



Public Service Commission

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

DATE: March 28, 1997
TO: Tom Williams, Division of Communications
FROM: David Draper, Division of Auditing and Financial Analysis *AD ARC ALM 178*
RE: Docket No. 970324-TI, Lightcom International, Inc., 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 Lightcom International, Inc. (LCI) 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, LCI has marginal liquidity, negative common equity and reports negative net income.

In this matter, LCI is asking for a certificate to provide IXC service. Staff notes the limited nature of the application and that no customer provided funds appear to be at risk. 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. In addition, the Company notes that it has been providing interexchange resale service in several other states since 1992. The Company has been awarded, maintained and fulfilled government contracts for services in excess of \$40 million dollars to provide telephone services to Federal Government agencies. 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

DOCUMENT NUMBER-DATE

03431 APR-30

FPSC-RECORDS/REPORTING

DOCKET NO. : 97032
LIGHTCOM INTERNATIONAL, INC.

**IXC TELECOMMUNICATION SERVICE
FINANCIAL ANALYSIS**

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 12/31/96
CURRENT ASSETS	\$799,921
CURRENT LIABILITIES	879,567
CURRENT RATIO	0.91
CASH	175,796
COMMON EQUITY	(944,739)
TOTAL DEBT	1,769,011
TOTAL INVESTOR CAPITAL	824,272
COMMON EQUITY RATIO	NMF
NET INCOME	(582,570)
RETURN ON EQUITY	NMF

NMF = No Meaningful Figure