## State of Flor



# Public Service Commission LLE COPY

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DATE: May 8, 1997

TO: Tom Williams, Division of Communications

David Draper, Division of Auditing and Financial Analysis FROM:

970529-TI, Atlantic Telecommunication System, Inc., Financial RE: 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 Atlantic Telecommunication System, Inc. (ATS) for the period ending December 31, 1995. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, ATS has a positive net income for the period but reports minimal liquidity and has negative common equity.

AFA In this matter. ATS 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 CAF 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. In addition, First Union National Bank of Florida is willing and able to commit such reasonable capital requirements to ATS as needed to maintain requested services. Based on this showing, the applicant appears to meet the financial capability standard of Section 364.337, Florida Statutes.

Division of Legal Services Division of Records and Reporting DOCUMENT NUMBER-DATE 04736 HAY 125

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cc:

DOCKET NO. : 97052

ATLANTIC TELECOMMUNICATION SYSTEMS, INC.

# ALTERNITIVE LOCAL EXCHANGE FINANCIAL ANALYSIS

### FROM UNAUDITED FINANCIAL STATEMENTS

	-	45
	(	OF

OF 12/31/95

CURRENT ASSETS \$73,550

CURRENT LIABILITIES 151,860

CURRENT RATIO 0.48

CASH 1,605

COMMON EQUITY (56,634)

TOTAL DEBT 149,801

TOTAL INVESTOR CAPITAL 93,167

COMMON EQUITY RATIO NMF

NET INCOME 14,002

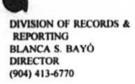
RETURN ON EQUITY NMF

NMF = No Meaningful Figure

#### State of Florida

Commissioners: JULIA L. JOHNSON, CHAIRMAN SUSAN F. CLARK J. TERRY DEASON JOE GARCIA DIANE K. KIESLING





# Public Service Commission

May 6, 1997

John C. Dodge, Esquire Cole, Raywid & Braverman, L.L.P. 1919 Pennsylvania Avenue, NW Second Floor Washington, DC 20006-3458

Re: Docket No. 970529-TI

Dear Mr. Dodge:

This will acknowledge receipt of an application for certificate to provide interexchange telecommunications service by Atlantic Telecommunication Systems, Inc., which was filed in this office on May 5, 1997 and assigned the above-referenced docket number. Appropriate staff members will be advised.

Mediation may be available to resolve any dispute in this docket. If mediation is conducted, it does not affect a substantially interested person's right to an administrative hearing. For more information, contact the Office of General Counsel at (904) 413-6078 or FAX (904) 413-6079.

Please make note as well that Commission Rule 25-22.005(7), F.A.C., requires certificated companies to notify the Commission of any changes in name, telephone, address, or contact person. Should your application be granted by the Commission, you will be expected to comply with this rule by advising us of any changes as they occur.

Division of Records and Reporting Florida Public Service Commission