



# Public Service Commission

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

**DATE:** February 11, 1999  
**TO:** Nancy Pruitt, Division of Communications  
**FROM:** David J. Draper, Division of Auditing and Financial Analysis *ED HPC*  
**RE:** Docket No. 981815-TI, Travelers Telecom Corporation, Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service *ALM*

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 financial statements of Travelers Telecom Corporation (TTC) for the period ending December 31, 1997. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, TTC has minimal liquidity, negative common equity and reported a net loss for the period.

In this matter, TTC 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 minimal. The applicant attests to its financial capability to provide and maintain the proposed telecommunications service by noting that Travel Utility Supply, Inc. (TTC's sister corporation), will provide additional capital if needed. 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)

- ACK \_\_\_\_\_
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- APP \_\_\_\_\_
- CAF \_\_\_\_\_
- CMU \_\_\_\_\_
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- SEC 1
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- OTH \_\_\_\_\_

DOCUMENT NUMBER-DATE

01927 FEB 15 99

FPSC-RECORDS/REPORTING

DOCKET NO. 98181  
TRAVELERS TELECOM CORPORATION (TTC)

IXC TELECOMMUNICATION SERVICE  
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	TRAVELERS TELECOM CORPORATION	Travelers Utility Supply Inc.
	AS OF 12/31/97	AS OF 07/31/97
CURRENT ASSETS	\$186,821	\$927,543
CURRENT LIABILITIES	474,776	526,821
CURRENT RATIO	0.39	1.76
CASH	3,068	28,364
COMMON EQUITY	(251,106)	429,391
TOTAL DEBT	325,695	25,000
TOTAL INVESTOR CAPITAL	74,589	454,391
COMMON EQUITY RATIO	NMF	94%
NET INCOME	(256,537)	224,868
RETURN ON EQUITY	NMF	52%

NMF = No Meaningful Figure