



Public Service Commission

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

DATE: August 23, 1999
 TO: Nancy Pruitt, Division of Communications
 FROM: David J. Draper, Division of Auditing and Financial Analysis JJ ALM
 RE: Docket No. 990701-TX, National Dakota Services Limited Corporation (@link Networks, Inc.), Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service [Signature]

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 of National Dakota Services Limited Corporation (@link Networks, Inc.) (NDS) for the period ending May 31, 1999. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, NDS has minimal liquidity and negative common equity. NDS is a start-up company and currently has not begun operations.

In this matter, NDS 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 minimal.

Although an analysis of the financial statements reveals the applicant is in a minimal financial position, the applicant attests to its financial capability by noting that NDS investors have committed an additional \$45 million for future growth. 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. 990701-~~TX~~
NATIONAL DAKOTA SERVICES LIMITED CORPORATION

ALTERNATIVE LOCAL EXCHANGE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 05/31/99
CURRENT ASSETS	\$2,745
CURRENT LIABILITIES	15,616
CURRENT RATIO	0.18
CASH	2,153
COMMON EQUITY	(6,869)
TOTAL DEBT	5,263
TOTAL INVESTOR CAPITAL	(1,606)
COMMON EQUITY RATIO	NMF
NET INCOME	0
RETURN ON EQUITY	0%

NMF = No Meaningful Figure