



Public Service Commission

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

DATE: August 22, 2000
TO: Nancy Pruitt, Division of Regulatory Oversight
FROM: David J. Draper, Division of Economic Regulation
RE: Docket No. 001078-TI, Dot Com Phone Cards, LLC, Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service

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 Dot Com Phone Cards, LLC (DCP) for the six month period ending June 30, 2000. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, DCP has minimal liquidity, marginal common equity and reported negative net income for the period.

In this matter, DCP 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 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 the applicant can rely upon the financial support of its 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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DIVISION OF RECORDS/REPORTING

IXC APPLICATION
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 06/30/2000
CURRENT ASSETS	\$798,648
CURRENT LIABILITIES	1,483,328
CURRENT RATIO	0.54
CASH	92,992
COMMON EQUITY	26,334
TOTAL DEBT	0
TOTAL INVESTOR CAPITAL	26,334
COMMON EQUITY RATIO	100%
NET INCOME	(709,680)
RETURN ON EQUITY	NMF

NMF = No Meaningful Figure