



# Public Service Commission

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

**DATE:** April 26, 2000  
**TO:** Toni McCoy, Division of Communications  
**FROM:** David J. Draper, Division of Auditing and Financial Analysis *DJD* *ALM*  
**RE:** Docket No. 000395-TX, Satcom Communication Corporation, Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service

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 Satcom Communication Corporation (SCC) for the three month period ending March 24, 2000. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, SCC has adequate liquidity and sufficient common equity. The company is not in operations at this time, so therefore, produced no reportable income for the period.

In this matter, SCC is asking for a certificate to provide alternative local exchange telecommunications 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 to provide and maintain the proposed telecommunications service by noting that the company will maintain capital from internally generated funds. In addition, the company can rely on the financial support of its investors for any additional financing. Based on this showing, the applicant appears to meet the financial capability standard of Section 364.337, Florida Statutes.

- AFA \_\_\_\_\_
  - APP \_\_\_\_\_
  - CAF \_\_\_\_\_
  - CMU \_\_\_\_\_
  - CTR \_\_\_\_\_
  - EAG \_\_\_\_\_
  - LEG \_\_\_\_\_
  - MAS \_\_\_\_\_
  - OPC \_\_\_\_\_
  - RRR \_\_\_\_\_
  - SEC \_\_\_\_\_
  - NAW \_\_\_\_\_
  - TH \_\_\_\_\_
- cc: Division of Legal Services  
 Division of Records and Reporting (2)

DOCUMENT NUMBER-DATE  
**05182 APR 27 8**  
 FPSC-RECORDS/REPORTING

DOCKET NO. 000395-T  
SATCOM COMMUNICATION CORPORATION

ALTERNATIVE LOCAL EXCHANGE SERVICE  
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 03/24/2000
CURRENT ASSETS	\$17,500
CURRENT LIABILITIES	0
CURRENT RATIO	NMF
CASH	17,500
COMMON EQUITY	24,500
TOTAL DEBT	0
TOTAL INVESTOR CAPITAL	24,500
COMMON EQUITY RATIO	100%
NET INCOME	0
RETURN ON EQUITY	0%

NMF = No Meaningful Figure