



Public Service Commission

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

DATE: April 3, 1996
 TO: Tom Williams, Division of Communications
 FROM: Sonja Jones, Division of Auditing and Financial Analysis *ALM*
 RE: Docket No. 960284-TS, ActiveTel L.D., Inc., Financial Analysis for Certificate Application for Shared Tenant Service *[Signature]*

Section 364.339 (2), Florida Statutes, requires the following:

The commission shall grant certificates to telecommunications companies upon showings that the applicants have sufficient technical, financial, and managerial capabilities to provide shared tenant services.

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 ActiveTel L.D., Inc. (ACTV) for the period ending January 31, 1996. An audit could change one's opinion of the company's financial condition. The company has requested confidential treatment of its financial statements, which were filed under a separate docket (951564-TI). Based on our review, ACTV has marginal liquidity, minimal ownership equity, and reports negative net income.

In this matter, ACTV is asking for a certificate to provide Shared Tenant service. Staff notes the limited nature of the application and that no customer provided funds appear to be at risk. For purposes of granting a certificate based on the financial information provided, the financial capability of the company appears minimal.

cc: Division of Legal Services
Division of Records and Reporting

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