



Public Service Commission

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

DATE: September 9, 1996
 TO: Tom Williams, Division of Communications
 FROM: Sonja Jones, Division of Auditing and Financial Analysis *SLT* *ALM* *ARC* *100*
 RE: Docket No. 960739-TI, Trans National Communications International, Inc., 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 Trans National Communications International, Inc. (TNCI) for the quarter ending May 31, 1996. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, TNCI has marginal liquidity and reports negative common equity and negative net income.

ACK In this matter, TNCI 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. 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 the start-up stage of this business, the applicant attests to its financial capability to provide and maintain the proposed telecommunications service. The applicant notes that it is not required to make any up-front or start-up payments to its underlying carrier for services offered in Florida, and it does not lease or own any equipment or office space in Florida. Further, the applicant claims revenues generated from operations as well as funds available through financing arrangements will be sufficient to maintain the requested service.

cc: Division of Legal Services
Division of Records and Reporting

DOCUMENT NUMBER-DATE

09750 SEP 13 96

FPSC-RECORDS/REPORTING

WAS _____
OTH _____

DOCKET NO. 960739-TI
TRANS NATIONAL COMMUNICATIONS INTERNATIONAL, INC.
IXC CERTIFICATE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

FOR THE
QUARTER ENDED
5/31/96

CURRENT ASSETS	\$215,105
CURRENT LIABILITIES	257,059
CURRENT RATIO	0.84
CASH	91,495
COMMON EQUITY	(271,524)
TOTAL DEBT	250,000
TOTAL INVESTOR CAPITAL	(21,524)
COMMON EQUITY RATIO	NMF
NET INCOME	(281,500)
RETURN ON EQUITY	NMF

NMF = No Meaningful Figure