



Public Service Commission

ORIGINAL

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

DATE: July 19, 1999
 TO: Tommy Williams, Division of Communications
 FROM: David J. Draper, Division of Auditing and Financial Analysis *ALM*
 RE: Docket No. 990856-TI, CallManage, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service *[Signature]*

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 audited financial statements of CallManage, Inc. (CMI) for the period ending December 31, 1998. As the attached schedule shows, CMI has minimal liquidity, negative common equity and negative income for the period.

In this matter, CMI 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.

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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 CMI proposes to operate as a reseller in the state of Florida, and will incur minimal capital or operating expenses. In addition, the company has structured its retail pricing so that its per minute rate covers its per minute cost, thus assuring an almost instantaneous positive cash flow. 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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REC-RECORDS/REPORTING

DOCKET NO. 990856-1
CALLMANAGE, INC.

IXC TELECOMMUNICATION SERVICE
FINANCIAL ANALYSIS

FROM AUDITED FINANCIAL STATEMENTS

	AS OF 12/31/98
CURRENT ASSETS	\$187,000
CURRENT LIABILITIES	4,279,000
CURRENT RATIO	0.04
CASH	92,000
COMMON EQUITY	(6,033,000)
TOTAL DEBT	2,157,108
TOTAL INVESTOR CAPITAL	(3,875,892)
COMMON EQUITY RATIO	NMF
NET INCOME	(4,593,000)
RETURN ON EQUITY	NMF

NMF = No Meaningful Figure

STATE OF FLORIDA

Commissioners:
JOE GARCIA, CHAIRMAN
J. TERRY DEASON
SUSAN F. CLARK
JULIA L. JOHNSON
E. LEON JACOBS, JR.



DIVISION OF RECORDS & REPORTING
BLANCA S. BAYÓ
DIRECTOR
(850) 413-6770

Public Service Commission

June 29, 1999

Lance J.M. Steinhart
Attorney at Law
6455 East Johns Crossing, Suite 285
Duluth, Georgia 30097

Re: Docket No. 990856-T1

Dear Mr. Steinhart:

This will acknowledge receipt of an application for certificate to provide interexchange telecommunications service by CallManage, Inc., which was filed with this office on June 28, 1999 and assigned the above-referenced docket number. Appropriate staff members will be advised.

Mediation may be available to resolve any dispute in this docket. If mediation is conducted, it does not affect a substantially interested person's right to an administrative hearing. For more information, contact the Office of General Counsel at (850) 413-6078 or FAX (850) 413-6079.

Please make notes as well that Commission Rule 25-22.005(7), F.A.C., requires certificated companies to notify the Commission of any changes in name, telephone, address, or contact person. Should your application be granted by the Commission, you will be expected to comply with this rule by advising us of any changes as they occur.

Division of Records and Reporting
Florida Public Service Commission