



Public Service Commission

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

DATE: October 8, 1999
 TO: Tommy Williams, Division of Communications
 FROM: David J. Draper, Division of Auditing and Financial Analysis *JD*
 RE: Docket No. 991406-TI, Trans National Telecommunications, 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 unaudited financial statements of Trans National Telecommunications, Inc. (TNT) for the period ending December 31, 1998. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, TNT has minimal liquidity, negative common equity and negative income for the period.

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In this matter, TNT is asking for a certificate to provide IXC service. For purposes of granting a certificate based on the financial information provided, the financial capability 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 by noting that TNT will maintain capital from internally generated funds. In addition, TNT has obtained additional financing through MBF Funding and Fairview Financial, commercial lending institutions. 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

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FPSC-RECORDS/REPORTING

DOCKET NO. 991406-
TRANS NATIONAL TELECOMMUNICATIONS, INC.

IXC TELECOMMUNICATION SERVICE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 12/31/98
CURRENT ASSETS	\$6,729
CURRENT LIABILITIES	10,356
CURRENT RATIO	0.65
CASH	6,729
COMMON EQUITY	(158,604)
TOTAL DEBT	167,992
TOTAL INVESTOR CAPITAL	9,388
COMMON EQUITY RATIO	NMF
NET INCOME	(133,465)
RETURN ON EQUITY	NMF

NMF = No Meaningful Figure