



# Public Service Commission

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

**DATE:**

**TO:** Tom Williams, Division of Communications

**FROM:** Sonja Jones, Division of Auditing and Financial Analysis *SLJ*

**RE:** Docket No. 960016-TI, Gillette Global Network, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service *ALM APC [initials]*

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 Gillette Global Network, Inc. (GGN) for the period ending December 31, 1995. As the attached schedule shows, GGN has adequate liquidity but reports negative common equity and negative net income.

Considering the unaudited financial statements and the company's financial condition, staff could not recommend that GGN collect deposits or rates subject to refund without posting a bond or letter of credit. However, in this matter, GGN is asking for a certificate to provide IXC service. Staff notes the limited nature of the application and that no customer provided funds are at risk. Under the minimal requirements of the statute, the application appears adequate.

cc: Division of Legal Services  
Division of Records and Reporting

DOCUMENT NUMBER-DATE

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DOCKET NO. 960016-TI  
GILLETTE GLOBAL NETWORK, INC.  
IXC CERTIFICATE  
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

AS  
OF  
12/31/95

CURRENT ASSETS	\$188,259
CURRENT LIABILITIES	125,368
CURRENT RATIO	1.50
CASH	80,040
COMMON EQUITY	(56,269)
TOTAL DEBT	122,636
NET INVESTOR CAPITAL	66,367
COMMON EQUITY RATIO	NMF
NET INCOME (LOSS)	(98,485)
RETURN ON EQUITY	NMF

NMF = No Meaningful Figure