



Public Service Commission

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

DATE: March 21, 2000
TO: Nancy Pruitt, Division of Communications
FROM: Eva P. Samaan, Division of Auditing and Financial Analysis *ED* *ape* *ALM*
RE: Docket No. 000195-TX, OnSite Access Local, LLC, Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service *[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 OnSite Access, Inc., parent company of OnSite Access Local, LLC (OAL) 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, OAL has adequate liquidity, but negative common equity and reported a net loss for the period.

In this matter, OAL is asking for a certificate to provide alternative local exchange telecommunications 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. Brian Benz, Senior Vice President of OnSite Access, Inc. executed a letter of guarantee for all the financial obligations of OAL. 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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- APP _____
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DOCUMENT NUMBER-DATE
 03717 MAR 28 2000
 FPSC-RECORDS/REPORTING

DOCKET NO. 000195-TX
ONSITE ACCESS, INC.

ALEC TELECOMMUNICATION SERVICE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS AS OF 10/31/99

CURRENT ASSETS	\$17,246,722
CURRENT LIABILITIES	8,746,944
CURRENT RATIO	1.97
CASH	15,748,172
COMMON EQUITY	(21,371,032)
LONG-TERM DEBT	0
TOTAL INVESTOR CAPITAL	(21,371,032)
COMMON EQUITY RATIO	NMF
NET INCOME	(44,622,842)
RETURN ON EQUITY	NMF

NMF= Non-meaningful figure