

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

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(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 United Services Telephone, LLC (UST) for the four-month period ending April 30, 1997. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, UST has adequate liquidity, ownership equity, and profitability.

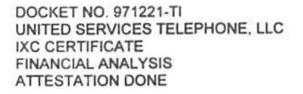
ACK \_\_\_\_\_\_ In this matter, UST is asking for a certificate to provide IXC service. Staff notes the limited nature of the application. For purposes of granting a certificate based on the financial information provided, the financial capability appears adequate.

The applicant attests to its financial capability to provide and maintain the proposed telecommunications service by noting that its liquidity position will allow it to grow and penetrate markets. It also notes that, as a switchless reseller, it will have low capital investment needs. 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

FPSC-RECORDS/REPORTING



FROM UNAUDITED FINANCIAL STATEMENTS

	FOUR MONTHS ENDED APRIL 30, 1997
	CH_THE EXT IS ST.
CURRENT ASSETS	3,065,195
CURRENT LIABILITIES	858,454
CURRENT RATIO	3.57
CASH	615,058
COMMON EQUITY	1,652,091
TOTAL DEBT	1,012,000
PREFERRED STOCK	0
TOTAL INVESTOR CAPITAL	2,664,091
COMMON EQUITY RATIO	62%
NET INCOME	1,319,969
RETURN ON EQUITY	80%