



Public Service Commission

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

DATE: January 25, 2000
TO: Tommy Williams, Division of Communications
FROM: Eva P. Samaan, Division of Auditing and Financial Analysis *EP* *ALM*
RE: Docket No. 991932-TI, W2COM International, LLC, Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service

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 W2COM International, LLC (WCM) for the period ending October 31, 1999. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, WCM has adequate liquidity and sufficient common equity, but as a new company had no income to report for the period.

In this matter, WCM is asking for a certificate to provide IXC 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. WCM states that it has available a two million dollar revolving credit facility with National City Bank to support its future operations. 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)

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DOCKET NO. 991932-TT
W2COM INTERNATIONAL, LLC

IXC TELECOMMUNICATION SERVICE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS AS OF 10/31/99

CURRENT ASSETS	\$100,000
CURRENT LIABILITIES	0
CURRENT RATIO	100%
CASH	0
COMMON EQUITY	100,000
LONG-TERM DEBT	0
TOTAL INVESTOR CAPITAL	100,000
COMMON EQUITY RATIO	100%
NET INCOME	0
RETURN ON EQUITY	NMF

NMF= Non-meaningful figure