



Public Service Commission

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

DATE: July 28, 1999
TO: Nancy Pruitt, Division of Communications
FROM: Pete Lester, Division of Auditing and Financial Analysis
RE: Docket No. 990559-TI, Telexpress Communications, Inc., 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 balance sheet of Telexpress Communications, Inc. (Telexpress) for the period ending April 30, 1999. An audit could change one's opinion of the company's financial condition. The company is a start-up and only has a balance sheet. As the attached schedule shows, Telexpress has adequate liquidity and sufficient common equity.

AFA
APP
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In this matter, Telexpress 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 it has no debt and it can obtain additional funds from shareholders if necessary. The company also has lines of credit available. 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

09020 JUL 30 99

FPSC-RECORDS/REPORTING

DOCKET NO. 990559-T,
TELEXPRESS COMMUNICATIONS, INC.
IXC CERTIFICATE

FINANCIAL ANALYSIS

FROM UNAUDITED BALANCE SHEET

AS
OF
04/30/99

CURRENT ASSETS	\$100,000	
CURRENT LIABILITIES	30,000	
CURRENT RATIO	3.33	
CASH	70,000	
COMMON EQUITY	218,000	
TOTAL DEBT	0	
TOTAL PREFERRED STOCK	0	
TOTAL INVESTOR CAPITAL	218,000	
COMMON EQUITY RATIO	100%	
NET INCOME	---	*
RETURN ON EQUITY	---	*

* Start-up company; balance sheet only.