



Public Service Commission

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

DATE: July 22, 1999  
 TO: Nancy Pruitt, Division of Communications  
 FROM: David J. Draper, Division of Auditing and Financial Analysis  
 RE: Docket No. 990805-TI, Alliance Network, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service

*Handwritten initials: ALM, [unclear]*

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 Alliance Network, Inc. (ANI) for the six month period ending July 21, 1999. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, ANI has adequate liquidity and sufficient common equity, but reported negative income for the period.

In this matter, ANI 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  
 Division of Records and Reporting (2)

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DIVISION OF RECORDS AND REPORTING

DOCKET NO. 990805-  
ALLIANCE NETWORK, INC.

IXC TELECOMMUNICATION SERVICE  
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 07/21/99
CURRENT ASSETS	\$200,000
CURRENT LIABILITIES	0
CURRENT RATIO	NMF
CASH	200,000
COMMON EQUITY	247,393
TOTAL DEBT	19,605
TOTAL INVESTOR CAPITAL	247,393
COMMON EQUITY RATIO	100%
NET INCOME	(19,605)
RETURN ON EQUITY	NMF

NMF = No Meaningful Figure