



Public Service Commission

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

DATE: October 9, 2000
TO: Nancy Pruitt, Division of Regulatory Oversight *ALM*
FROM: Pete Lester, Division of Economic Regulation *PL*
RE: Docket No. 001347-TI, Ecom USA Limited, 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 financial statements of Ecom USA Limited (Ecom) 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, Ecom has adequate liquidity and sufficient common equity. The company reported a loss for the period.

In this matter, Ecom is asking for a certificate to provide IXC 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.

The applicant attests to its financial capability to provide and maintain the proposed telecommunications service by noting that it is a reseller with low capital needs and that it has good banking relationships should it need to borrow funds. 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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DOCKET NO. 001347-1
ECOCOM USA, LTD.
IXC CERTIFICATE

FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	<u>AS OF</u> <u>12/31/1999</u>
CURRENT ASSETS	\$373,472
CURRENT LIABILITIES	6,183
CURRENT RATIO	60.40
CASH	282,866
COMMON EQUITY	314,626
TOTAL DEBT	78,542
PREFERRED STOCK	0
TOTAL INVESTOR CAPITAL	393,168
COMMON EQUITY RATIO	80%
NET INCOME	(21,924)
RETURN ON EQUITY	NEGATIVE