



Public Service Commission

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

DATE: August 21, 1998
TO: Louis Yambor, Division of Communications
FROM: David J. Draper, Division of Auditing and Financial Analysis *ALM*
RE: Docket No. 980728-TX, A-1 Mobile Tech, Inc., Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service *[Signature]*

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 A-1 Mobile Tech, Inc. (AMT) for the period ending December 31, 1997. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, AMT has sufficient common equity and a positive net income, but reports minimal liquidity.

ACK _____ In this matter, AMT is asking for a certificate to provide alternative local exchange
 AFA _____ telecommunications service. For purposes of granting a certificate based on the financial
 APP _____ information provided, the financial capability appears marginal.

CAF _____
 CMU _____ Although an analysis of the financial statements reveals the applicant is in a marginal financial
 CTR _____ position, the applicant attests to its financial capability to provide and maintain the proposed
 EAG _____ telecommunications service by noting that AMT has open lines of credit with its vendors. In
 LEG _____ addition, as a result of its good credit rating and 10 years of service, AMT has the ability to
 LIN _____ obtain additional financing through traditional commercial lending institutions. Based on this
 OPC _____ showing, the applicant appears to meet the financial capability standard of Section 364.337,
 Florida Statutes.

RCH _____ cc: Division of Legal Services
 SEC 1 _____ Division of Records and Reporting (2)

DOCUMENT NUMBER-DATE
 09349 AUG 27 88
 FRS&R-RECORDS/REPORTING

DOCKET NO. 980728-1X
A-1 MOBILE TECH., INC.

ALTERNATIVE LOCAL EXCHANGE SERVICE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS
(CASH BASIS)

	AS OF 12/31/97
CURRENT ASSETS	\$7,932
CURRENT LIABILITIES	27,637
CURRENT RATIO	0.29
CASH	9,360
COMMON EQUITY	8,666
TOTAL DEBT	0
TOTAL INVESTOR CAPITAL	8,666
COMMON EQUITY RATIO	100%
NET INCOME	4,566
RETURN ON EQUITY	53%

NMF = No Meaningful Figure