



Public Service Commission

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

DATE: September 11, 2000

TO: Tommy Williams, Division of Regulatory Oversight *oo*

FROM: David J. Draper, Division of Economic Regulation *ALM*

RE: Docket No. 001193-TI, Norbel Telecom, Inc., 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 Norbel Telecom, Inc. (NTI) for the seven month period ending July 31, 2000. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, NTI has minimal liquidity, negative common equity and negative income for the period.

In this matter, NTI 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 NTI's investors have funded the company in the amount of \$650,000 and additional revenues will come from continuing operations. 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

IXC APPLICATION
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 07/31/2000
CURRENT ASSETS	\$498,140
CURRENT LIABILITIES	666,974
CURRENT RATIO	0.75
CASH	496,625
COMMON EQUITY	(91,952)
TOTAL DEBT	0
TOTAL INVESTOR CAPITAL	(91,952)
COMMON EQUITY RATIO	NMF
NET INCOME	(91,953)
RETURN ON EQUITY	NMF

NMF = No Meaningful Figure