

State of Florida



Public Service Commission

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

DATE: March 13, 2001
TO: Nancy Pruitt, Division of Communications
FROM: David J. Draper, Division of Auditing and Financial Analysis *DJD*
RE: Docket No. 010282-TI, New Access Communications, LLC, 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 New Access Communications, LLC (NAC) for the five month period ending October 31, 2000. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, NAC has minimal liquidity, negative common equity and reported a net loss for the period.

In this matter, NAC 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 it has recently received a one million dollar equity infusion from investors. 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

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FPSC RECORDS/REPORTING

DOCKET NO. 010282-TI
NEW ACCESS COMMUNICATIONS LLC

IXC APPLICATION
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 10/31/2000
CURRENT ASSETS	\$222,836
CURRENT LIABILITIES	446,346
CURRENT RATIO	0.50
CASH	169,183
COMMON EQUITY	(162,001)
TOTAL DEBT	0
TOTAL INVESTOR CAPITAL	(162,001)
COMMON EQUITY RATIO	NMF
NET INCOME	(664,115)
RETURN ON EQUITY	NMF

NMF = No Meaningful Figure