



# Public Service Commission

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

DATE: February 18, 1997  
 TO: Tom Williams, Division of Communications  
 FROM: David J. Draper, Division of Auditing and Financial Analysis *ALM*  
 RE: Docket No. 970057-TX, CRG International, Inc, d/b/a/ Network One, Financial *APC* Analysis for Certificate Application for Alternative Local Exchange *1/17* Telecommunications Service

Section 364.337 (1), Florida Statutes, requires the following:

The commission shall grant a certificate of authority to provide alternative local exchange 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 CRG International, Inc, d/b/a/ Network One (CRG/NO) for the one year period ending September 30, 1995. As the attached schedule shows, CRG/NO has negative common equity but reports a minimal net income.

In this matter, CRG/NO is asking for a certificate to provide alternative local exchange telecommunications 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 by noting that it has received three million in equity capital within the last year and one million in additional funds within the last four months. In addition, Network One has obtain a working line of credit with Advance Financial Corporation. Based on this information, 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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FPSC-RECORDS/REPORTING

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DOCKET NO. : 97005 X  
CRG INTERNATIONAL  
d/b/a NETWORK ONE  
EXCHANGE TELECOMMUNICATION SERVICE  
FINANCIAL ANALYSIS

FROM AUDITED FINANCIAL STATEMENTS

	AS OF 09/30/95
CURRENT ASSETS	\$986,263
CURRENT LIABILITIES	1,067,160
CURRENT RATIO	0.92
CASH	15,994
COMMON EQUITY	(227,267)
TOTAL DEBT	1,335,635
TOTAL INVESTOR CAPITAL	1,108,368
COMMON EQUITY RATIO	NMF
NET INCOME	13,989
RETURN ON EQUITY	NMF

NMF = No Meaningful Figure