



# Public Service Commission

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

**DATE:** June 4, 1997  
**TO:** Tom Williams, Division of Communications  
**FROM:** Pete Lester, Division of Auditing and Financial Analysis *ALM APC*  
**RE:** Docket No. ~~970458-TI~~, Bell Holdings International Corporation, 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 Bell Holdings International Corporation (Bell Holdings) for the period ending December 31, 1996. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, Bell Holdings has adequate liquidity and ownership equity, but reports negative net income.

ACK \_\_\_\_\_  
 AFA \_\_\_\_\_ In this matter, Bell Holdings is asking for a certificate to provide IXC service. Staff notes the  
 APP \_\_\_\_\_ limited nature of the application. For purposes of granting a certificate based on the financial  
 CAF \_\_\_\_\_ information provided, the financial capability appears marginal.  
 CMU \_\_\_\_\_ Although an analysis of the financial statements reveals the applicant is in a marginal financial  
 CTR \_\_\_\_\_ position, the applicant attests to its financial capability to provide and maintain the proposed  
 EAG \_\_\_\_\_ telecommunications service by noting that it is not totally dependent on prepaid  
 LEG \_\_\_\_\_ telecommunications and has several sources of revenue. The company also notes that it is  
 LIN \_\_\_\_\_ closely scrutinized by its vendors before entering into joint ventures and partnerships. Based  
 OPC \_\_\_\_\_ on this showing, the applicant appears to meet the financial capability standard of Section  
 364.337, Florida Statutes.

RCH \_\_\_\_\_  
 SEC \_\_\_\_\_ cc: Division of Legal Services  
 WAS \_\_\_\_\_ Division of Records and Reporting ✓  
 OTH \_\_\_\_\_

DOCUMENT NUMBER-DATE  
 05616 JUN-65  
 FPSC-RECORDS/REPORTING

DOCKET NO. 970458-TI  
BELL HOLDINGS INTERNATIONAL CORPORATION  
IXC CERTIFICATE  
FINANCIAL ANALYSIS  
ATTESTATION DONE

FROM UNAUDITED FINANCIAL STATEMENTS

12 MONTHS ENDING  
DECEMBER 31, 1996

CURRENT ASSETS	76,728
CURRENT LIABILITIES	7,971
CURRENT RATIO	9.63
CASH	76,578
COMMON EQUITY	75,852
TOTAL DEBT	47,845
TOTAL INVESTOR CAPITAL	123,697
COMMON EQUITY RATIO	61%
NET INCOME	(19,260)
RETURN ON EQUITY	NEGATIVE

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