



Public Service Commission

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

DATE: October 17, 1996
TO: Tom Williams, Division of Communications
FROM: Sonja Jones, Division of Auditing and Financial Analysis *SLJ*
RE: Docket No. 961083-TI, Telescape USA, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service *ALM APC*

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 audited financial statements of Polish Telephones and Microwave Corporation, the parent company of Telescape USA, Inc. (TUSA), for the period ending December 31, 1995. As the attached schedule shows, TUSA has adequate liquidity and ownership equity but reports negative net income.

ACK _____ In this matter, TUSA is asking for a certificate to provide IXC 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 appears adequate.

CAF _____
CMU _____ The applicant attests that it has sufficient financial capability to provide and maintain the requested service, and to meet its ownership/lease obligations. The applicant states that it intends to fund the provision of service through internally generated cash flow and also has the ability to borrow funds, if required. Furthermore, as a switchless reseller, the applicant does not intend to make a capital investment to provide service in the State of Florida. Based on this showing, the applicant appears to meet the financial capability standard of Section 364.337, Florida Statutes.

OPC _____
RCH _____
SEC 1 cc: Division of Legal Services
WAS _____ Division of Records and Reporting
OTH _____

DOCUMENT NUMBER-DATE
11142 OCT 17 96
FPSC-RECORDS/REPORTING

DOCKET NO. 961083-TI
TELESCOPE USA, INC.
IXC CERTIFICATE
FINANCIAL ANALYSIS

FROM AUDITED FINANCIAL STATEMENTS
OF POLISH TELEPHONES AND MICROWAVE CORPORATION
(PARENT COMPANY)

	AS OF 12/31/95
CURRENT ASSETS	\$4,293,813
CURRENT LIABILITIES	212,540
CURRENT RATIO	20.20
CASH	173,255
COMMON EQUITY	3,589,945
TOTAL DEBT	0
TOTAL INVESTOR CAPITAL	3,589,945
COMMON EQUITY RATIO	100%
NET INCOME (LOSS)	(673,065)
RETURN ON EQUITY	NMF

NMF = No Meaningful Figure