



Public Service Commission

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

DATE: May 27, 1998
TO: Ray Kennedy, Division of Communications
FROM: Pete Lester, Division of Auditing and Financial Analysis *ALM*
RE: Docket No. 980545-T1, Axess Communications, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service *ALM*

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 Axess Communications, Inc. (Axess) for the period ending March 31, 1998. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, Axess has adequate liquidity and ownership equity. For the period,

ACK _____
AFA _____ Axess reported a loss.

APP _____
CAF _____ In this matter, Axess 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.
CMU _____

CTR _____
EAG _____ The applicant attests to its financial capability to provide and maintain the proposed telecommunications service by noting that it recently secured a private bond placement of \$4,000,000. Based on this showing, the applicant appears to meet the financial capability standard of Section 364.337, Florida Statutes.
LEG _____
LIN _____

OFC _____
RCH _____ cc: Division of Legal Services
SEC _____ Division of Records and Reporting (2)

WAS _____
OTH _____

DOCUMENT NUMBER - DATE

05842 MAY 29 1998

STATE OF FLORIDA - PUBLIC SERVICE COMMISSION

DOCKET NO. 980545-TI
AXESS COMMUNICATIONS, INC.
IXC CERTIFICATE
FINANCIAL ANALYSIS
ATTESTATION DONE

FROM ACCOUNTANTS' COMPILATION REPORT

	AS OF MARCH 31, 1998
CURRENT ASSETS	198,020
CURRENT LIABILITIES	0
CURRENT RATIO	NMF
CASH	198,020
COMMON EQUITY	228,791
TOTAL DEBT	5,810
PREFERRED STOCK	0
TOTAL INVESTOR CAPITAL	234,601
COMMON EQUITY RATIO	98%
NET INCOME	(22,033)
RETURN ON EQUITY	NEGATIVE

NMF=NO MEANINGFUL FIGURE