



# Public Service Commission

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

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**DATE:** May 25, 2001  
**TO:** Toni McCoy, Division of Regulatory Oversight *ALM*  
**FROM:** Pete Lester, Division of Economic Regulation *PL*  
**RE:** Docket No. 010337-TI, TotalCom America Corporation, Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service

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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 TotalCom America Corporation (TAC) for the period ending December 31, 1999. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, TAC has adequate liquidity, sufficient common equity and reported a positive net income for the period.

In this matter, TAC 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.

The applicant attests to its financial capability to provide and maintain the proposed telecommunications service by noting that it has access to lines of credit and it projects positive net income. 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

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FPSC-RECORDS/REPORTING

DOCKET NO. 010337-TI  
TOTALCOM AMERICA CORPORATION  
IXC CERTIFICATE

FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	<u>AS OF</u> <u>12/31/1999</u>
CURRENT ASSETS	\$203,104
CURRENT LIABILITIES	115,087
CURRENT RATIO	1.76
CASH	5,204
COMMON EQUITY	622,084
TOTAL DEBT	170,631
PREFERRED STOCK	0
TOTAL INVESTOR CAPITAL	792,715
COMMON EQUITY RATIO	78%
NET INCOME	33,867
RETURN ON EQUITY	5%