



Public Service Commission

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

DATE: September 8, 1998
TO: Louis Yambor, Division of Communications
FROM: Pete Lester, Division of Auditing and Financial Analysis *PL*
RE: Docket No. 980831-TI, FirstWorld Communications, Inc., Financial *ALM* 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 . . .

FirstWorld requested and was granted confidentiality for its financial statements. Regarding the showing of financial capability, the Finance staff has analyzed the financial statements of FirstWorld Communications, Inc. (FirstWorld) for a recent period.

NCK _____ In this matter, FirstWorld is asking for a certificate to provide IXC service. Staff notes the
FA _____ limited nature of the application. For purposes of granting a certificate based on the financial
APP _____ information provided, the financial capability appears marginal.

AF _____
MU _____ Although an analysis of the financial statements reveals the applicant is in a marginal financial
TR _____ position, the applicant attests to its financial capability to provide and maintain the proposed
AG _____ telecommunications service by noting that it recently raised \$240 million in a high-yield debt
EG _____ offering. Based on this showing, the applicant appears to meet the financial capability standard
of Section 364.337, Florida Statutes.

LN _____
JPC _____ cc: Division of Legal Services
Division of Records and Reporting (2)

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NAS _____
TH _____

DOCUMENT NUMBER-DATE

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