



Public Service Commission

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

DATE: June 27, 1997
TO: Tom Williams, Division of Communications
FROM: David Draper, Division of Auditing and Financial Analysis *DD APC NLM*
RE: Docket No. 970589-TI, DTA Communications Service, LCD., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service

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 DTA Communications Service, LCD. (DTA) for the five month period ending May 31, 1997. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, DTA produced a positive net income for the period, but has marginal liquidity and negative common equity.

- ACK _____
- AFA _____
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG _____
- LEG _____
- LIN _____
- OPC _____
- RCR _____
- SEC _____
- WAS _____
- OTH _____

In this matter, DTA 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.

Although an analysis of the financial statements reveals the applicant is in a marginal financial position, the applicant attests to its financial capability by noting that it has sufficient internally generated capital to provide and maintain the proposed telecommunications service. Based on this showing, the applicant appears to meet the financial capability standard of Section 364.337, Florida Statutes.

cc: Division of Legal Services
Division of Records and Reporting (2) ✓

DOCUMENT NUMBER-DATE

06503 JUN 30 5

FPSC-RECORDS/REPORTING

DOCKET NO. : 97058
DTA COMMUNICATIONS, LCD.

IXC TELECOMMUNICATION SERVICE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 05/31/97
CURRENT ASSETS	\$1,399,913
CURRENT LIABILITIES	1,464,967
CURRENT RATIO	0.96
CASH	31,449
COMMON EQUITY	(153,369)
TOTAL DEBT	135,000
TOTAL INVESTOR CAPITAL	(18,369)
COMMON EQUITY RATIO	NMF
NET INCOME	6,438
RETURN ON EQUITY	NMF

NMF = No Meaningful Figure