



## Public Service Commission

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

**DATE:** May 19, 1997  
**TO:** Tom Williams, Division of Communications  
**FROM:** David Draper, Division of Auditing and Financial Analysis *DD*  
**RE:** Docket No. 970386-TI, Globe National Telecommunication, Inc., 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 balance statement and projected income statement of Globe National Telecommunication, Inc. (GNT) for the period ending March 15, 1997. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, GNT has adequate liquidity and sufficient common equity. In addition, the Company projects a positive net income in the first twelve months of operation.

In this matter, GNT 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 adequate. The applicant attests to its financial capability to provide and maintain the proposed telecommunications service. 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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DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

DOCKET NO. : 970380-11  
GLOBE NATIONAL TELECOMMUNICATION, INC.

IXC TELECOMMUNICATION SERVICE  
FINANCIAL ANALYSIS

FROM UNAUDITED BALANCE STATEMENT  
& PROJECTED INCOME STATEMENT

AS  
OF  
05/15/97

CURRENT ASSETS	\$40,000
CURRENT LIABILITIES	12,000
CURRENT RATIO	3.33
CASH	5,000
COMMON EQUITY	71,817
TOTAL DEBT	43,000
TOTAL INVESTOR CAPITAL	114,817
COMMON EQUITY RATIO	63%
NET INCOME	394,828
RETURN ON EQUITY	550%

NMF = No Meaningful Figure