



Public Service Commission

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

DATE: November 4, 1998
TO: Louis Yambor, Division of Communications
FROM: David J. Draper, Division of Auditing and Financial Analysis *SL*
RE: Docket No. 981267-TI, US Payphone, Inc. d/b/a USP Communications, 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 US Payphone, Inc. d/b/a USP Communications (USP) for the period ending December 31, 1997. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, USP has adequate liquidity, sufficient common equity, but reported a negative net income for the period.

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

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FPSC-RECORDS/REPORTING

DOCKET NO. 98126
US PAYPHONE, INC. d/b/a USP COMMUNICATIONS

IXC TELECOMMUNICATION SERVICE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 12/31/97
CURRENT ASSETS	\$440,172
CURRENT LIABILITIES	266,165
CURRENT RATIO	1.65
CASH	0
COMMON EQUITY	369,139
TOTAL DEBT	0
TOTAL INVESTOR CAPITAL	369,139
COMMON EQUITY RATIO	100%
NET INCOME	(35,195)
RETURN ON EQUITY	NMF

NMF = No Meaningful Figure