



Public Service Commission

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

DATE: May 3, 1999
 TO: Tommy Williams, Division of Communications
 FROM: David J. Draper, Division of Auditing and Financial Analysis *DD*
 RE: Docket No. 990371-TX, Phone-Link, Inc., Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service *ALM*
ape
[Signature]

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 Phone-Link, Inc. (PLI) for the period ending January 25, 1999. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, PLI has minimal liquidity and negative common equity, but reported positive income for the period.

In this matter, PLI 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 minimal.

AFA _____
 APP _____
 CAF _____
 CMU _____
 CTR _____
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 MAS _____
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 SEC _____
 WAW _____
 OTH _____

Although an analysis of the financial statements reveals the applicant is in a minimal financial position, the applicant attests to its financial capability to provide and maintain the proposed telecommunications service by noting that the company has a \$100,000 line of credit with various lending institutions. 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

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FPSC-RECORDS/REPORTING

DOCKET NO. 9901-TX
PHONE-LINK, INC.

ALTERNATIVE LOCAL EXCHANGE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 01/25/99
CURRENT ASSETS	\$17,781
CURRENT LIABILITIES	59,889
CURRENT RATIO	0.30
CASH	6,856
COMMON EQUITY	(24,667)
TOTAL DEBT	20,500
TOTAL INVESTOR CAPITAL	(4,167)
COMMON EQUITY RATIO	NMF
NET INCOME	68,579
RETURN ON EQUITY	NMF

NMF = No Meaningful Figure