



# Public Service Commission

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

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**DATE:** May 14, 2001  
**TO:** Nancy Pruitt, Division of Regulatory Oversight  
**FROM:** Pete Lester, Division of Economic Regulation *PLR* *ALM*  
**RE:** Docket No. 010338-TX, National Telecom, LLC, Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service

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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 . . .

Regarding the showing of financial capability, the Finance staff has analyzed the unaudited financial statements of National Telecom, LLC (National) for the period ending June 30, 2000. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, National has adequate liquidity and sufficient common equity. The company is a start-up and does not yet have an income statement.

In this matter, National is asking for a certificate to provide alternative local exchange telecommunications 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 passed BellSouth's credit tests for interconnection. 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

06206 MAY 17 2001

FPSC-RECORDS/REPORTING

DOCKET NO. 010338-TX  
NATIONAL TELECOM, LLC  
ALEC CERTIFICATE

FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS  
OF MR. & MRS. ROBERT E. JONES

	AS OF <u>06/30/2000</u>
CURRENT ASSETS	\$180,000
CURRENT LIABILITIES	28,000
CURRENT RATIO	6.43
CASH	10,000
COMMON EQUITY	696,900
TOTAL DEBT	24,500
PREFERRED STOCK	75,418
TOTAL INVESTOR CAPITAL	796,818
COMMON EQUITY RATIO	87%
NET INCOME	-- *
RETURN ON EQUITY	-- *

\*START-UP COMPANY