

FLORIDA PUBLIC SERVICE COMMISSION
Capital Circle Office Center • 2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

M E M O R A N D U M

APRIL 18, 1996

TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYO)

FROM: DIVISION OF COMMUNICATIONS (WILLYAMS, STRONG) *WJ*
DIVISION OF AUDITING & FINANCIAL ANALYSIS (JONES) *ALM*
DIVISION OF LEGAL SERVICES (LUGO) *see file* *MS*

RE: DOCKET NO. 960313-TI - APPLICATION FOR CERTIFICATE TO
PROVIDE INTEREXCHANGE TELECOMMUNICATIONS SERVICE BY
NORTH AMERICAN TELEPHONE NETWORK, L.L.C.

AGENDA: 04/30/96 - REGULAR AGENDA - PROPOSED AGENCY ACTION -
INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: I:\PSC\CMU\WP\960313TI.RCM

CASE BACKGROUND

Section 364.337(3), Florida Statutes, reads as follows:

(3) 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.

STAFF DISCUSSION

ISSUE 1: Should the Commission grant NORTH AMERICAN TELEPHONE NETWORK, L.L.C. (NAT) a certificate to provide statewide interexchange telecommunications service within the State of Florida as provided by Section 364.337 (3), Florida Statutes?

DOCUMENT NUMBER-DATE

04446 APR 18 96

FPSC-RECORDS/REPORTING

DOCKET NO. 960313-TI
DATE: April 18, 1996

RECOMMENDATION: Yes, NAT should be granted:

Florida Public Service Commission Certificate No. 4460

STAFF ANALYSIS: NAT filed an application with this Commission on March 8, 1996, to offer telecommunications service as a switchless rebiller in Florida.

NAT's exhibit of managerial qualifications (page 3) reflects a satisfactory record in telecommunications sales, marketing and service. In regard to technical capability, NAT indicates in its application that it will be a switchless rebiller and will rely on the network ownership, operation and management of its underlying carrier(s) such as MCI, AT&T, etc. The Division of Auditing and Financial Analysis reviewed NAT's financial statement to determine the company's financial viability (pages 4-5). Based on the information provided by NAT, the financial capability of the company appears minimal.

ISSUE 2: Should this docket be closed?

RECOMMENDATION: Yes, if no person whose substantial interests are affected by the Commission's Proposed Agency Action files a protest within 21 days of the issuance date of the order.

STAFF ANALYSIS: This docket should be closed if no person whose substantial interests are affected by the Commission's Proposed Agency Action files a protest within 21 days of the issuance date of the order.

**North American Telephone Network, Inc.
Key Personnel Resumes**

Hans K. Kasper

Mr. Kasper has over ten years experience in the telecommunications industry, including hands on experience in the maintenance, design and construction of digital radio and fiber optic networks. His most recent position was with Business Telecom, Inc., and its subsidiary FiberSouth, where he served as Director of Operations and Vice President of Operations, respectively. His responsibilities at FiberSouth included the design and construction of a one hundred mile fiber optic network connecting Raleigh, Cary, Durham and the Research Triangle. His duties included development of the company's business and marketing plans, securing rights of way and negotiating franchise agreements with various municipalities. Prior experience included four years with MCI, as operations support manager, and three years with Sprint, as technical account executive.

Jeffrey H. Hodges

Mr. Hodges has spent the last four years as Vice President of Sales at National Services Direct, an Atlanta based telemarketing firm specializing in marketing health care products and services. Prior experience includes seven years in personal computer sales throughout the Southeast at both the retail and corporate levels.

Penny M. McCool

Ms. McCool has fourteen years experience in the design, installation and maintenance of telecommunications systems, networks and equipment. Her most recent experience was with Business Telecom, Inc., as Manager Design Engineer responsible for designing all types of services, procurement of facilities and maintenance of network integrity. As a switch technician, she was directly responsible for the installation and maintenance of switches, multiplexers, channel banks and fiber optic systems of various manufacturers. She was also a switch technician with MCI for five years, and served in the United States Air Force as Supervisor of Technical Control Facilities for four years.

David S. Jenkins

Mr. Jenkins has over ten years experience as a telecommunications technical manager with Business Telecom, Inc., and MCI. As manager of operations at BTI, he was responsible for supervision over the company's southeast regional switching facility serving five states, as well as all ancillary equipment, such as multiplexers, channel banks and terminal equipment. As National Accounts Operations Service Manager for MCI, he was responsible for the management and growth of large national accounts, such as Georgia-Pacific and BellSouth. He also served six years in the United States Army Signal Corp as Technical Controller and Electronics Installation Technician.



Public Service Commission

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

DATE: April 9, 1996
TO: Tom Williams, Division of Communications
FROM: Sonja Jones, Division of Auditing and Financial Analysis *SK* *ALM*
RE: Docket No. 960313-TI, North American Telephone Network, LLC, Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service *mm* *1998*

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 North American Telephone Network, LLC (NATN) for the month ending January 31, 1996. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, NATN has adequate liquidity but reports negative common equity and negative net income.

In this matter, NATN 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.

cc: Division of Legal Services
Division of Records and Reporting

DOCKET NO. 960313-TI
NORTH AMERICAN TELEPHONE NETWORK, LLC
IXC CERTIFICATE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

FOR THE
MONTH
01/31/96

CURRENT ASSETS	\$51,649
CURRENT LIABILITIES	0
CURRENT RATIO	NMF
CASH	32,224
COMMON EQUITY	(58,351)
TOTAL DEBT	110,000
NET INVESTOR CAPITAL	51,649
COMMON EQUITY RATIO	NMF
NET INCOME	(5,031)
RETURN ON EQUITY	NMF

NMF=No Meaningful Figure