





## Public Service Commission

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

DATE:	February 16, 1998 ALM
TO:	Nancy Pruitt, Division of Communications
FROM:	Nancy Pruitt, Division of Communications David J. Draper, Division of Auditing and Financial Analysis II APC Decket No. 980123-TL U.S. Digital Inc. Financial Analysis for Certification
RE:	Docket No. 980123-TI, U.S. Digitel, 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.

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(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 balance sheet of U.S. Digitel, Inc. (USD) for the period ending December 31, 1997, and a twelve month projected income statement. As the attached schedule shows, USD has adequate liquidity and sufficient common equity. Although the company has not generated any income as of December AFP 31, 1997, it projects a positive net income over a twelve month period.

In this matter, USD 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 adequate 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

BOCUMENT NUMBER-DATE



FPSC RECERDSZREPORTING

## DOCKET NO. 980123-TI U.S. DIGITEL, INC.

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IXC TELECOMMUNICATION SERVICE FINANCIAL ANALYSIS

## FROM AUDITED BALANCE SHEET AND PROJECTED INCOME STATEMENT

	AS OF 12/31/97
CURRENT ASSETS	\$270,100
CURRENT LIABILITIES	0
CURRENT RATIO	NMF
CASH	70,100
COMMON EQUITY	100,010
TOTAL DEBT	170,090
TOTAL INVESTOR CAPITAL	270,100
COMMON EQUITY RATIO	37%
12 MONTH PROJECTED NET INCOME	480,000
RETURN ON EQUITY	480%

NMF = No Meaningful Figure