



Public Service Commission

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

DATE: December 2, 1997
TO: Tom Williams, Division of Communications
 Jim Strong, Division of Communications
FROM: Pete Lester, Division of Auditing and Financial Analysis *P-2*
RE: Docket No. 971323-TX and 971324-TT, Omnicall, Inc., Financial Analysis for Certificate Applications for Alternative Local Exchange Service and Intrastate Interexchange Telecommunications Service *ALM*

Section 367.337 (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.

For IXC applications, 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.

(4)(d) The Commission shall exercise its exclusive jurisdiction in order to: (d) Promote competition by encouraging new entrants into telecommunications markets . . .

- ACK _____
- AFA _____ and
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG _____
- LEG _____
- LIN _____
- OFC _____
- RCM _____
- SEC 1
- WAS _____
- OTH _____

Regarding the showing of financial capability, the Finance staff has analyzed the unaudited financial statements of Omnicall, Inc. (Omnicall) for the year ended August 31, 1997. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, Omnicall has low liquidity, negative ownership equity, and negative net income.

In this matter, Omnicall is asking for certificates to provide alternative local exchange and IXC service. Staff notes the limited nature of the applications. For purposes of granting certificates based on the financial information provided, the financial capability appears minimal.

DOCUMENT NO. DATE

12313 DEC-3 97

FILED IN ROOM

DOCKET NO. 971323-TX
DOCKET NO. 971324-TI
OMNICALL, INC.
IXC AND ALEC CERTIFICATES
FINANCIAL ANALYSIS
ATTESTATION DONE

FROM UNAUDITED FINANCIAL STATEMENTS

	YEAR ENDED <u>AUGUST 31, 1997</u>
CURRENT ASSETS	32,284
CURRENT LIABILITIES	35,695
CURRENT RATIO	0.90
CASH	26,947
COMMON EQUITY	(124,317)
TOTAL DEBT	133,303
PREFERRED STOCK	0
COMMON EQUITY RATIO	NMF
NET INCOME	(129,317)
RETURN ON EQUITY	NEGATIVE

NMF=NO MEANINGFUL FIGURE