



Public Service Commission

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

DATE: November 15, 2000

TO: Tommy Williams, Division of Regulatory Oversight *ALM*

FROM: David J. Draper, Division of Economic Regulation *DD*

RE: Docket No. 001629-TI, Maxtel USA, 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 balance sheet of Maxtel USA, Inc. (Maxtel) for the period ending June 30, 2000. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, Maxtel has adequate liquidity and sufficient common equity. The company is currently not in operations.

In this matter, Maxtel 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 by noting that it has sufficient liquid assets to provide and maintain the proposed telecommunications service. 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

DOCKET NO. 001629-1
MAXTEL USA, INC.

IXC APPLICATION
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 06/30/2000
CURRENT ASSETS	\$250,000
CURRENT LIABILITIES	0
CURRENT RATIO	NMF
CASH	250,000
COMMON EQUITY	250,000
TOTAL DEBT	0
TOTAL INVESTOR CAPITAL	250,000
COMMON EQUITY RATIO	100%
NET INCOME	0
RETURN ON EQUITY	0%

NMF = No Meaningful Figure