



# Public Service Commission

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

DATE: November 20, 1996  
 TO: Tom Williams, Division of Communications  
 FROM: Sonja Jones, Division of Auditing and Financial Analysis *LT APC ALM*  
 RE: Docket No. 961145-TI, Ameracall, Inc. d/b/a Ameracall L.D., Operator Services Network, Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service *JMS 10/28*

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 Ameracall, Inc. d/b/a Ameracall L.D., Operator Services Network of (AMCL) for the period ending December 31, 1995. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, AMCL has marginal liquidity and reports negative common equity and negative net income.

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In this matter, AMCL 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 a minimal financial position, the applicant attests to its financial capability to provide and maintain the proposed telecommunications service. The applicant will primarily provide the proposed service in the capacity of a sales agent and/or reseller. As a result, the applicant will only be financially involved with the sales activity when it issues and collects bills and retains a percentage of the revenue from calls made by its customers. Furthermore, the applicant has no financial requirements or liabilities for capital investments in physical structures and/or equipment since it will rely on the underlying common carriers physical structures and/or equipment. 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

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EPSC-RECORDS/REPORTING

DOCKET NO. 961145-T1  
AMERACALL, INC.  
d/b/a AMERACALL L.D., OPERATOR SERVICES NETWORK  
IXC CERTIFICATE  
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

AS  
OF  
12/31/95

CURRENT ASSETS	\$952,831
CURRENT LIABILITIES	1,554,995
CURRENT RATIO	0.61
CASH	47,219
COMMON EQUITY	(1,707,708)
TOTAL DEBT	1,321,963
TOTAL INVESTOR CAPITAL	(385,745)
COMMON EQUITY RATIO	NMF
NET INCOME	(1,275,086)
RETURN ON EQUITY	NMF

NMF = No Meaningful Figure