



Public Service Commission

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

DATE: January 12, 2000
TO: Tommy Williams, Division of Communications
FROM: Eva P. Samaan, Division of Auditing and Financial Analysis
RE: Docket No. 000010-TI, ezTel Network Services, 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 unaudited balance sheet of ezTel Network Services (EZT) for the period ending December 31, 1999. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, EZT has adequate liquidity, sufficient common equity, but as a new company had no income to report for the current period.

AFA In this matter, EZT is asking for a certificate to provide IXC service. Staff notes the limited nature
APP of the application and that no customer provided funds appear to be at risk. For purposes of granting
CAF a certificate based on the financial information provided, the financial capability appears adequate.
CMU
CTR

EAG The applicant attests to its financial capability to provide and maintain the proposed
LEG telecommunications service. The principals of the company are committed to provide an additional
MAAS \$100,000 if required in order to provide service in the State of Florida. Based on this showing, the
OPC applicant appears to meet the financial capability standard of Section 364.337, Florida Statutes.
RPR
SEC
WAW
OTH

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

DOCUMENT NUMBER-DATE
01111 JAN 25 8
FPSC-RECORDS/REPORTING

IXC TELECOMMUNICATION SERVICE  
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS AS OF 12/31/99

CURRENT ASSETS	\$250,000
CURRENT LIABILITIES	0
CURRENT RATIO	NMF
CASH	250,000
COMMON EQUITY	250,000
LONG-TERM DEBT	
TOTAL INVESTOR CAPITAL	250,000
COMMON EQUITY RATIO	100%
NET INCOME	0
RETURN ON EQUITY	NMF

NMF= Non-meaningful figure