



Public Service Commission

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

DATE: December 19, 1996
TO: Tom Williams, Division of Communications
FROM: Sonja Jones, Division of Auditing and Financial Analysis
RE: Docket No. 961424-TI, Access Network Services, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service

ALM
APC

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 audited financial statements of Shared Technologies Fairchild Inc., the parent company of Access Network Services, Inc., (ANSI) for the period ending December 31, 1995. As the attached schedule shows, ANSI has adequate ownership equity and liquidity and is profitable.

In this matter, ANSI 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 adequate.

The applicant attests to its financial capability to provide and maintain the proposed telecommunications service by noting that it will rely upon the resources of its parent, Shared Technologies Fairchild Inc., and its affiliates for financial, technical, and managerial support. Shared Technologies Fairchild Inc. will make available the necessary capital or credit to the applicant to provide services. 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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OPERATION AND MAINTENANCE

DOCKET NO. 961424-
ACCESS NETWORK SERVICES, INC.
IXC CERTIFICATE
FINANCIAL ANALYSIS

FROM AUDITED FINANCIAL STATEMENTS
OF SHARED TECHNOLOGIES FAIRCHILD INC. AND SUBSIDIARIES
[PARENT COMPANY]

	AS OF 12/31/95
CURRENT ASSETS	\$12,070,000
CURRENT LIABILITIES	12,593,000
CURRENT RATIO	0.96
CASH	476,000
COMMON EQUITY [INCLUDES PREFERRED STOCK]	22,844,000
TOTAL DEBT	6,998,000
TOTAL INVESTOR CAPITAL	29,842,000
COMMON EQUITY RATIO	77%
NET INCOME	927,000
RETURN ON EQUITY	4%