

State of Florida



Public Service Commission

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

DATE: May 25, 2001
TO: Toni McCoy, Division of Regulatory Oversight
FROM: Pete Lester, Division of Economic Regulation *PL*
RE: Docket No. 010468-TI, Fast Phones, Inc. of Alabama, 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 Fast Phones, Inc. of Alabama (FPA) for the period ending December 31, 2000. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, FPA has inadequate liquidity, insufficient common equity and reported a loss for the period.

In this matter, FPA is asking for a certificate to provide IXC service. Staff notes the limited nature of the application. 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 the ability to borrow funds and it can obtain financial support from its parent company. 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

06662 MAY 29 2001

FPSC-RECORDS/REPORTING

DOCKET NO. 010468-TI
FAST PHONES, INC. OF ALABAMA
IXC CERTIFICATE

FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	<u>AS OF</u> <u>12/31/00</u>
CURRENT ASSETS	\$8,137
CURRENT LIABILITIES	37,339
CURRENT RATIO	0.22
CASH	3,647
COMMON EQUITY	(100,801)
TOTAL DEBT	183,416
PREFERRED STOCK	0
TOTAL INVESTOR CAPITAL	NMF
COMMON EQUITY RATIO	NMF
NET INCOME	(1,838)
RETURN ON EQUITY	2%

NMF=NO MEANINGFUL FIGURE