



Public Service Commission

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

DATE: January 12, 2000  
 TO: Brenda Hawkins, Division of Communications  
 FROM: David J. Draper, Division of Auditing and Financial Analysis  
 RE: Docket No. 991817-TI, Worldwide Gateway, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service

*ALM*  
*[Handwritten 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 Worldwide Gateway, Inc. (WWG) for the eight month period ending August 31, 1999. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, WWG has sufficient common equity, but reports minimal liquidity and negative income for the period.

AFA \_\_\_\_\_  
 APP \_\_\_\_\_  
 CAF \_\_\_\_\_  
 CMU \_\_\_\_\_  
 CTR \_\_\_\_\_  
 EAG \_\_\_\_\_  
 LCO \_\_\_\_\_  
 LAW \_\_\_\_\_  
 OTH \_\_\_\_\_

In this matter, WWG is asking for a certificate to provide IXC service. For purposes of granting a certificate based on the financial information provided, the financial capability appears minimal.

Although an analysis of the financial statements reveals the applicant is in a minimal financial position, the applicant attests to its financial capability to provide and maintain the proposed telecommunications service by noting that its sister corporation (TransGlobal Telecom, Inc.) will support WWG if additional capital is needed. In addition, WWG has the ability to obtain additional financing through Wells Fargo 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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FPSC-RECORDS/REPORTING

DOCKET NO. 99181  
WORLDWIDE GATEWAY, INC.

IXC TELECOMMUNICATION SERVICE  
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 08/31/99
CURRENT ASSETS	\$37,422
CURRENT LIABILITIES	177,926
CURRENT RATIO	0.21
CASH	37,422
COMMON EQUITY	6,517
TOTAL DEBT	0
TOTAL INVESTOR CAPITAL	6,517
COMMON EQUITY RATIO	100%
NET INCOME	(13,484)
RETURN ON EQUITY	NMF

NMF = No Meaningful Figure