



Public Service Commission

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

DATE: February 22, 2000
TO: Tommy Williams, Division of Communications
FROM: Eva P. Samaan, Division of Auditing and Financial Analysis
RE: Docket No. 991904-TI, Paramount International Telecommunications, Inc. db/a R Network, Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service

Handwritten initials and signature: ALM, [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 Paramount International Telecommunications, Inc. (PIT) for the period ending October 31, 1999. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, PIT has adequate liquidity, sufficient common equity and reported a positive net income for the period.

AFPA APP CAF CMU CTR EAG LEG MAS OFC RRR SEC WAW OTH
In this matter, PIT 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 adequate.
The applicant attests to its financial capability to provide and maintain the proposed telecommunications service. PIT claims that its financial performance provides sufficient financing to meet all its lease and ownership obligations and maintain a large customer base. 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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02663 FEB 29 2000
FPSC-RECORDS/REPORTING

DOCKET NO. 991904-T.  
PARAMOUNT INT'L TELECOMMUNICATIONS, INC.

IXC TELECOMMUNICATION SERVICE  
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS AS OF 10/31/99

CURRENT ASSETS	\$1,557,842
CURRENT LIABILITIES	447,472
CURRENT RATIO	3.48
CASH	0
COMMON EQUITY	1,381,287.02
LONG-TERM DEBT	1,204,039
TOTAL INVESTOR CAPITAL	2,585,326
COMMON EQUITY RATIO	53%
NET INCOME	1,066,880
RETURN ON EQUITY	77%