



Public Service Commission

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

DATE: August 21, 1996
TO: Tom Williams, Division of Communications
FROM: Pete Lester, Division of Auditing and Financial Analysis *PL* *ALM*
RE: Docket No. 960698-TX, American Communications Services of Jacksonville, Inc. *APC* *Amk*
Financial Analysis for Certificate Application for Local Exchange
Telecommunications Service

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 American Communications Services, Inc., the parent of American Communications Services of Jacksonville, Inc. As the attached schedule shows, the company has adequate liquidity and ownership equity. It reports negative net income.

Although the applicant's financial position is somewhat marginal, the applicant attests that it has sufficient financial capability to provide alternative local exchange service. Based on this, 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

DOCKET NO. 960698-TX
AMERICAN COMMUNICATIONS SERVICES OF JACKSONVILLE, IN
INTEREXCHANGE CERTIFICATE
FINANCIAL ANALYSIS
ATTESTATION DONE

FROM AUDITED FINANCIAL STATEMENTS OF AMERICAN
COMMUNICATIONS SERVICES, INC.

	YEAR ENDING JUNE 30, 1995
CURRENT ASSETS	21,545,552
CURRENT LIABILITIES	7,491,415
CURRENT RATIO	2.88
CASH	20,350,791
COMMON EQUITY	22,141,217
PREFERRED STOCK	414,164
TOTAL DEBT	4,869,153
TOTAL INVESTOR CAPITAL	27,424,534
COMMON EQUITY RATIO	81%
NET INCOME	(15,768,634)
RETURN ON EQUITY	NMF

NMF=NO MEANINGFUL FIGURE