



Public Service Commission

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

DATE: April 26, 2000
TO: Toni McCoy, Division of Communications
FROM: David J. Draper, Division of Auditing and Financial Analysis
RE: Docket No. 000394-TI, Satcom Communication 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 Satcom Communication Corporation (SCC) for the three month period ending March 24, 2000. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, SCC has adequate liquidity and sufficient common equity. The company is not in operations at this time, so therefore, produced no reportable income for the period.

In this matter, SCC 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 adequate.

The applicant attests to its financial capability to provide and maintain the proposed telecommunications service by noting that the company will maintain capital from internally generated funds. In addition, the company can rely on the financial support of its investors for any additional financing. 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)

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FPSC-RECORDS/REPORTING

IXC TELECOMMUNICATION SERVICE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 03/24/2000
CURRENT ASSETS	\$17,500
CURRENT LIABILITIES	0
CURRENT RATIO	NMF
CASH	17,500
COMMON EQUITY	24,500
TOTAL DEBT	0
TOTAL INVESTOR CAPITAL	24,500
COMMON EQUITY RATIO	100%
NET INCOME	0
RETURN ON EQUITY	0%

NMF = No Meaningful Figure

Regarding the showing of financial capability, the Finance staff has analyzed the unaudited financial statements of Satcom Communication Corporation (SCC) for the three month period ending March 24, 2000. An auditor could change one's opinion of the company's financial condition. As the attached schedule shows, SCC has adequate liquidity and sufficient common equity. The company is not in operations at this time, so therefore, produced no reportable income for the period.

In this matter, SCC 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 adequate. The applicant must to its financial capability to provide and maintain the proposed telecommunication service by noting that the company will maintain capital from internally generated funds. In addition, the company can rely on the financial support of its investors for any additional financing. Based on this showing, the applicant appears to meet the financial capability standard of Section 364.337, Florida Statutes.

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