



# Public Service Commission

FILE COPY

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

**DATE:** September 5, 1997  
**TO:** Tom Williams, Division of Communications  
**FROM:** Pete Lester, Division of Auditing and Financial Analysis *P. Lester*  
**RE:** Docket No. 970908-TL, Satcom Systems, 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 sheet of Satcom Systems, Inc. (Satcom) for the period ending July 15, 1997. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, Satcom has adequate liquidity and ownership equity. As a start-up company, it has no net income.

In this matter, Satcom is asking for a certificate to provide IXC service. Staff notes the limited nature of the application. 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 telecommunication service by noting that the company has no debt, it owns all its equipment, it has adequate liquidity, and it anticipates immediate profitability for its long distance business. 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 (2) ✓

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DOCUMENT NUMBER-DATE

08986 SEP-86

FPSC-RECORDS/REPORTING

DOCKET NO. 970908-TI  
DOCKET NO. 970909-TX  
SATCOM SYSTEMS, INC.  
IXC AND ALEC CERTIFICATE  
FINANCIAL ANALYSIS  
ATTESTATION DONE

FROM UNAUDITED BALANCE SHEET  
START-UP COMPANY

AS OF  
JULY 15, 1997

CURRENT ASSETS	7,500
CURRENT LIABILITIES	0
CURRENT RATIO	NMF
CASH	6,500
COMMON EQUITY	22,200
TOTAL DEBT	0
PREFERRED STOCK	0
TOTAL INVESTOR CAPITAL	22,200
COMMON EQUITY RATIO	100%
NET INCOME	NONE
RETURN ON EQUITY	NONE

NMF=NO MEANINGFUL FIGURE

\* BALANCE SHEET ONLY