



Public Service Commission

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

DATE: June 3, 1999
 TO: Tony McCoy, Division of Communications
 FROM: Eva P. Samaan, Division of Auditing and Financial Analysis *ED*
 RE: Docket No. 990537-TX, Internet Access and Web Services of Florida, Inc., *ALM*
 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 financial statements of Internet Access and Web Services of Florida, Inc. (IAWSF) for the period ending December 31, 1998. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, IAWSF has negative liquidity, but sufficient common equity and reported a positive net income for the period.

AFA _____
 APP _____
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In this matter, IAWSF 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. IAWSF's growth to date has been supported by internally generated funds. In addition, the company has a \$5,000 line of credit with First National Bank. 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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OFFICE OF RECORDS AND REPORTING

DOCKET NO. 990537
INTERNET ACCESS AND WEB SERVICES OF FLORIDA, INC.

ALEC TELECOMMUNICATION SERVICE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS AS OF 12/31/98

CURRENT ASSETS	(\$8,073)
CURRENT LIABILITIES	10,120
CURRENT RATIO	(0.80)
CASH	(19,060)
COMMON EQUITY	41,133
LONG-TERM DEBT	18,756
TOTAL INVESTOR CAPITAL	59,889
COMMON EQUITY RATIO	69%
NET INCOME	45,640
RETURN ON EQUITY	111%

NMF = No Meaningful Figure