



Public Service Commission

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

DATE: March 11, 1997
TO: Tom Williams, Division of Communications
FROM: David Draper, Division of Auditing and Financial Analysis *DD APC ALM*
RE: Docket No. 970108-TI, Facilcom International, L.L.C., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service

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 Facilcom International, L.L.C. (FCI) for the eleven month period ending November 30, 1996. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, FCI has adequate liquidity and equity capitalization but reports negative net income.

ACK _____ In this matter, FCI is asking for a certificate to provide IXC service. Staff notes the limited
 AFA _____ nature of the application and that no customer provided funds appear to be at risk. For purposes
 APP _____ of granting a certificate based on the financial information provided, the financial capability
 CAF _____ appears adequate. In addition, the applicant attests to its financial capability to provide and
 CMU _____ maintain the proposed telecommunications service by noting that it has access to a five million
 CTR _____ dollar convertible line of credit. Based on this showing, the applicant appears to meet the
 EAG _____ financial capability standard of Section 364.337, Florida Statutes.

cc: Division of Legal Services
 Division of Records and Reporting

ROH _____
 SEC 1 _____
 WAS _____
 OTH _____

DOCUMENT NUMBER-DATE
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 FPSC-RECORDS/REPORTING

DOCKET NO. : 97010
FACILICOM INTERNATIONAL, L.L.C.

IX TELECOMMUNICATION SERVICE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 11/30/96
CURRENT ASSETS	\$5,565,000
CURRENT LIABILITIES	5,634,000
CURRENT RATIO	0.99
CASH	145,000
COMMON EQUITY	5,976,000
TOTAL DEBT	5,021,000
TOTAL INVESTOR CAPITAL	10,997,000
COMMON EQUITY RATIO	54%
NET INCOME	(580,000)
RETURN ON EQUITY	NMF

NMF = No Meaningful Figure