



Public Service Commission

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

DATE: July 7, 1998
 TO: Nancy Pruitt, Division of Communications
 FROM: David J. Draper, Division of Auditing and Financial Analysis *DD*
 RE: Docket No. 980793-TX, Global NAPS, Inc., Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service *ALM APC*

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 Global NAPS, Inc. (GNI) for the three month period ending March 31, 1998. An audit could change one's opinion of the company's financial condition. The applicant requested confidential treatment of its financial statements. Based on the review of the applicant's financial information, GNI has marginal liquidity, but shows sufficient common equity and reports a positive net income for the period.

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In this matter, GNI 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 has available significant additional financing with commercial lending institutions, if needed. Based on this showing, the applicant appears to meet the financial capability standard of Section 364.337, Florida Statutes.

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 WTH _____

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

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