

State of Florida



Public Service Commission

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

DATE: June 6, 2001
TO: Toni McCoy, Division of Regulatory Oversight *TM*
FROM: David J. Draper, Division of Economic Regulation *ALM*
RE: Docket No. 010792-TI, Network US, Inc. d/b/a C.A. Affinity, 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 Network US, Inc. d/b/a C.A. Affinity (CAA) for the three month period ending March 31, 2001. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, CAA reported positive income, but has minimal liquidity and negative common equity.

In this matter, CAA 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 minimal financial position, the applicant attests to its financial capability to provide and maintain the proposed telecommunications service by noting that CAA has available to it a \$200,000 line of credit from its investors. 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

07150 JUN-8 2001

FPSC-RECORDS/REPORTING

DOCKET NO. 010792-T1
NETWORK US, INC. d/b/a C.A. AFFINITY

IXC APPLICATION
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 03/31/2001
CURRENT ASSETS	\$486,419
CURRENT LIABILITIES	653,195
CURRENT RATIO	0.74
CASH	101,029
COMMON EQUITY	(166,775)
TOTAL DEBT	0
TOTAL INVESTOR CAPITAL	(166,775)
COMMON EQUITY RATIO	NMF
NET INCOME	8,998
RETURN ON EQUITY	NMF

NMF = No Meaningful Figure