



Public Service Commission

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

DATE: January 21, 1997
 TO: Tom Williams, Division of Communications
 FROM: Pete Lester, Division of Auditing and Financial Analysis *ALM*
 RE: Docket No. 961426-TI, American Long Lines, Inc., Financial Analysis for *AP*
 Certificate Application for Intrastate Interexchange Telecommunications Service *MS*

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 American Long Lines, Inc. (American) for the period ending June 30, 1996. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, American has adequate liquidity, ownership equity, and profitability.

In this matter, American is asking for a certificate to provide IXC service. Staff notes the limited nature of the application. 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 expects positive cash flow and has minimal capital requirements. 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

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DOCKET NO. 961426-TI
AMERICAN LONG LINES, INC.
INTEREXCHANGE CERTIFICATE
FINANCIAL ANALYSIS
ATTESTATION DONE

FROM UNAUDITED FINANCIAL STATEMENTS

	TWELVE MONTHS ENDING <u>6/30/96</u>
CURRENT ASSETS	2,190,270
CURRENT LIABILITIES	1,961,992
CURRENT RATIO	1.12
CASH	177,616
COMMON EQUITY	821,309
TOTAL DEBT	1,006,674
TOTAL INVESTOR CAPITAL	1,827,983
COMMON EQUITY RATIO	45%
NET INCOME	598,840
RETURN ON EQUITY	73%