

FLORIDA PUBLIC SERVICE COMMISSION
Capitol Circle Office Center - 2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

M E M O R A N D U M

MAY 30, 1996

TO: DIVISION OF RECORDS AND REPORTING [BAYO] APC
FROM: DIVISION OF COMMUNICATIONS [WIDMANS, STRONG] WMS
DIVISION OF AUDITING & FINANCIAL ANALYSIS [LESTER] ALM
DIVISION OF LEGAL SERVICES [LUGO] R2
RE: DOCKET NO. 960384-TI; APPLICATION FOR CERTIFICATE TO
PROVIDE INTEREXCHANGE TELECOMMUNICATIONS SERVICE BY
ALLTEL LONG DISTANCE, INC.
AGENDA: 06/11/96 - REGULAR AGENDA - PROPOSED AGENCY ACTION -
INTERESTED PERSONS MAY PARTICIPATE
SPECIAL INSTRUCTIONS: I:PSC/CMU/WP/960384TI.RCM

CASE BACKGROUND

Pursuant to Section 364.337(3), Florida Statutes,
(effective July 1, 1995):

(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 ALLTEL LONG DISTANCE, INC. (ALLTEL) 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

05949 MAY 30 96

FPSC-RECORDS/REPORTING

DOCKET NO. 950383-TI
DATE: May 30, 1996

RECOMMENDATION: Yes, ALLTEL should be granted:

Florida Public Service Commission Certificate No. 4467

STAFF ANALYSIS: ALLTEL filed an appropriate application with this Commission on March 27, 1996, to offer telecommunications service as a switchless rebiller of long distance service in Florida.

ALLTEL's exhibit of managerial qualifications (page 3) exhibits satisfactory records in telecommunications sales, marketing and service. In regard to technical capability, ALLTEL indicated in its application it will be operating as a switchless rebiller and will rely on the network operation and management of its underlying carrier(s).

The Division of Auditing and Financial Analysis reviewed ALLTEL's financial statement to determine the company's financial viability (pages 4-5). Based on the information provided by ALLTEL, the financial capability of the company appears adequate.

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.

SECTION V

ALLTEL LONG DISTANCE MICHAEL T. FLYNN - PRESIDENT

Michael T. Flynn is CEO of ALLTEL Long Distance and is also President-Telephone Group of ALLTEL. In this position, Flynn has operational responsibilities for ALLTEL's local telephone, product distribution and directory publishing companies.

Prior to joining ALLTEL, Flynn served as President-Arkansas for Southwestern Bell Telephone Company- a position he had held since 1991.

Flynn began his Southwestern Bell career in 1970 and held a variety of positions in the company's network and telecommunications research operations. In 1983, the year divestiture occurred, he was with AT&T in New Jersey and later served with Bell Communications Research there. In 1987, he was appointed Managing Director-Technology Planning for SBC Technology Resources. Flynn later moved to Dallas, where he served as Vice President-Network for Southwestern Bell's Texas Division.

Flynn, a native of Texas, earned his bachelor's degree in industrial engineering from Texas A&M University. He has attended the Dartmouth Institute and the Harvard Advanced Management Program.

HOWARD HAWES - VICE PRESIDENT

Howard Hawes is Vice President for ALLTEL Long Distance and is also President-ALLTEL Telephone Service's Corporation. In this position, Hawes is responsible for directing ALLTEL's local telephone operations.

Hawes worked for Southwestern Bell Telephone Co. in Arkansas and Missouri for 29 years. He most recently served as Southwestern Bell's General Manager-Customer Services for the State of Arkansas.



Public Service Commission

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

DATE: May 7, 1996
TO: Tom Williams, Division of Communications
FROM: Pete Lester, Division of Auditing and Financial Analysis *P2 ALM APC*
RE: Docket No. 960384-TI, ALLTEL Long Distance, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service *1/97*

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 ALLTEL Corporation, the parent company of ALLTEL Long Distance, Inc. The parent company has adequate liquidity, ownership equity, and profitability. Also, the parent company has an A+ bond rating according to Standard and Poor's.

For certification purposes, the application appears adequate.

cc: Division of Legal Services
Division of Records and Reporting

DOCKET NO. 960384-T1
ALLTEL LONG DISTANCE, INC.
INTEREXCHANGE CERTIFICATE
FINANCIAL ANALYSIS

FROM AUDITED FINANCIAL STATEMENTS
OF ALLTEL CORPORATION, THE PARENT COMPANY

DOLLARS IN THOUSANDS

	TWELVE MONTHS ENDING 12/31/94
CURRENT ASSETS	692,727
CURRENT LIABILITIES	605,615
CURRENT RATIO	1.14
CASH	26,098
COMMON EQUITY	1,616,049
TOTAL DEBT	1,897,826
NET INVESTOR CAPITAL	3,531,024
COMMON EQUITY RATIO	46%
NET INCOME	270,521
RETURN ON EQUITY	17%