



Public Service Commission

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

DATE: August 16, 2000
TO: Tommy Williams, Division of Regulatory Oversight
FROM: Pete Lester, Division of Economic Regulation
RE: Docket No. 000775-TI, NationNet Communications Corporation, Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service

ALM

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 NationNet Communications Corporation (NationNet) for the period ending February 29, 2000. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, NationNet has adequate liquidity and sufficient common equity. The company is a start-up and does not yet have an income statement.

In this matter, NationNet 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 adequate.

The applicant attests to its financial capability to provide and maintain the proposed telecommunications service by noting that it will use the underlying services of a certificated carrier and has the ability to obtain additional financing if necessary. 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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DOCKET NO. 000775-TT
NATIONNET COMMUNICATIONS CORPORATION
IXC CERTIFICATE

FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF	
	<u>02/29/2000</u>	
CURRENT ASSETS	\$339,403	
CURRENT LIABILITIES	0	
CURRENT RATIO	NMF	
CASH	39,403	
COMMON EQUITY	301,000	
TOTAL DEBT	96,340	
PREFERRED STOCK	0	
TOTAL INVESTOR CAPITAL	397,340	
COMMON EQUITY RATIO	76%	
NET INCOME	---	*
RETURN ON EQUITY	---	*

NMF=NO MEANINGFUL FIGURE

* Start-up Company