



Public Service Commission

ORIGINAL

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

DATE: July 28, 1998
TO: Toni McCoy, Division of Communications
FROM: Pete Lester, Division of Auditing and Financial Analysis
RE: Docket No. 980732-TI, Emerson Communications Corporation, Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service

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 Emerson Communications Corporation (Emerson) 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, Emerson has adequate liquidity and sufficient common equity.
AFA For the period, the company reported a loss.
APP In this matter, Emerson is asking for a certificate to provide IXC service. Staff notes the limited
CAF nature of the application and that no customer provided funds appear to be at risk. For purposes
CMU of granting a certificate based on the financial information provided, the financial capability
CTR appears adequate.
EAG The applicant attests to its financial capability to provide and maintain the proposed
LEG telecommunications service by noting that it has no debt, that any debt issued will be guaranteed
LIN by the owner, and that the company can obtain additional funds from its investors. Based on
OPC this showing, the applicant appears to meet the financial capability standard of Section 364.337,
ROH Florida Statutes.
SEC ce: Division of Legal Services
WAS Division of Records and Reporting (2)
OTH

DOCUMENT NUMBER-DATE
08210 AUG-3 88
FPSC-RECORDS/REPORTING

DOCKET NO. 980732-TI
EMERSON COMMUNICATIONS CORPORATION
IXC TELECOMMUNICATION SERVICE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF <u>12/31/97</u>
CURRENT ASSETS	\$4,699
CURRENT LIABILITIES	0
CURRENT RATIO	NMF
CASH	4,599
COMMON EQUITY	4,699
TOTAL DEBT	0
TOTAL INVESTOR CAPITAL	4,699
COMMON EQUITY RATIO	100%
NET INCOME	(184)
RETURN ON EQUITY	NEGATIVE

NMF=NO MEANINGFUL FIGURE