



## Public Service Commission

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

**DATE:** February 17, 1997  
**TO:** Tom Williams, Division of Communications  
**FROM:** David Draper, Division of Auditing and Financial Analysis *DD APC ALM*  
**RE:** Docket No. 970133-TI, New Media Telecommunication, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service *DD*

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 New Media Telecommunication, Inc. (NMT) for the one year period ending December 31, 1995. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, NMT has minimal liquidity, reports negative common equity and negative net income.

In this matter, NMT 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 minimal.

Although an analysis of the financial statements reveals the applicant is in a minimal financial position, the applicant attests to its financial capability to provide and maintain the proposed telecommunications service. The applicant also notes that New Media is funded by individuals and corporations with assets to sustain the company through start up and has significant assets to with which to withstand any temporary losses. 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. : 97013-1  
NEW MEDIA TELECOMMUNICATIONS, INC.

IX TELECOMMUNICATION SERVICE  
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 12/31/95
CURRENT ASSETS	\$599,968
CURRENT LIABILITIES	1,162,090
CURRENT RATIO	0.52
CASH	0
COMMON EQUITY	(781,991)
TOTAL DEBT	772,086
TOTAL INVESTOR CAPITAL	(9,905)
COMMON EQUITY RATIO	NMF
NET INCOME	(659,834)
RETURN ON EQUITY	NMF

NMF = No Meaningful Figure