



Public Service Commission

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

DATE: January 9, 1997
 TO: Tom Williams, Division of Communications
 FROM: Sonja Jones, Division of Auditing and Financial Analysis *ALM*
 RE: Docket No. 961311-TI, S. J. Investments, Inc. d/b/a Access Long Distance of Florida, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service *AFC*

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 S. J. Investments, Inc. d/b/a Access Long Distance of Florida, Inc. (SJI) 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, SJI has adequate profitability but marginal ownership equity and minimal liquidity.

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In this matter, SJI 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 marginal. Although an analysis of the financial statements reveals the applicant is in a marginal financial position, the applicant attests to its financial capability to provide and maintain the proposed telecommunications service. The applicant notes that it has been operating since its incorporation in 1991 and indicates that its obligations will be met through its operating revenues. In addition, the applicant has common ownership with eleven other long distance phone companies operating in the Western United States, which do business under the name Access Long Distance. Furthermore, these companies provide additional financial backing for S. J. Investments, Inc. Based on this showing, the applicant appears to meet the financial capability standard of Section 364.337, Florida Statutes.

cc: Division of Legal
Division of Records and Reporting

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

DOCKET NO. 96131
S.J. INVESTMENTS, INC.

d/b/a Access Long Distance of Florida, Inc.
IXC CERTIFICATE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 12/31/95
CURRENT ASSETS	\$618,279
CURRENT LIABILITIES	1,109,843
CURRENT RATIO	0.56
CASH	45,118
COMMON EQUITY	464,579
TOTAL DEBT	1,071,136
TOTAL INVESTOR CAPITAL	1,535,715
COMMON EQUITY RATIO	30%
NET INCOME	759,049
RETURN ON EQUITY	163%