



Public Service Commission

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

DATE: April 29, 1999
TO: Toni McCoy, Division of Communications
FROM: Pete Lester, Division of Auditing and Financial Analysis *FL APC*
RE: Docket No. 990472-TX, JTC Communications, Inc., Financial 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 JTC Communications, Inc. (JTC) for the period ending January 31, 1999. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, JTC has adequate liquidity and sufficient common equity. For the period, the company reported a small loss.

In this matter, JTC is asking for a certificate to provide alternative local exchange telecommunications service. Staff notes the limited nature of the application. 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 is a reseller and has the appropriate deposit with BellSouth. The deposit covers anticipated sales by JTC and, in turn, protects the customer. Based on this showing, the applicant appears to meet the financial capability standard of Section 364.337, Florida Statutes.

- AFA _____
- APP _____
- CAF _____
- CMU _____
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- RRR _____
- SEC _____
- WAW _____
- OTH _____

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

DOCUMENT NUMBER - DATE

05515 APR 30 89

FPSC-RECORDS/REPORTING

DOCKET NO. 9904 TX
JTC COMMUNICATIONS, INC.
ALEC CERTIFICATE

FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

AS
OF
01/31/99

CURRENT ASSETS	\$34,132
CURRENT LIABILITIES	1,039
CURRENT RATIO	32.85
CASH	31,132
COMMON EQUITY	18,092
TOTAL DEBT	15,000
TOTAL PREFERRED STOCK	0
TOTAL INVESTOR CAPITAL	33,092
COMMON EQUITY RATIO	55%
NET INCOME	(1,703)
RETURN ON EQUITY	NEGATIVE