



Public Service Commission

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

DATE: January 14, 1999
 TO: Tommy Williams, Division of Communications
 FROM: Eva P. Samaan, Division of Auditing and Financial Analysis *EO*
 RE: Docket No. 981407-TX, Interlink Telephony, Inc., Financial Analysis for Certificate
 Application for Alternative Local Exchange Telecommunications Service

ALM
APC
[Signature]

Section 364.337 (1), Florida Statutes, requires the following:

The commission shall grant a certificate of authority to provide alternative local exchange 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 Interlink Telephony, Inc. (ITI) for the period ending October 31, 1998. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, ITI has minimal liquidity, minimal common equity and as a new company has no income to report at the present time.

- CK _____
- FA _____
- PP _____
- AF _____
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- TR _____
- EAG _____
- LEG _____
- LIN _____
- OPC _____
- RCH _____
- SEC 1
- WPS _____
- OTH _____

In this matter, ITI is asking for a certificate to provide alternative local exchange telecommunications 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.

The applicant attests to its financial capability to provide and maintain the proposed telecommunications service. ITI maintains an account with Compass Bank in Jacksonville, Florida, and it states that, because of its good standing, it can easily get additional financing. 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)

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

DOCKET NO. 981407-TX
INTERLINK TELEPHONY, INC.

IXC TELECOMMUNICATION SERVICE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS AS OF 10/31/98

CURRENT ASSETS	\$40
CURRENT LIABILITIES	0
CURRENT RATIO	NMF
CASH	40
COMMON EQUITY	40
TOTAL DEBT	0
TOTAL INVESTOR CAPITAL	40
COMMON EQUITY RATIO	100%
NET INCOME	0
RETURN ON EQUITY	NMF

NMF = No Meaningful Figure