



Public Service Commission

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

DATE: April 9, 1996
TO: Tom Williams, Division of Communications
FROM: Sonja Jones, Division of Auditing and Financial Analysis *SW*
RE: Docket No. 960313-TI, North American Telephone Network, LLC, Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service *ALM* *1996*

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 North American Telephone Network, LLC (NATN) for the month ending January 31, 1996. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, NATN has adequate liquidity but reports negative common equity and negative net income.

APP In this matter, NATN is asking for a certificate to provide IXC service. Staff notes the limited nature of the application and that no customer provided funds appear to be at risk.
CMU For purposes of granting a certificate based on the financial information provided, the financial capability appears minimal.

LEG ~~cc:~~ Division of Legal Services
LIN Division of Records and Reporting

OPC _____
RCH _____
SEC J
WAS _____
OTH _____

DOCUMENT NUMBER-DATE
04249 APR 12 96
 FPSC-RECORDS/REPORTING

• DOCKET NO. 960313-TI
• NORTH AMERICAN TELEPHONE NETWORK, LLC
• IXC CERTIFICATE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

FOR THE
MONTH
01/31/96

CURRENT ASSETS	\$51,649
CURRENT LIABILITIES	0
CURRENT RATIO	NMF
CASH	32,224
COMMON EQUITY	(58,351)
TOTAL DEBT	110,000
NET INVESTOR CAPITAL	51,649
COMMON EQUITY RATIO	NMF
NET INCOME	(5,031)
RETURN ON EQUITY	NMF

NMF=No Meaningful Figure