



Public Service Commission

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

DATE: September 5, 1997
TO: Tom Williams, Division of Communications
FROM: Pete Lester, Division of Auditing and Financial Analysis *PL APC*
RE: Docket No. 970909-TX, Satcom Systems, Inc., Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service *MLT*

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 Satcom Systems, Inc. (Satcom) for the period ending July 15, 1997. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, Satcom has adequate liquidity and ownership equity. As a start-up company, it has no net income.

- ACK _____
- AFA _____
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG _____
- LEG _____
- LIN _____
- OPC _____
- RCH _____
- SEC _____
- WTS _____
- YI _____

In this matter, Satcom is asking for a certificate to provide alternative local exchange telecommunications 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.

The applicant attests to its financial capability to provide and maintain the proposed telecommunications service by noting that it has no debt, it owns its equipment, it has adequate liquidity, and it anticipates immediate profitability. 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) ✓

DOCUMENT NUMBER-DATE
08987 SEP-85
FPSC-RECORDS/REPORTING

DOCKET NO. 970908-TI
DOCKET NO. 970909-TX
SATCOM SYSTEMS, INC.
IXC AND ALEC CERTIFICATE
FINANCIAL ANALYSIS
ATTESTATION DONE

FROM UNAUDITED BALANCE SHEET
START-UP COMPANY

AS OF
JULY 15, 1997

CURRENT ASSETS	7,500
CURRENT LIABILITIES	0
CURRENT RATIO	NMF
CASH	6,500
COMMON EQUITY	22,200
TOTAL DEBT	0
PREFERRED STOCK	0
TOTAL INVESTOR CAPITAL	22,200
COMMON EQUITY RATIO	100%
NET INCOME	NONE
RETURN ON EQUITY	NONE

NMF=NO MEANINGFUL FIGURE

* BALANCE SHEET ONLY