

State of Florida



Public Service Commission

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

DATE: May 22, 2001
TO: Toni McCoy, Division of Regulatory Oversight
FROM: David J. Draper, Division of Economic Regulation
RE: Docket No. 010708-TX, Phantom Networks, Inc., Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service

ALM

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 personal balance sheet of Steve J. Weil, President & CEO of Phantom Networks, Inc. (PNI) for the period ending February 28, 2001. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, PNI has adequate liquidity and sufficient owner's equity. The company is not in operations at this time, therefore no income statement is available.

In this matter, PNI is asking for a certificate to provide alternative local exchange telecommunications service. 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 the applicant can rely upon the financial support of its investors if needed. 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

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FPSC-RECORDS/REPORTING

DOCKET NO. 010708-TX
PHANTOM NETWORKS, INC.

ALTERNATIVE LOCAL EXCHANGE SERVICE
FINANCIAL ANALYSIS

FROM THE UNAUDITED FINANCIAL STATEMENTS OF STEVE J. WEIL,
PRESIDENT & CEO

	AS OF 02/28/2001
TOTAL OWNERS ASSETS	\$1,067,890
TOTAL OWNERS LIABILITIES	263,116
OWNERS LIQUIDITY RATIO	4.06
CASH	1,605
RESIDUAL EQUITY	263,115
TOTAL MORTGAGE & BANK LOANS	257,034
TOTAL	520,149
OWNER'S RESIDUAL EQUITY RATIO	51%