

State of Florida



# Public Service Commission

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

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**DATE:** July 18, 2001  
**TO:** Tommy Williams, Division of Regulatory Oversight  
**FROM:** Pete Lester, Division of Economic Regulation PL  
**RE:** Docket No. 010960-TX, I-Link Communications, Inc., Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service

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ALM *or*

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 audited financial statements of I-Link, Inc. , the parent company of I-Link Communications, Inc. (I-Link), for the period ending December 31, 2000. As the attached schedule shows, I-Link's parent company has inadequate liquidity and negative common equity. The parent company reported a loss for the period.

In this matter, I-Link 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 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 its parent company has access to the public capital markets and can provide financial support. 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-COMMISSION CLERK

DOCKET NO. 010960-TX  
I-LINK COMMUNICATIONS, INC.  
ALEC CERTIFICATE

FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF <u>12/31/2000</u>
CURRENT ASSETS	\$5,899,375
CURRENT LIABILITIES	45,173,831
CURRENT RATIO	0.13
CASH	2,155,628
COMMON EQUITY	(28,839,661)
TOTAL DEBT	10,010,352
PREFERRED STOCK	255,350
TOTAL INVESTOR CAPITAL	NEGATIVE
COMMON EQUITY RATIO	NMF
NET INCOME	(25,752,178)
RETURN ON EQUITY	NEGATIVE

NMF=NO MEANINGFUL FIGURE