



Public Service Commission

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

DATE: July 27, 1998

TO: Toni McCoy, Division of Communications

FROM: Pete Lester, Division of Auditing and Financial Analysis

RE: Docket No. 980708-TX, Worldlink Long Distance Corporation, Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service

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 financial statements of Worldlink Long Distance Corporation (Worldlink) for the projected period ending December 31, 1998. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, Worldlink projects adequate liquidity, sufficient common equity, and positive net income for the period.

In this matter, Worldlink is asking for a certificate to provide alternative local exchange telecommunications service. Staff notes the limited nature of the application and that no customer provided funds appear to be at risk. 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 will resell service and have minimum recurring expenses. Staff notes the company has no debt, and it obtained an IXC certificate in Docket No. 970631-TI. 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. 980708-TX
WORLDLINK LONG DISTANCE CORPORATION
ALEC TELECOMMUNICATION SERVICE
FINANCIAL ANALYSIS

FROM UNAUDITED PROJECTED FINANCIAL STATEMENTS *

	PROJECTED AS OF 12/31/98
CURRENT ASSETS	\$90,902
CURRENT LIABILITIES	18,433
CURRENT RATIO	4.93
CASH	63,000
COMMON EQUITY	74,475
TOTAL DEBT	0
TOTAL INVESTOR CAPITAL	74,475
COMMON EQUITY RATIO	100%
NET INCOME	17,450
RETURN ON EQUITY	23%

* Statements provided in Dkt. 971637-TI.