



Public Service Commission

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

DATE: May 30, 2000
TO: Nancy Pruitt, Division of Regulatory Oversight
FROM: David J. Draper, Division of Economic Regulation *JD*
RE: Docket No. 000352-TI, Multiphone Latin America, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service *ALM*

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 Multiphone Latin America, Inc. (MLA) for the period ending December 31, 1999. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, MLA has sufficient common equity and a positive net income, but reports marginal liquidity for the period.

In this matter, MLA is asking for a certificate to provide IXC service. 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 by noting that the applicant can rely upon the financial support of the parent company if needed. 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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FPSC-RECORDS/REPORTING

DOCKET NO. 000352-
MULTIPHONE LATIN AMERICA, INC.

IXC TELECOMMUNICATION SERVICE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS OF RM COMPUTER
SYSTEMS, INC.

	AS OF 12/31/1999
CURRENT ASSETS	\$1,260,084
CURRENT LIABILITIES	1,153,147
CURRENT RATIO	1.09
CASH	50,284
COMMON EQUITY	251,994
TOTAL DEBT	365,313
TOTAL INVESTOR CAPITAL	617,307
COMMON EQUITY RATIO	41%
NET INCOME	67,886
RETURN ON EQUITY	27%

NMF = No Meaningful Figure