



# Public Service Commission

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

**DATE:** April 4, 1996  
**TO:** Tom Williams, Division of Communications  
**FROM:** Sonja Jones, Division of Auditing and Financial Analysis *ALM*  
**RE:** Docket No. 960010-TI, American Business Alliance, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service *SW 4PC 10/2*

This is a Revision of AFAD's memo of February 16, 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 American Business Alliance (ABA) for the period of January 1 through November 20, 1995. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, ABA has adequate liquidity and profitability but reports negative common equity.

It should be noted that ABA plans to offer prepaid travel cards and, as a result, customer funds could be at risk. In this matter, ABA is asking for a certificate to provide IXC service. For purposes of granting a certificate based on the financial information provided, the financial capability of the company appears adequate.

cc: Division of Legal Services  
Division of Records and Reporting

DOCUMENT NUMBER-DATE

04349 APR 16 86

FPSC-RECORDS/REPORTING