



ORIGINAL
Public Service Commission

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

DATE: February 11, 1998
TO: Brenda Hawkins, Division of Communications
FROM: David J. Draper, Division of Auditing and Financial Analysis *DD*
RE: Docket No. 980092-TX, New Millennium Communications Corporation, Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service *ALM APC*

Section 364.337 (1), Florida Statutes, requires the following:

The commission shall grant a certificate of authority to provide alternative local exchange 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 New Millennium Communications Corporation (NMC) for the period ending November 30, 1997. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, NMC reports negative net income for the period, but has adequate liquidity and sufficient common equity.

In this matter, NMC is asking for a certificate to provide alternative local exchange telecommunications service. 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. In addition, NMC has engaged Capital International Holdings to sell up to \$30 million worth of equity and debt financing for the company. 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 Auditing and Financial Analysis~~ Reporting (2)

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STATE OF FLORIDA REPORTING

**DOCKET NO. 980092-TX
NEW MILLENNIUM COMMUNICATIONS CORPORATION**

**ALTERNATIVE LOCAL EXCHANGE
FINANCIAL ANALYSIS**

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 11/30/97
CURRENT ASSETS	\$505,849
CURRENT LIABILITIES	132,260
CURRENT RATIO	3.82
CASH	440,849
COMMON EQUITY	323,902
TOTAL DEBT	225,000
TOTAL INVESTOR CAPITAL	548,902
COMMON EQUITY RATIO	59%
NET INCOME	(523,132)
RETURN ON EQUITY	NMF

NMF = No Meaningful Figure