



Public Service Commission

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

DATE: September 21, 1998
TO: Paula Isler, Division of Communications
FROM: Eva P. Samaan, Division of Auditing and Financial Analysis
RE: Docket No. 981017-TI, American Phone 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 American Phone Corporation (APC) for the period ending June 30, 1998. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, APC has adequate liquidity, sufficient common equity, but as a newly formed corporation has no income to report at the present time.

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In this matter, APC is asking for a certificate to provide IXC 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 has available additional financing in the amount of \$100,000 through its President's bank accounts and stock account at Donaldson, Lufkin & Jenrette and \$50,000 in the form of a shareholder loan. 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
10494 SEP 23 88
FPSC-RECORDS/REPORTING

DOCKET NO. 981017-
AMERICAN PHONE CORPORATION

IXC. TELECOMMUNICATION SERVICE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS AS OF 06/30/98

CURRENT ASSETS	\$20,100
CURRENT LIABILITIES	0
CURRENT RATIO	NMF
CASH	2,000
COMMON EQUITY	29,208
TOTAL DEBT	0
TOTAL INVESTOR CAPITAL	29,208
COMMON EQUITY RATIO	100%
NET INCOME	0
RETURN ON EQUITY	NMF

NMF = No Meaningful Figure