



Public Service Commission

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

DATE: March 27, 2001
TO: Brenda Hawkins, Division of Regulatory Oversight
FROM: David J. Draper, Division of Economic Regulation *DD* *ALM CSL*
RE: Docket No. 010314-TI, Talk Visual Corporation, 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 Talk Visual Corporation (TVC) for the three month period ending September 30, 2000. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, TVC has adequate liquidity and sufficient common equity but reported negative income for the period.

In this matter, TVC 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 company will maintain capital from internally generated funds. 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

04130 APR-4 01

FPSC-RECORDS/REPORTING

ALM

DOCKET NO. 010314-TI
TALK VSUAL CORPORATION

IXC APPLICATION
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 09/30/2000
CURRENT ASSETS	\$1,703,091
CURRENT LIABILITIES	1,470,567
CURRENT RATIO	1.16
CASH	485,766
COMMON EQUITY	9,897,511
TOTAL DEBT	5,397,026
TOTAL INVESTOR CAPITAL	15,294,537
COMMON EQUITY RATIO	65%
NET INCOME	(1,378,625)
RETURN ON EQUITY	NMF

NMF = No Meaningful Figure