



Public Service Commission

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

DATE: October 6, 2000
TO: Brenda Harkins, Division of Regulatory Oversight
FROM: David J. Draper, Division of Economic Regulation
RE: Docket No. 001390-TX, Available Telecom Services, Inc., Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service

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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 Atlantic Telecommunication Systems, Inc. (ATI) parent company of Available Telecom Services, Inc. (ATS) 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, ATI has adequate liquidity, but reports negative common equity and negative net income.

In this matter, ATS is asking for a certificate to provide alternative local exchange telecommunications service. For purposes of granting a certificate based on the financial information provided, the financial capability appears marginal.

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Although an analysis of the financial statements reveals the applicant is in a marginal financial position, the applicant attests to its financial capability to provide and maintain the proposed telecommunications service by noting that First Union National Bank has provided a line of credit to ATI to help fund 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)

DOCUMENT NUMBER-DATE
12763 OCT-68
FPSC-RECORDS/REPORTING

DOCKET NO. 001390-  
AVAILABLE TELECOM SERVICES, INC.

ALTERNATIVE LOCAL EXCHANGE SERVICE  
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 12/31/1999
CURRENT ASSETS	\$390,009
CURRENT LIABILITIES	214,779
CURRENT RATIO	1.82
CASH	12,535
COMMON EQUITY	(10,170)
TOTAL DEBT	512,277
TOTAL INVESTOR CAPITAL	502,107
COMMON EQUITY RATIO	NMF
NET INCOME	(4,068)
RETURN ON EQUITY	NMF

NMF = No Meaningful Figure