



Public Service Commission

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

DATE: April 1, 1998
TO: Brenda Hawkins, Division of Communications
FROM: David J. Draper, Division of Auditing and Financial Analysis
RE: Docket No. 980067-TX, United States Telecommunications, Inc., Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service

ALM
APC
DND

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 balance sheet and income statement of United States Telecommunications, Inc. (UST) for the two month period ending March 2, 1998 and February 28, 1998, respectively. An audit could change one's opinion of the company's financial condition. As the attached schedule shows

ACK UST has adequate liquidity, sufficient common equity and reported a positive net income for the
 AFA period.

APP
 CAF In this matter, UST is asking for a certificate to provide alternative local exchange
 CMU telecommunications service. For purposes of granting a certificate based on the financial
 CIR information provided, the financial capability appears adequate. The applicant attests to its
 EAG financial capability to provide and maintain the proposed telecommunications service. In
 LEG addition, the company has received letters of commitment from shareholders to purchase up to
 an additional two million dollars in common stock. 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. 980067-TX
UNITED STATES TELECOMMUNICATIONS, INC.

ALTERNATIVE LOCAL EXCHANGE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	Balance Sheet AS OF 03/02/98	Income Stmt. AS OF 02/28/98
CURRENT ASSETS	\$3,740,000	
CURRENT LIABILITIES	191,400	
CURRENT RATIO	19.54	
CASH	3,500,000	
COMMON EQUITY	3,548,600	
TOTAL DEBT	0	
TOTAL INVESTOR CAPITAL	3,548,600	
COMMON EQUITY RATIO	100%	
NET INCOME		5,916
RETURN ON EQUITY	0.17%	

NMF = No Meaningful Figure