



Public Service Commission

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

DATE: August 3, 1999
 TO: Nancy Pruitt, Division of Communications
 FROM: Eva P. Samaan, Division of Auditing and Financial Analysis *ES* *ALM*
 RE: Docket No. 990774-TI, CAT Communications International, Inc., Financial Analysis
 for Certificate Application for Intrastate Interexchange Telecommunications Service *APC*

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 CAT Communications International, Inc. (CCI) for the period ending June 30, 1999. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, CCI has minimal liquidity, negative common equity and reported a net loss for the period.

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In this matter, CCI 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 minimal.

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. Mr. Norman D. Mason, President/CEO of CCI, attests that the company has \$216,143 available through its corporate account with Crestar Bank to support future operations. 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
 09232 AUG-4 99
 DIVISION OF RECORDS AND REPORTING

DOCKET NO. 990774-TI
CAT COMMUNICATIONS INTERNATIONAL, INC.

IXC TELECOMMUNICATION SERVICE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS AS OF 06/30/99

CURRENT ASSETS	\$137,868
CURRENT LIABILITIES	621,325
CURRENT RATIO	0.22
CASH	41,048
COMMON EQUITY	(250,238)
LONG-TERM DEBT	16,493
TOTAL INVESTOR CAPITAL	(233,745)
COMMON EQUITY RATIO	NMF
NET INCOME	(70,310)
RETURN ON EQUITY	NMF

NMF = No Meaningful Figure

STATE OF FLORIDA

Commissioners:
JOE GARCIA, CHAIRMAN
J. TERRY DEASON
SUSAN F. CLARK
JULIA L. JOHNSON
E. LEON JACOBS, JR.



DIVISION OF RECORDS & REPORTING
BLANCA S. BAYÓ
DIRECTOR
(850) 413-6770

Public Service Commission

June 15, 1999

Monica R. Borne, Attorney
Nowalsky, Bronston & Gothard
3500 N. Causeway Blvd., Suite 1442
Metairie, Louisiana 70002

Re: Docket No. 990774-TI

Dear Ms. Borne:

This will acknowledge receipt of an application for certificate to provide interexchange telecommunications service by CAT Communications International, Inc., which was filed with this office on June 15, 1999 and assigned the above-referenced docket number. Appropriate staff members will be advised.

Mediation may be available to resolve any dispute in this docket. If mediation is conducted, it does not affect a substantially interested person's right to an administrative hearing. For more information, contact the Office of General Counsel at (850) 413-6078 or FAX (850) 413-6079.

Please make notes as well that Commission Rule 25-22.005(7), F.A.C., requires certificated companies to notify the Commission of any changes in name, telephone, address, or contact person. Should your application be granted by the Commission, you will be expected to comply with this rule by advising us of any changes as they occur.

Division of Records and Reporting
Florida Public Service Commission