



Public Service Commission

ORIGINAL
FILE COPY

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

DATE: May 8, 1997
TO: Tom Williams, Division of Communications
FROM: David Draper, Division of Auditing and Financial Analysis *DD*
RE: Docket No. 970529-TI, Atlantic Telecommunication System, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service *ALM APC*

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 Atlantic Telecommunication System, Inc. (ATS) 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, ATS has a positive net income for the period but reports minimal liquidity and has negative common equity.

- ACK _____
- AFA _____
- APP _____
- CAF _____
- CMU _____
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- EAG _____
- LEG _____
- LIN _____
- OPC _____
- RCH _____
- SEC _____
- WAS _____
- OTH _____

In this matter, ATS 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. In addition, First Union National Bank of Florida is willing and able to commit such reasonable capital requirements to ATS as needed to maintain requested services. 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 ✓

DOCUMENT NUMBER-DATE

04736 MAY 12 97

FPSC-RECORDS/REPORTING

ALTERNATIVE LOCAL EXCHANGE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 12/31/95
CURRENT ASSETS	\$73,550
CURRENT LIABILITIES	151,860
CURRENT RATIO	0.48
CASH	1,605
COMMON EQUITY	(56,634)
TOTAL DEBT	149,801
TOTAL INVESTOR CAPITAL	93,167
COMMON EQUITY RATIO	NMF
NET INCOME	14,002
RETURN ON EQUITY	NMF

NMF = No Meaningful Figure

State of Florida

Commissioners:
JULIA L. JOHNSON, CHAIRMAN
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JOE GARCIA
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DIVISION OF RECORDS &
REPORTING
BLANCA S. BAYÓ
DIRECTOR
(904) 413-6770

Public Service Commission

May 6, 1997

John C. Dodge, Esquire
Cole, Raywid & Braverman, L.L.P.
1919 Pennsylvania Avenue, NW
Second Floor
Washington, DC 20006-3458

Re: Docket No. 970529-TI

Dear Mr. Dodge:

This will acknowledge receipt of an application for certificate to provide interexchange telecommunications service by Atlantic Telecommunication Systems, Inc., which was filed in this office on May 5, 1997 and assigned the above-referenced docket number. Appropriate staff members will be advised.

Mediation may be available to resolve any dispute in this docket. If mediation is conducted, it does not affect a substantially interested person's right to an administrative hearing. For more information, contact the Office of General Counsel at (904) 413-6078 or FAX (904) 413-6079.

Please make note as well that Commission Rule 25-22.005(7), F.A.C., requires certificated companies to notify the Commission of any changes in name, telephone, address, or contact person. Should your application be granted by the Commission, you will be expected to comply with this rule by advising us of any changes as they occur.

Division of Records and Reporting
Florida Public Service Commission