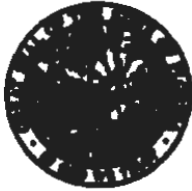


State of Florida



Public Service Commission

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

DATE: September 2, 1998
 TO: Tommy Williams, Division of Communications
 FROM: David J. Draper, Division of Auditing and Financial Analysis *DD*
 RE: Docket No. 981040-TX, The Mobile Phone Company, Financial *ALM* Analysis for Certificate 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 The Mobile Phone Company (MPC) for the six month period ending June 30, 1998. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, MPC has adequate liquidity, sufficient common equity and reported a positive net income for the period.

In this matter, MPC is asking for a certificate to provide alternative local exchange telecommunications service. For purposes of granting a certificate based on the financial information provided, the financial capability appears adequate. The applicant attests to its financial capability by noting that it has adequate liquid assets to provide and maintain the proposed telecommunications service. 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)

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DOCKET NO. 981040-TX
THE MOBILE PHONE COMPANY

ALTERNATIVE LOCAL EXCHANGE SERVICE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 06/30/98
CURRENT ASSETS	\$837,606
CURRENT LIABILITIES	247,174
CURRENT RATIO	3.39
CASH	817,606
COMMON EQUITY	882,171
TOTAL DEBT	0
TOTAL INVESTOR CAPITAL	882,171
COMMON EQUITY RATIO	100%
NET INCOME	853,231
RETURN ON EQUITY	97%

NMF = No Meaningful Figure