



Public Service Commission

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

DATE: January 28, 1999
TO: Nancy Pruitt, Division of Communications
FROM: Eva P. Samaan, Division of Auditing and Financial Analysis *eo*
RE: Docket No. 982016-TI, Satlink 3000, Inc., d/b/a Independent Network Services, Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service

Nancy Pruitt
[Signature]

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 Independent Network Services (INS) for the period ending November 30, 1998. An audit could change one's opinion of the company's financial condition. As the

ACK _____ attached schedule shows, INS has sufficient common equity, but minimal liquidity and reported
 AFA _____ a net loss for the period.

APP _____
 CAF _____ In this matter, INS is asking for a certificate to provide IXC service. Staff notes the limited
 CMU _____ nature of the application and that no customer provided funds appear to be at risk. For purposes
 CTR _____ of granting a certificate based on the financial information provided, the financial capability
 EAG _____ appears minimal.

LEG _____ The applicant attests to its financial capability to provide and maintain the proposed
 LIN _____ telecommunications service by noting that it has available cash and cash equivalents in the
 OPC _____ amount of \$20,668. In addition, INS has access to cash through infusions from its stockholder
 RCH _____ and sale of preferred stock. Based on this showing, the applicant appears to meet the financial
 SEC _____ capability standard of Section 364.337, Florida Statutes.

WAS _____ cc: Division of Legal Services
 OTH _____ Division of Records and Reporting (2)

DOCUMENT NUMBER - DATE

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FPSC-RECORDS/REPORTING

DOCKET NO. 982016-TI
SATLINK 3000, INC.

IXC TELECOMMUNICATION SERVICE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS AS OF 11/30/98

CURRENT ASSETS	\$94,953
CURRENT LIABILITIES	107,567
CURRENT RATIO	0.88
CASH	20,668
COMMON EQUITY	54,338
TOTAL DEBT	83,439
TOTAL INVESTOR CAPITAL	137,777
COMMON EQUITY RATIO	39%
NET INCOME	(195,447)
RETURN ON EQUITY	NMF

NMF = No Meaningful Figure