



Public Service Commission

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

DATE: October 21, 1999
TO: Brenda Hawkins, Division of Communications
FROM: Pete Lester, Division of Auditing and Financial Analysis *ALM*
RE: Docket No. 991338-TX, Wireless Access Network, Inc., Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service *APC*

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 Wireless Access Network, Inc. (Wireless) for the projected period ending December 31, 2000. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, Wireless projects low liquidity and negative common equity. For the period, the company projects a loss.

In this matter, Wireless 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 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 by noting that it currently is finalizing a \$5 million loan from an equipment vendor. The company projects profitability for the year 2001 and beyond. 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)

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DOCKET NO. 991125-T
DOCKET NO. 991338-TX
WIRELESS ACCESS NETWORK, INC.
IXC AND ALEC CERTIFICATES

FINANCIAL ANALYSIS

FROM UNAUDITED PROJECTED FINANCIAL STATEMENTS

	PROJECTED FOR <u>12/31/2000</u>
CURRENT ASSETS	\$323,807
CURRENT LIABILITIES	496,845
CURRENT RATIO	0.65
CASH	104,596
COMMON EQUITY	(1,397,389)
TOTAL DEBT	5,005,000
TOTAL PREFERRED STOCK	0
COMMON EQUITY RATIO	NMF
NET INCOME	(3,497,772)
RETURN ON EQUITY	NEGATIVE

NMF=NO MEANINGFUL FIGURE