



Public Service Commission

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

DATE: May 19, 1998
 TO: Nancy Pruitt, Division of Communications
 FROM: Pete Lester, Division of Auditing and Financial Analysis *PL*
 RE: Docket No. 980446-TI, Telecom System Network International, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service *ALM*

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 Telecom Network System International, Inc. (TNS) for the period ending December 31, 1997. An audit could change one's opinion of the company's financial condition.

ACK _____ As the attached schedule shows, TNS has adequate liquidity, ownership equity, and profitability.
AFA _____
APP _____ In this matter, TNS 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.
CAF _____
CMU _____
CTR _____ The applicant attests to its financial capability to provide and maintain the proposed telecommunications service by noting that its shareholders currently provide all the company's capital and can provide more capital if necessary. Based on this showing, the applicant appears to meet the financial capability standard of Section 364.337, Florida Statutes.
EAG _____
LEG _____
LIN _____

OPC _____ cc: Division of Legal Services
RCH _____ Division of Records and Reporting (2)

SE _____ *1*
W/S _____
OTH _____

DOCUMENT NUMBER-DATE

05621 MAY 20 88

FFSC RECORDS/REPORTING

DOCKET NO. 980446-TI
TELECOM NETWORK SYSTEM INTERNATIONAL, INC.
IXC CERTIFICATE
FINANCIAL ANALYSIS
ATTESTATION DONE

FROM ACCOUNTANT'S COMPILATION

	AS OF DECEMBER 31, 1997
CURRENT ASSETS	127,794
CURRENT LIABILITIES	90,350
CURRENT RATIO	1.41
CASH	6,260
COMMON EQUITY	160,817
TOTAL DEBT	91,399
PREFERRED STOCK	0
TOTAL INVESTOR CAPITAL	252,216
COMMON EQUITY RATIO	64%
NET INCOME	52,950
RETURN ON EQUITY	33%