



Public Service Commission

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

DATE: December 15, 1997
TO: Tom Williams, Division of Communications
FROM: Pete Lester, Division of Auditing and Financial Analysis *ALM*
RE: Docket No. 971432-TX, Metrolink Internet Services, Inc., Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service *ALM*

Section 364.337 (1), Florida Statutes, requires the following:

The commission shall grant a certificate of authority to provide alternative local exchange 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 Metrolink Internet Services, Inc. (Metrolink) for the six-month projected period ending June 30, 1998. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, Metrolink projects adequate liquidity, ownership equity, and profitability.

ACK _____
 AFA _____
 APP _____
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 OPC _____
 RCH _____
 SEC _____
 WAS _____
 OTH _____

In this matter, Metrolink is asking for a certificate to provide alternative local exchange telecommunications 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 adequate.

The applicant attests to its financial capability to provide and maintain the proposed telecommunications service by noting that its three principals have extensive business and technical experience. The company has access to over \$1 million in bank credit lines. The company believes it can keep write-offs and slow paying customers to a minimum. Based on this showing, the applicant appears to meet the financial capability standard of Section 364.337, Florida Statutes.

cc: Division of Legal Services
 Division of Records and Reporting (2)

DOCUMENT NUMBER-DATE

12897 DEC 17 97

FPSC-RECORDS/REPORTING

DOCKET NO. 971432-TX
METROLINK INTERNET SERVICES, INC.
ALEC CERTIFICATE
FINANCIAL ANALYSIS
ATTESTATION DONE

FROM UNAUDITED, PRO FORMA FINANCIAL
STATEMENTS

SIX MONTHS
ENDING
JUNE 30, 1998

CURRENT ASSETS	133,565
CURRENT LIABILITIES	12,929
CURRENT RATIO	10.33
CASH	119,199
COMMON EQUITY	119,200
TOTAL DEBT	3,440
PREFERRED STOCK	0
TOTAL INVESTOR CAPITAL	122,640
COMMON EQUITY RATIO	97%
NET INCOME	119,200
RETURN ON EQUITY	100%