



Public Service Commission

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

DATE: July 23, 1998
TO: Louis Yambor, Division of Communications
FROM: Pete Lester, Division of Auditing and Financial Analysis *PL APC*
RE: Docket No. 980809-TX, EasyComm Corporation, Financial Analysis for Certificate *ML*
Application for Alternative Local Exchange Telecommunications Service

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 EasyComm Corporation (EasyComm) for the period ending May 31, 1998. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, EasyComm has adequate liquidity and sufficient common equity. The company is new, has no revenue, and reported a loss for the period.

In this matter, EasyComm is asking for a certificate to provide alternative local exchange telecommunications service. Staff notes the limited nature of the application and that no customer provided funds appear to be at risk. 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 is currently completing a sale of \$250,000 of its stock, and it is negotiating with an underwriter to raise \$1.5 million by selling more stock. Staff notes the company has no debt. 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

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FPSC-RECORDS/REPORTING

DOCKET NO. 980805 TX
EASYCOMM CORPORATION
ALEC TELECOMMUNICATION SERVICE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 05/31/98
CURRENT ASSETS	\$30,917
CURRENT LIABILITIES	4,900
CURRENT RATIO	6.31
CASH	30,917
COMMON EQUITY	104,683
TOTAL DEBT	0
TOTAL INVESTOR CAPITAL	104,683
COMMON EQUITY RATIO	100%
NET INCOME	(20,317)
RETURN ON EQUITY	NEGATIVE