



# Public Service Commission

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

**DATE:** April 2, 1998  
**TO:** Nancy Pruitt, Division of Communications  
**FROM:** Pete Lester, Division of Auditing and Financial Analysis *ALM APC jms*  
**RE:** Docket No. 980188-TI, Satelink Paging, LLC, 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 audited financial statements of Satelink Communications, Inc., the parent company of Satelink Paging, LLC (Satelink) for the year ended July 31, 1997. As the attached schedule shows, Satelink's parent company has adequate but low liquidity, an inadequate level of common equity, and adequate profitability.

In this matter, Satelink is asking for a certificate to provide IXC service. Staff notes the limited nature of the application. For purposes of granting a certificate based on the financial information provided, the financial capability appears adequate.

The applicant attests to its financial capability to provide and maintain the proposed telecommunications service by noting that it will have a low level of capital investment, that its parent company can provide it funds if necessary, and that its parent company has the ability to borrow funds if necessary. 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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DOCKET NO. 980188-TI  
SATELLINK PAGING, LLC  
IXC CERTIFICATE  
FINANCIAL ANALYSIS  
ATTESTATION DONE

FROM AUDITED FINANCIAL STATEMENTS OF  
SATELLINK COMMUNICATIONS, INC.

	YEAR ENDED JULY 31, 1997
CURRENT ASSETS	3,401,350
CURRENT LIABILITIES	3,510,572
CURRENT RATIO	0.97
CASH	193,346
COMMON EQUITY	2,162,021
TOTAL DEBT	19,328,148
PREFERRED STOCK	0
TOTAL INVESTOR CAPITAL	21,490,169
COMMON EQUITY RATIO	10%
NET INCOME	451,495
RETURN ON EQUITY	21%