



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

DATE: December 12, 1996
 TO: Tom Williams, Division of Communications
 FROM: Sonja Jones, Division of Auditing and Financial Analysis *SS*
 RE: Docket No. 961191-TI, Global Access Communications, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service

ALM
ARC
[Signature]

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, since financial statements were not available for review, the Finance staff has reviewed the business plan of Global Access Communications, Inc. (GAC). As the attached schedule shows, the Estimated Summary Income Statement included in the business plan projects a profit for the 1996 - 1997 fiscal period.

In this matter, GAC is asking for a certificate to provide IXC service. It should be noted that GAC is in the business of offering pre-paid services, such as prepaid debit cards, and, as a result, customer funds could be at risk. Furthermore, the applicant has no financial statements from which to gauge its financial capability to provide service.

ACK _____ Although a review of the business plan reveals the applicant is in the start-up stage of this business, the
 AFA _____ applicant attests to its financial capability to provide and maintain the proposed telecommunications
 APP _____ service. The applicant notes that it has been in the business of prepaid phone cards since March 1996.
 CAF _____ Also, the applicant states that it has a proven track record of providing a service for pre-paid phone
 CMU _____ cards and will continue to maintain its quality service in the future. Furthermore, the applicant has
 CTR _____ provided bank statements for three months, its total payments balance statement as to money due to it
 EAG _____ from customers, and, as previously mentioned, its business plan. Based on this showing, the applicant
 LEG _____ appears to meet the financial capability standard of Section 364.337, Florida Statutes.

cc: Division of Legal Services
Division of Records and Reporting

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 OPC _____
 RCH _____
 SEC I _____
 WAS _____
 OTH _____

DOCUMENT NUMBER-DATE
 13375 DEC 17 96
 FPSC-RECORDS/REPORTING

DOCKET NO. 961191-T1
GLOBAL ACCESS COMMUNICATIONS, INC.
IXC CERTIFICATE

Summary Income Statement

ESTIMATES: 1996-1997

NET SALES	\$1,728,000	
COST OF MINUTES	<u>1,008,000</u>	
GROSS PROFIT		720,000
RENT	7,200	
OFFICE EXPENSE	9,600	
SALARIES (6 EMPLOYEES)	129,600	
EMPLOYMENT TAXES	<u>9,700</u>	<u>156,100</u>
NET INCOME		<u><u>\$563,900</u></u>