



Public Service Commission

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

DATE: July 6, 1998
 TO: Nancy Pruitt, Division of Communications
 FROM: Pete Lester, Division of Auditing and Financial Analysis *PZ ALM*
 RE: Docket No. 980663-TI, Airnex Communications, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service *APC*

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 Airnex Communications, Inc. (Airnex) 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, Airnex has adequate liquidity, ownership equity, and profitability.

- ACK _____ In this matter, Airnex is asking for a certificate to provide IXC service. Staff notes the limited
- AFA _____ nature of the application. For purposes of granting a certificate based on the financial
- APP _____ information provided, the financial capability appears adequate.
- CAF _____
- CMU _____ The applicant attests to its financial capability to provide and maintain the proposed
- CTR _____ telecommunications service by noting that it will maintain its capital through commission income
- EAG _____ received from two carrier agent programs, with expected commission income being \$130,000.
- LEG _____ Based on this showing, the applicant appears to meet the financial capability standard of Section 364.337, Florida Statutes.

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

- RCH _____
- SEC 1
- WAS _____
- OTH _____

DOCUMENT NUMBER-DATE
 07148 JUL 15 98
 RECORDS/REPORTING

DOCKET NO. 980663-TI
AIRNEX COMMUNICATIONS, INC.
IXC CERTIFICATE
FINANCIAL ANALYSIS
ATTESTATION DONE

FROM UNAUDITED FINANCIAL STATEMENTS

AS
OF
NOVEMBER 30, 1997

CURRENT ASSETS	240,419
CURRENT LIABILITIES	16,875
CURRENT RATIO	14.25
CASH	147,812
COMMON EQUITY	648,896
TOTAL DEBT	0
PREFERRED STOCK	0
TOTAL INVESTOR CAPITAL	648,896
COMMON EQUITY RATIO	100%
NET INCOME	171,809
RETURN ON EQUITY	26%