



Public Service Commission

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

DATE: November 5, 1998
 TO: Louis Yambor, Division of Communications
 FROM: David J. Draper, Division of Auditing and Financial Analysis *DD*
 RE: Docket No. 981491-TI, Public Payphone U.S.A., Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service *ALM*

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 Public Payphone U.S.A., Inc. (PPP) for the seven month period ending July 31, 1998. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, PPP has adequate liquidity, sufficient common equity and reported a positive net income for the period.

- ACK _____
- AFA _____
- APP _____
- CAF _____
- CMR _____
- CTF _____
- EAG _____
- LEG _____
- LIN _____
- OPC _____
- RCH _____
- SEC 1
- WAS _____
- OTH _____

In this matter, PPP is asking for a certificate to provide IXC 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)

DOCUMENT NUMBER-DATE
 2648 NOV 12 88
 FPSC-RECORDS/REPORTING

DOCKET NO. 981491
PUBLIC PAYPHONE U.S.A., INC.

IXC TELECOMMUNICATION SERVICE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 07/31/98
CURRENT ASSETS	\$6,926,342
CURRENT LIABILITIES	3,842,387
CURRENT RATIO	1.80
CASH	20,605
COMMON EQUITY	2,629,803
TOTAL DEBT	1,353,000
TOTAL INVESTOR CAPITAL	3,982,803
COMMON EQUITY RATIO	66%
NET INCOME	636,514
RETURN ON EQUITY	24%

NMF = No Meaningful Figure