



Public Service Commission

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

DATE: May 12, 1997
TO: Tom Williams, Division of Communications
FROM: Pete Lester, Division of Auditing and Financial Analysis *PL ALC ALM*
RE: Docket No. 970441-TI, Communication Network Services, LLC, 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 Communication Network Services, LLC (CNS) for the 12-month period ending February 28, 1997. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, CNS has adequate liquidity but reports negative common equity and negative net income.

ACK _____
 AFA _____
 APP _____ In this matter, CNS 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.
 CAF _____
 CMU _____
 CTR _____ 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 an established line of credit/loan guarantee with a bank, and that it has and will continue to receive funds from its owner. Based on this showing, the applicant appears to meet the financial capability standard of Section 364.337, Florida Statutes.
 EAG _____
 LEG _____
 LIN _____
 OPC _____
 RCH _____
 SEC 1 cc: Division of Legal Services
 Division of Records and Reporting
 WAS _____
 OTH _____

DOCUMENT NUMBER-DATE
 04836 MAY 15 97
 FPSC-RECORDS/REPORTING

DOCKET NO. 970441-TI
COMMUNICATION NETWORK SERVICES, LLC
IXC CERTIFICATE
FINANCIAL ANALYSIS
ATTESTATION DONE

FROM UNAUDITED FINANCIAL STATEMENTS

12 MONTHS ENDING
FEBRUARY 28, 1997

CURRENT ASSETS	291,894
CURRENT LIABILITIES	54,147
CURRENT RATIO	5.39
CASH	228,764
COMMON EQUITY	(22,077)
TOTAL DEBT	275,000
COMMON EQUITY RATIO	NMF
NET INCOME	(23,015)
RETURN ON EQUITY	NEGATIVE

NMF=NO MEANINGFUL FIGURE

State of Florida

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



DIVISION OF RECORDS &
REPORTING
BLANCA S. BAYO
DIRECTOR
(904) 413-6770

Public Service Commission

April 9, 1997

Tom Counts, President
Communications Network Services, L.L.C.
120 Office Park Drive, Suite 30
Birmingham, Alabama 35223

Re: Docket No. 970441-TI

Dear Mr. Counts:

This will acknowledge receipt of an application for certificate to provide interexchange telecommunications service by Communication Network Services, L.L.C. d/b/a Communication Network Solutions L.L.C., which was filed in this office on April 8, 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