



Public Service Commission

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

DATE: June 22, 2000
TO: Nancy Pruitt, Division of Regulatory Oversight
FROM: Pete Lester, Division of Economic Regulation
RE: Docket No. 000511-TX, URJET Backbone Network, Inc., 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 Universal Broadband Networks, Inc., the parent company of URJET Backbone Network, Inc. (URJET) for the period ending June 30, 1999. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, URJET's parent company has adequate liquidity, sufficient common equity but reported a loss for the period.

In this matter, URJET is asking for a certificate to provide alternative local exchange telecommunications service. Staff notes the limited nature of the application. For purposes of granting a certificate based on the financial information provided, the financial capability appears adequate.

APP
CAF The applicant attests to its financial capability to provide and maintain the proposed
CMP telecommunications service by noting that it is backed by its parent company and it projects profits
and growth for 2000 and beyond. Based on this showing, the applicant appears to meet the financial
capability standard of Section 364.337, Florida Statutes.

LEG
OPC cc: Division of Legal Services
PAI Division of Records and Reporting (2)
RGO

SEC
SER
OTH

DOCUMENT NUMBER-DATE

07689 JUN 23 8

FPSC-RECORDS/REPORTING

DOCKET NO. 000511-TX  
URJET BACKBONE NETWORK, INC.  
ALEC CERTIFICATE

FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS  
OF UNIVERSAL BROADBAND NETWORKS, INC.,  
THE PARENT COMPANY OF URJET BACKBONE  
NETWORK, INC.

	<u>AS OF</u> <u>06/30/1999</u>
CURRENT ASSETS	\$1,900,145
CURRENT LIABILITIES	693,120
CURRENT RATIO	2.74
CASH	764,447
COMMON EQUITY	2,509,350
TOTAL DEBT	227,993
PREFERRED STOCK	3,589,990
TOTAL INVESTOR CAPITAL	6,327,333
COMMON EQUITY RATIO	40%
NET INCOME	(1,651,038) *
RETURN ON EQUITY	NEGATIVE

\*3 MONTHS ENDED JUNE 30, 1999