



# Public Service Commission

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

**DATE:** November 21, 1996  
**TO:** Tom Williams, Division of Communications  
**FROM:** Sonja Jones, Division of Auditing and Financial Analysis *ALM*  
**RE:** Docket No. 961114-TX, TotalTel USA Communications, Inc. d/b/a TotalTel, Inc.,  
 Financial Analysis for Certificate Application for Alternative Local Exchange  
 Telecommunications Service *APC 11/28/96*

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 TotalTel USA Communications, Inc. d/b/a TotalTel, Inc. (TOTL) for the period ending January 31, 1996. As the attached schedule shows, TOTL has adequate liquidity, ownership equity, and profitability.

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 AFA \_\_\_\_\_  
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In this matter, TOTL is asking for a certificate to provide alternative local exchange telecommunications 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 adequate.

The applicant attests to its financial capability to provide and maintain the proposed telecommunications service by noting that it has been a provider of interstate telecommunications services to customers nationwide since January 1983. The applicant is certified and currently operates in Florida as an interexchange service reseller. Furthermore, the applicant initially proposes to provide service on a resale basis only; therefore, significant additional capital expenditures will not be required in the first year of operation. 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

DOCUMENT NUMBER-DATE

12683 NOV 26 96

FPSC-RECORDS/REPORTING

DOCKET NO. 961114-TX  
TOTALTEL USA COMMUNICATIONS, INC.  
d/b/a TOTALTEL, INC.  
ALEC CERTIFICATE  
FINANCIAL ANALYSIS

FROM AUDITED FINANCIAL STATEMENTS

	AS OF 1/31/96
CURRENT ASSETS	\$13,620,565
CURRENT LIABILITIES	8,821,231
CURRENT RATIO	1.54
CASH	3,177,138
COMMON EQUITY	10,699,580
TOTAL DEBT	313,742
TOTAL INVESTOR CAPITAL	11,013,322
COMMON EQUITY RATIO	97%
NET INCOME	1,554,589
RETURN ON EQUITY	15%