



Public Service Commission

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

DATE: May 5, 1998
TO: Ray Kennedy, Division of Communications
FROM: David J. Draper, Division of Auditing and Financial Analysis *DL*
RE: Docket No. 980496-TX, Progressive Telecommunications Corporation *ALM*
 Analysis for Certificate Application for Alternative Local Exchange
 Telecommunications Service *mpb*

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 audited financial statements of Progressive Telecommunications Corporation (PTC) for the two month period ending October 31, 1997. As the attached schedule shows, PTC reports minimal liquidity and negative net income, but has a positive common equity balance.

In this matter, PTC 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 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 by noting that it is a start-up company and forecasts profits for the first full year of operation. In addition, the company has contracted to raise \$500,000 in capital in the next year. 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)

DOCUMENT NUMBER - DATE

05106 MAY -6 88

FPSC-RECORDS/REPORTING

ACK _____
 AFA _____
 APP _____
 CAF _____
 CMJ _____
 CTR _____
 EAG _____
 LEB _____
 LIN _____
 OPS _____
 RCH _____
 SEC 1 _____
 WAS _____
 OTH _____

DOCKET NO. 980496-TX
PROGRESSIVE TELECOMMUNICATIONS CORP.

ALTERNATIVE LOCAL EXCHANGE SERVICE
FINANCIAL ANALYSIS

FROM AUDITED FINANCIAL STATEMENTS

	TWO MONTHS ENDED 10/31/97
CURRENT ASSETS	\$33,297
CURRENT LIABILITIES	56,764
CURRENT RATIO	0.59
CASH	32,227
COMMON EQUITY	70,944
TOTAL DEBT	0
TOTAL INVESTOR CAPITAL	70,944
COMMON EQUITY RATIO	100%
NET INCOME	(125,177)
RETURN ON EQUITY	NMF

NMF = No Meaningful Figure