



Public Service Commission

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

DATE: November 19, 1997
TO: Tom Williams, Division of Communications
FROM: Pete Lester, Division of Auditing and Financial Analysis *ALM*
RE: Docket No. 971270-TI, International Tele-Services, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service *PL + JPC*

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 International Tele-Services, Inc. (InTeleServ) for the three-month period ending March 31, 1997. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, InTeleServ has adequate liquidity, ownership equity, and profitability.

In this matter, InTeleServ 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 telecommunications service by noting that it has the ability to obtain additional capital through its banking relationships, trade credit relationships, venture capital, and the company's stockholder. 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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DOCKET NO. 971270-TI
INTERNATIONAL TELE-SERVICES, INC.
IXC CERTIFICATE
FINANCIAL ANALYSIS
ATTESTATION DONE

FROM ACCOUNTANTS' COMPILATION

	THREE MONTHS ENDED <u>MARCH 31, 1997</u>
CURRENT ASSETS	52,959
CURRENT LIABILITIES	2,491
CURRENT RATIO	21.26
CASH	47,359
COMMON EQUITY	229,348
TOTAL DEBT	2,491
PREFERRED STOCK	0
TOTAL INVESTOR CAPITAL	231,839
COMMON EQUITY RATIO	99%
NET INCOME	119,294
RETURN ON EQUITY	52%

From: Kay Flynn Confirm receipt
To: Tommy Williams
Subject: 971270-TI

---NOTE---
CC: Linda Williams, Nonnye Grant
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Tommy, this is an IXC application docket. The application shows a fictitious name, though they didn't check "fictitious name" or provide documentation. They show a d/b/a on their tariff, so we're going to go ahead and set them up with the d/b/a. Please look at the application when you receive it, and let us know if we should change the name in CMS and MCD. Thanks.
Kay