



Public Service Commission

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

DATE: June 30, 1998
 TO: Louis Yambor, Division of Communications
 FROM: David J. Draper, Division of Auditing and Financial Analysis *DJ* *ARC*
 RE: Docket No. 980775-TI, Eagle Telecom, 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 Eagle Telecom, Inc. (ETI) for the period ending June 17, 1998. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, ETI has adequate liquidity and sufficient common equity. ETI is a start-up company and has not started operations or produced any income at this time.

ACK _____
 AFA _____ In this matter, ETI is asking for a certificate to provide IXC service. For purposes of granting
 APP _____ a certificate based on the financial information provided, the financial capability appears
 CAF _____ adequate. The applicant attests to its financial capability to provide and maintain the proposed
 CMU _____ telecommunications service by noting that ETI proposes to operate as a reseller in the state of
 CTR _____ Florida, and will incur minimal capital or operating expenses. In addition, ETI intends to fund
 EAG _____ the provision of service through internally generated cash flows, and to the extent necessary,
 LEG _____ from cash contributions from its principals. Based on this showing, the applicant appears to
 meet the financial capability standard of Section 364.337, Florida Statutes.

LNH _____ cc: Division of Legal Services
 GPC _____ Division of Records and Reporting (2)

RCH _____
 SEC _____
 WAS _____
 OTH _____

DOCUMENT NUMBER DATE

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RECORDS AND REPORTING

DOCKET NO. 980775-11
EAGLE TELECOM, INC.

IXC TELECOMMUNICATION SERVICE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 06/17/98
CURRENT ASSETS	\$305,000
CURRENT LIABILITIES	0
CURRENT RATIO	
CASH	55,000
COMMON EQUITY	305,000
TOTAL DEBT	0
TOTAL INVESTOR CAPITAL	305,000
COMMON EQUITY RATIO	100%
NET INCOME	0
RETURN ON EQUITY	0%

NMF = No Meaningful Figure