



ORIGINAL
Public Service Commission

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

DATE: September 16, 1999
TO: Tommy Williams, Division of Communications
FROM: Eva P. Samaan, Division of Auditing and Financial Analysis *EW*
RE: Docket No. 991239-TI, Clear World Communications Corporation, Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service *ALM BWS*

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 Clear World Communications Corporation (CWC) 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, CWC has adequate liquidity, sufficient common equity and reported a positive net income for the period.

In this matter, CWC 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. CWC utilizes Hold Billing Service for a clearinghouse, and uses their financial arrangements with Finova Capital. CWC's current line of credit with Hold Billing Service is \$3.5 million per month and it's sufficient to meet any of the company's future needs. Based on this showing, the applicant appears to meet the financial capability standard of Section 364.337, Florida Statutes.

- AFA _____
- APP _____
- CAF _____
- CMU _____
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- PAI _____
- SEC _____
- WAW _____
- OTH _____

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

DOCUMENT NUMBER-DATE

11170 SEP 17 99

FPSC-RECORDS/REPORTING

DOCKET NO. 991239-
CLEAR WORLD COMMUNICATIONS CORPORATION

IXC TELECOMMUNICATION SERVICE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS AS OF 12/31/98

CURRENT ASSETS	\$189,829
CURRENT LIABILITIES	54,309
CURRENT RATIO	3.50
CASH	419,906
COMMON EQUITY	135,520
LONG-TERM DEBT	0
TOTAL INVESTOR CAPITAL	135,520
COMMON EQUITY RATIO	100%
NET INCOME	135,520
RETURN ON EQUITY	100%