997 and assigned the above-referenced docket number. Appropriate staff members will be advised.

Mediation may be available to resolve any dispute in this docket. If mediation is conducted, it does not affect a substantially interested person's right to an administrative hearing. For more information, contact the Office of General Counsel at (904) 413-6078 or FAX (904) 413-6079.

Please make note as well that Commission Rule 25-22.005(7), F.A.C., requires certificated companies to notify the Commission of any changes in name, telephone, address, or contact person. Should your application be granted by the Commission, you will be expected to comply with this rule by advising us of any changes as they occur.

Division of Records and Reporting
Florida Public Service Commission