

LAW OFFICES
BRYDON, SWEARENGEN & ENGLAND

PROFESSIONAL CORPORATION

312 EAST CAPITOL AVENUE

P.O. BOX 456

JEFFERSON CITY, MISSOURI 65102-0456

TELEPHONE (573) 635-7166

FACSIMILE (573) 635-0427

E-MAIL: KARENBE@AOL.COM

DAVID V.G. BRYDON
JAMES C. SWEARENGEN
WILLIAM R. ENGLAND, III
JOHNNY K. RICHARDSON
GARY W. DUFFY
PAUL A. BOUDREAU
SONDRA B. MORGAN
CHARLES E. SMARR

DEAN L. COOPER
MARK G. ANDERSON
TIMOTHY T. STEWART
GREGORY C. MITCHELL
RACHEL M. CRAIG
BRIAN T. MCCARTNEY
DALE T. SMITH

September 1, 1999

Mr. Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102

FILED²

SEP 1 1999

Missouri Public
Service Commission

TA 2000-207

Re: In the Matter of the Application of Worldwide Fiber Networks, Inc. for a certificate of service authority to provide interexchange telecommunications services.

Dear Mr. Roberts:

Enclosed please find the original plus fourteen (14) copies of Application for filing on behalf of Worldwide Fiber Networks, Inc. in the above referenced matter. Please bring this matter to the attention of the appropriate Commission personnel.

Thank you for your attention to this matter.

Very truly yours,

BRYDON, SWEARENGEN & ENGLAND P.C.

By: *Sondra B. Morgan*
Sondra B. Morgan

SBM/k

Enclosures

cc: Office of Public Counsel
Julie R. Hawkins

0000192

FILED²

SEP 1 1999

Missouri Public
Service Commission

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Application of)
Worldwide Fiber Networks, Inc.,)
for a certificate of service authority)
to provide interexchange)
telecommunications services.)

Case No. TA 2000-207

APPLICATION

Worldwide Fiber Networks, Inc. ("Applicant"), a Nevada corporation, files this verified application respectfully requesting that the Missouri Public Service Commission ("Commission") issue an order that:

(a) grants Applicant a Certificate of Service Authority to provide facilities-based interexchange telecommunications services pursuant to Chapter 392 of the Missouri Revised Statutes;

(b) grants competitive status to Applicant; and

(c) waives certain Commission rules and statutory provisions pursuant to Section 392.420, RSMO Supp. 1998.

In support of its request, Applicant states:

1. Applicant is a Nevada corporation with its principal office and place of business at 1333 West 120th Avenue, Suite 216, Westminster, Colorado 80234. A copy of Applicant's Articles of Incorporation is marked Appendix A and attached hereto as if more fully incorporated herein. Applicant is duly authorized to conduct business in Missouri pursuant to a Certificate of Authority from the Missouri Secretary of State a copy of which is marked as Appendix B and attached hereto as if more fully incorporated herein. A list of Applicant's current officers and directors is attached as Appendix C and is incorporated by reference herein.

2. All communications, notices, orders and decisions respecting this Application and

0000192

2

proceeding should be addressed to:

Julie R. Hawkins
Assistant General Counsel
Worldwide Fiber Networks, Inc.
1333 West 120th Avenue, Suite 216
Westminster, Colorado 80234
(303) 450-5130
(303) 452-7154 (fax)

W.R. England, III, Esq.
Sondra B. Morgan, Esq.
Brydon, Swearengen & England, P.C.
312 East Capitol Street
P.O. Box 456
Jefferson City, Missouri 65102

3. Applicant proposes to provide facilities-based interexchange telecommunications services to commercial customers located throughout the State of Missouri. Applicant intends to operate as a facilities-based provider of technologically advanced dark fiber and related infrastructure as well as high-bandwidth fiber optic transmission capacity. Applicant will provide high capacity interexchange services and transport on a leased long-term basis and may provide broadband service. Additional information regarding the Applicant's operations may be found at the company's Internet site: (<http://www.worldwidefiber.com>).

4. Applicant proposes to charge for its services based upon rates, rules and regulations as proposed in the tariff attached hereto and incorporated by reference as Appendix D.

5. Applicant requests classification as a competitive telecommunications company within the State of Missouri. Applicant believes that its proposed services will be subject to sufficient competition to justify a lesser degree of regulation. Granting of this application will allow greater price and service options for telephone users.

6. Applicant also requests, pursuant to Section 392.420, RSMO 1994, that the Commission waive the application of the following rules and statutory provisions as they relate to the regulation of Applicant:

§392.240(1)	Rates-reasonable average return on investment.
§392.270	Property valuation.
§392.280	Depreciation rates.
§392.290	Issuance of stocks and bonds.
§392.310	Issuance of stocks and bonds.
§392.320	Issuance of stocks and bonds.
§392.330	Issuance of stocks and bonds.
§392.340	Reorganization.
4 CSR 240-10.020	Income on depreciation fund investments.
4 CSR 240-30.010(2)(C)	Posting exchange rates at central offices.
4 CSR 240-30.040	Uniform System of Accounts.
4 CSR 240-32.030(1)(B)	Exchange boundary maps.
4 CSR 240-32.030(1)(C)	Record of access lines.
4 CSR 240-32.030(2)	In-state record keeping.
4 CSR 240-32.050(3-6)	Telephone directories.
4 CSR 240-32.070(4)	Coin telephones.
4 CSR 240-33.030	Inform customers of lowest priced service.
4 CSR 240-33.040(5)	Finance fee.

It is Applicant's understanding that the above-referenced rules and statutory provisions have typically been waived for other interexchange carriers in prior cases. Applicant also requests a waiver of § 392.210.2, RSMo 1994, as Worldwide Fiber utilizes Generally Accepted Accounting Principles ("GAAP") and it would be a burden for the company to change its entire system. Worldwide also requests a waiver of 4 CSR 240-35 which provides for Reporting of Bypass and Customer-Specific Arrangements.

7. Worldwide Fiber possesses the requisite technical and managerial expertise and experience to provide the services it proposes. Worldwide Fiber was ultimately formed by Ledcor

Industries (established in 1947) to build and develop diverse fiber optic networks throughout North America and the international marketplace. The people at Worldwide Fiber have been designing, engineering and developing communications networks for over twelve years, first as the telecommunications division of Leducor, and since May 1998, as a separate subsidiary (Worldwide Fiber) of our ultimate parent company, Leducor. The profiles of Worldwide Fiber's officers and key personnel demonstrate its managerial and technical capability to provide the proposed telecommunications services in Missouri. Brief biographies of Worldwide Fiber's officers are attached hereto and incorporated herein by reference as Appendix E. These officers will be ultimately responsible for all Missouri operations.

8. Applicant is financially capable of providing the proposed service. As a wholly-owned subsidiary, Applicant will have all of the assets of its immediate parent company available. A copy of the parent company's (Worldwide Fiber (USA), Inc.) most recent audited financials is attached as Appendix F.


9. Worldwide Fiber is willing to comply with all applicable Commission rules not waived and is willing to meet all relevant service standards including but not limited to quality of service, billing, and tariff filing and maintenance.

10. The Commission has found that the interexchange market which Applicant seeks to enter is sufficiently competitive so as to justify a lesser degree of regulation. In Re Classification of Service Provided by Interexchange Telecommunications Carrier within the State of Missouri, Case No. TO-88-142, Report and Order (effective October 16, 1989) at pp. 19-20. Worldwide Fiber's proposed services will create and enhance competition and expand customers service options consistent with the legislative goals set forth in the federal Telecommunications

Act of 1996 and Chapter 392 RSMo. Prompt approval of this application will also expand the availability of innovative, high-quality, and reliable telecommunications services within the State of Missouri. Accordingly, Applicant's proposed operations are in the public interest.

WHEREFORE, Applicant respectfully requests that the Commission grant it a certificate of service authority to provide intrastate interexchange telecommunications services to the public in the State of Missouri. Applicant also requests classification as a competitive telecommunications company. In addition, Applicant requests a waiver of the above-referenced rules and statutory provisions.

Respectfully submitted,



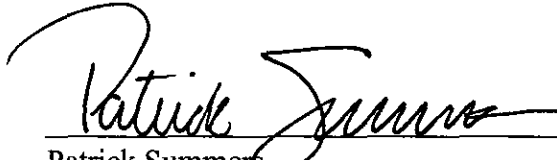
W.R. England, III Mo Bar#23975
Sondra B. Morgan Mo Bar #35482
Brydon, Swearngen & England P.C.
312 East Capitol Avenue
P. O. Box 456
Jefferson City, MO 65102-0456
(573) 635-7166

Attorneys for WORLDWIDE FIBER
NETWORKS, INC.

VERIFICATION


STATE OF COLORADO)
) ss.
COUNTY OF ADAMS)

Patrick Summers, duly sworn upon his oath, states that he is Vice President, General Counsel of Worldwide Fiber Networks, Inc., Applicant herein, and as such, is duly authorized to execute said Application and to make this affidavit on its behalf; that the matters and things stated in the foregoing Application and exhibits thereto are true and correct to the best of his information, knowledge and belief.

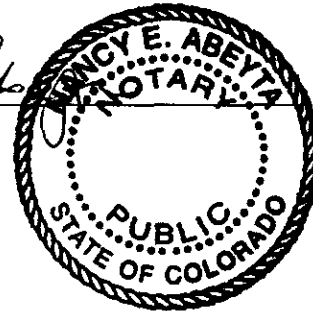


Patrick Summers
Vice President, General Counsel

Subscribed and sworn to before me, a notary public, on this 24th day of August, 1999.



Notary Public



My Commission expires:

August 25, 1999

My Commission Expires August 25, 1999

Appendix A
Articles of Incorporation
Worldwide Fiber Networks, Inc.

04/07/99 18:51

ESJCL + 6A4 800 8829

FILED 15:18

ESJCL 7230348725

THE OFFICE OF THE
SECRETARY OF STATE OF THE
STATE OF NEVADA

APR 01 1999

C13871-98

ARTICLES OF MERGER

Dean Heller
DEAN HELLER, SECRETARY OF STATE

These Articles of Merger are made this 27th day of March, 1999, between Pacific Fiber Link For-Sac, Inc., a Nevada corporation (sometimes referred to herein as the "Nevada Corporation" or the "Surviving Corporation") and Pacific Fiber Link, LLC, a Washington limited liability company (sometimes referred to herein as the "Washington LLC" or the "Merged Company").

RECITALS

A. The Nevada Corporation is a corporation duly organized and existing under the laws of the State of Nevada; its registered office located at 1575 Delucchi Lane, Ste. 224, Reno, Nevada 89502.

B. The Washington LLC is a limited liability company duly organized and existing under the laws of the State of Washington with its registered office located at 1420 Fifth Avenue, Ste. 3510, Seattle, Washington 98101-4031.

C. The Nevada Corporation and the Washington LLC deem it desirable and in their best interests that the Washington LLC be merged into the Nevada Corporation in accordance with the provisions of Chapter 92A of the Nevada Revised Statutes.

I.

An agreement and plan of merger has been approved and adopted by the Nevada Corporation, through its board of directors, and submitted and approved by its stockholders pursuant to Chapter 92A of the Nevada Revised Statutes as set forth below:

Designation of Shares:	Common
Number of Votes Entitled to be Cast:	100
Number of Votes for Plan:	100
Number of Votes Against Plan:	0

The number of votes of the stockholders for the plan was sufficient for approval.

II.

An agreement and plan of merger has been approved and adopted by the Washington LLC, through its managing member and management committee, and submitted and approved unanimously by its sole member possessing a 100% membership interest, pursuant to the laws of the State of Washington.

84/07/99 18:51 25JCL + 67 688 0828

84/01/99 15:18 25JCL + 67 688 0828

NO. 487 P034/085

NO. 488 P037/086

III.

The Articles of Incorporation of the Surviving Corporation shall continue to be its Articles of Incorporation, except that according to the agreement and plan of merger Article I is amended to read:

I. NAME

The name of the corporation is WORLDWIDE FIBER NETWORKS, ✓
INC.

IV.

The complete executed agreement and plan of merger is on file at the registered office of the Surviving Corporation, 1595 Delucchi Lane, Ste. 224, Reno, Nevada 89502.

V.

On the effective date of the merger, the separate existence of the Merged Company shall cease, and the Surviving Corporation shall succeed to all the rights, privileges, immunities, and franchises, and all the property, real, personal, and mixed, of the Merged Company, without the necessity for any separate transfer. The Surviving Corporation shall thereafter be responsible and liable for all liabilities and obligations of the Merged Company, and neither the rights of creditors nor any liens on the property of the Merged Company shall be impaired by the merger.

VI.

The merger takes effect upon the filing of these Articles of Merger.

PACIFIC FIBER LINK FOR-SAC, INC. *

By: 

Jeffery Sharp, President

By: 

Ron Stevenson, Secretary

04/19/99 12:53 FAX 804 888 0829

CAMPNEY & MURPHY

004/004

NO. 487 P005/005

NO. 459 P008/008

04/07/99 12:51 BSJCL + SC 388 8829

04/01/99 13:18 BSJCL + 7538845725

STATE OF

COUNTY OF

On this 26 day of March, 1999, personally appeared before me, a Notary Public, JERRY THARP, who acknowledged to me that he executed the foregoing ARTICLES OF MERGER.

NOTARY PUBLIC

STATE OF

COUNTY OF

On this 27 day of March, 1999, personally appeared before me, a Notary Public, RON STEVENSON, who acknowledged to me that he executed the foregoing ARTICLES OF MERGER.

NOTARY PUBLIC

BRUCE TASTEN

CAMPNEY & MURPHY
P.O. Box 6000
1111 West Colonial Street
Virginia, D.C. 22186 0711

JUN 18 1990

NO. C13871-98

Dean Keller
DEAN KELLER, SECRETARY OF STATE

ARTICLES OF INCORPORATION

OF

PACIFIC FIBER LINK POR-SAC, INC.

That I, the undersigned, have this day voluntarily acted for the purpose of forming a corporation under the laws of the State of Nevada, and to that end, I do hereby certify:

I. NAME

The name of the corporation is PACIFIC FIBER LINK POR-SAC, INC.

II. AGENT FOR SERVICE OF PROCESS

The name and address of the Initial Resident Agent and location of the Registered Office in this state is Bockley, Singleton, Jemison, Coboaga & List, 1575 Delucchi Lane, Suite 224, Reno, Nevada 89502.

III. PURPOSE

The purpose of the corporation, and the nature of the business and objects proposed to be transacted and carried on by it are:

To engage in any lawful act or activity for which a corporation may be organized under the laws of the State of Nevada other than the banking business, the trust company business or the practice of a profession permitted to be incorporated under the laws of the State of Nevada.

IV. STOCK

The corporation is authorized to issue one class of shares, which shall be designated "common shares," having a total number of 25,000 shares. Each such

share, when issued, shall have one (1) vote.

V. NUMBER OF DIRECTORS

The members of the governing board of the corporation shall be styled "Directors," and the initial Board of Directors shall be one (1) in number.

The number of directors may, at any time or times, be increased or decreased by a duly adopted amendment to these Articles of Incorporation, or in such manner as shall be provided in the By-Laws of the corporation or by an amendment to the By-Laws of the corporation duly adopted by either the Board of Directors or the shareholders.

VI. INITIAL DIRECTORS

The name and address of the First Board of Directors is as follows:

David Lede
#1000 - 1066 West Hastings Street
Vancouver, British Columbia
Canada V6E 3X1

VII. INCORPORATOR

The name and post office address of the Incorporator signing these Articles of Incorporation is as follows:

Lance P. Maiss
Beckley, Singleton, Jamison, Cobeaga & List
1575 Delucchi Lane, Suite 224
Reno, Nevada 89502

VIII. ASSESSABILITY OF SHARES

The capital stock of this corporation, after the amount of the subscription price has been paid, shall not be subject to assessment to pay the debts of the corporation, and no stock issued as fully paid shall be assessable or assessed, nor shall the private property of the stockholders, directors or officers of this corporation be subject to the payment of any corporate debts to any extent whatsoever, and in this particular, the Articles of Incorporation shall not be subject to amendment.

IX. INDEMNIFICATION AND LIMITATION ON LIABILITY

Every person who was or is a party, or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he or she or a person of whom he or she is the legal representative, is or was a director or officer of the corporation, or is or was serving at the request of the corporation as a director or officer of another corporation, or as its representative in a partnership, joint venture, trust or other enterprise, shall be indemnified and held harmless to the fullest extent legally permissible under the laws of the State of Nevada, as amended, against all expenses, liability and loss (including attorneys' fees), judgments, fines and amounts paid in connection therewith. Such right of indemnification shall be a contract right which may be enforced in any manner desired by such person. Such right of indemnification shall not be exclusive of any other right which such directors, officers or representatives may have or hereafter acquire, and, without limiting the generality of such statement, they shall be entitled to their respective rights of indemnification under any By-Law, agreement, vote of

stockholders, provision of law, or otherwise, as well as their rights under this Article.

The personal liability of a director or officer of the corporation or its stockholders, shall be limited to the fullest extent provided by Nevada law, as amended, for damages for breach of fiduciary duty as an officer or director. This provision shall not eliminate the liability of a director or officer for acts or omissions which involved intentional misconduct, fraud, a knowing violation of the law or the payment of dividends in violation of NRS 78.300.

Expenses of directors and officers incurred in defending a civil or criminal action, suit or proceeding, must be paid by the corporation as they are incurred and in advance of the final disposition of the action, suit or proceeding, upon receipt of and undertaking by or on behalf of the director or officer to repay the amount if it is ultimately determined by a court of competent jurisdiction that he or she is not entitled to be indemnified by the corporation. This does not affect the rights to advancement of expenses which corporate personnel, other than directors or officers, may be entitled to under any contract or otherwise by law.

Without limiting the application of the foregoing, the Board of Directors may adopt By-Laws from time to time with respect to indemnification, to provide at all times the fullest indemnification permitted by the laws of the State of Nevada, and may cause the corporation to purchase and maintain insurance on behalf of any person who is or was a director or officer of the corporation, or is or was serving at the request of the corporation as a director or officer of another corporation, or as its representative in a partnership, joint venture, trust or other enterprise against any liability asserted

FILED
IN THE OFFICE OF THE
SECRETARY OF STATE OF THE
STATE OF NEVADA

JUN 18 1990

No. C13871-98

Dean Heller
DEAN HELLER, SECRETARY OF STATE

ARTICLES OF INCORPORATION

OF

PACIFIC FIBER LINK POR-SAC, INC.

That I, the undersigned, have this day voluntarily acted for the purpose of forming a corporation under the laws of the State of Nevada, and to that end, I do hereby certify:

I. NAME

The name of the corporation is **PACIFIC FIBER LINK POR-SAC, INC.**

II. AGENT FOR SERVICE OF PROCESS

The name and address of the initial Resident Agent and location of the Registered Office in this state is Bockley, Singleton, Jamison, Cobeaga & List, 1575 Delucchi Lane, Suite 224, Reno, Nevada 89502.

III. PURPOSE

The purpose of the corporation, and the nature of the business and objects proposed to be transacted and carried on by it are:

To engage in any lawful act or activity for which a corporation may be organized under the laws of the State of Nevada other than the banking business, the trust company business or the practice of a profession permitted to be incorporated under the laws of the State of Nevada.

IV. STOCK

The corporation is authorized to issue one class of shares, which shall be designated "common shares," having a total number of 25,000 shares. Each such

share, when issued, shall have one (1) vote.

V. NUMBER OF DIRECTORS

The members of the governing board of the corporation shall be styled "Directors," and the initial Board of Directors shall be one (1) in number.

The number of directors may, at any time or times, be increased or decreased by a duly adopted amendment to these Articles of Incorporation, or in such manner as shall be provided in the By-Laws of the corporation or by an amendment to the By-Laws of the corporation duly adopted by either the Board of Directors or the shareholders.

VI. INITIAL DIRECTORS

The name and address of the First Board of Directors is as follows:

David Lede
#1000 - 1066 West Hastings Street
Vancouver, British Columbia
Canada V6E 3X1

VII. INCORPORATOR

The name and post office address of the incorporator signing these Articles of Incorporation is as follows:

Lance P. Maiss
Beckley, Singleton, Jamison, Cobeaga & List
1575 Delucchi Lane, Suite 224
Reno, Nevada 89502

VIII. ASSESSABILITY OF SHARES

The capital stock of this corporation, after the amount of the subscription price has been paid, shall not be subject to assessment to pay the debts of the corporation, and no stock issued as fully paid shall be assessable or assessed, nor shall the private property of the stockholders, directors or officers of this corporation be subject to the payment of any corporate debts to any extent whatsoever, and in this particular, the Articles of Incorporation shall not be subject to amendment.

IX. INDEMNIFICATION AND LIMITATION ON LIABILITY

Every person who was or is a party, or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he or she or a person of whom he or she is the legal representative, is or was a director or officer of the corporation, or is or was serving at the request of the corporation as a director or officer of another corporation, or as its representative in a partnership, joint venture, trust or other enterprise, shall be indemnified and hold harmless to the fullest extent legally permissible under the laws of the State of Nevada, as amended, against all expenses, liability and loss (including attorneys' fees), judgments, fines and amounts paid in connection therewith. Such right of indemnification shall be a contract right which may be enforced in any manner desired by such person. Such right of indemnification shall not be exclusive of any other right which such directors, officers or representatives may have or hereafter acquire, and, without limiting the generality of such statement, they shall be entitled to their respective rights of indemnification under any By-Law, agreement, vote of

stockholders, provision of law, or otherwise, as well as their rights under this Article.

The personal liability of a director or officer of the corporation or its stockholders, shall be limited to the fullest extent provided by Nevada law, as amended, for damages for breach of fiduciary duty as an officer or director. This provision shall not eliminate the liability of a director or officer for acts or omissions which involved intentional misconduct, fraud, a knowing violation of the law or the payment of dividends in violation of NRS 78.300.

Expenses of directors and officers incurred in defending a civil or criminal action, suit or proceeding, must be paid by the corporation as they are incurred and in advance of the final disposition of the action, suit or proceeding, upon receipt of and undertaking by or on behalf of the director or officer to repay the amount if it is ultimately determined by a court of competent jurisdiction that he or she is not entitled to be indemnified by the corporation. This does not affect the rights to advancement of expenses which corporate personnel, other than directors or officers, may be entitled to under any contract or otherwise by law.

Without limiting the application of the foregoing, the Board of Directors may adopt By-Laws from time to time with respect to indemnification, to provide at all times the fullest indemnification permitted by the laws of the State of Nevada, and may cause the corporation to purchase and maintain insurance on behalf of any person who is or was a director or officer of the corporation, or is or was serving at the request of the corporation as a director or officer of another corporation, or as its representative in a partnership, joint venture, trust or other enterprise against any liability asserted

against such person and incurred in any such capacity or arising out of such status, whether or not the corporation would have the power to indemnify such person.

X. RIGHTS, PREFERENCES, PRIVILEGES AND RESTRICTIONS

Unless otherwise determined by the Board of Directors, no holder of stock of the corporation shall be entitled as such, as a matter of right, to purchase or subscribe for any stock of any class which the corporation may issue or sell, whether or not exchangeable for any stock of the corporation of unissued shares authorized by the Articles of Incorporation of the corporation as originally filed or by any amendment thereof, or out of shares of stock of the corporation acquired by it after the issue thereof, and whether issued for cash, labor performed, personal property, real property, or locus thereof, nor shall he be entitled to any right of subscription to any thereof; nor, unless otherwise determined by the Board of Directors, shall any holder of any shares be entitled as such, as a matter of right, to purchase or subscribe for any obligation which the corporation may issue or sell that shall be convertible into or exchangeable for any shares of the stock of its capital stock of any class or classes.

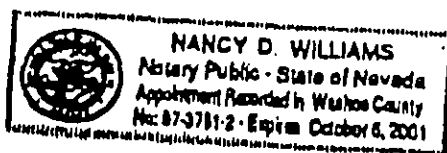
IN WITNESS WHEREOF, I have hereunto set my hand this 16th day of June, 1998, hereby declaring and certifying that the facts stated hereinabove are true.



LANCE P. MAISS

State of Nevada)
)ss:
County of Washoe)

On June 14th, 1998, personally appeared before me, a Notary Public,
Lance P. Maiss, who knowledgeed that he executed the above instrument.



[Signature]
NOTARY

Appendix B
Certificate of Authority
Worldwide Fiber, Inc.

STATE OF MISSOURI



Rebecca McDowell Cook
Secretary of State

CORPORATION DIVISION
CERTIFICATE OF CORPORATE RECORDS

WORLDWIDE FIBER NETWORKS, INC.

USING IN MISSOURI THE NAME

WORLDWIDE FIBER NETWORKS, INC.

I, REBECCA MCDOWELL COOK, SECRETARY OF STATE OF THE STATE OF MISSOURI AND KEEPER OF THE GREAT SEAL THEREOF, DO HEREBY CERTIFY THAT THE ANNEXED PAGES CONTAIN A FULL, TRUE AND COMPLETE COPY OF THE ORIGINAL DOCUMENTS ON FILE AND OF RECORD IN THIS OFFICE.

IN TESTIMONY WHEREOF, I HAVE SET MY HAND AND IMPRINTED THE GREAT SEAL OF THE STATE OF MISSOURI, ON THIS, THE 31ST DAY OF AUGUST, 1999.

Rebecca McDowell Cook
Secretary of State



STATE OF MISSOURI



Rebecca McDowell Cook
Secretary of State

^{CORRECTED}
 CORPORATION DIVISION - CERTIFICATE OF AUTHORITY

WHEREAS,
 WORLDWIDE FIBER NETWORKS, INC.

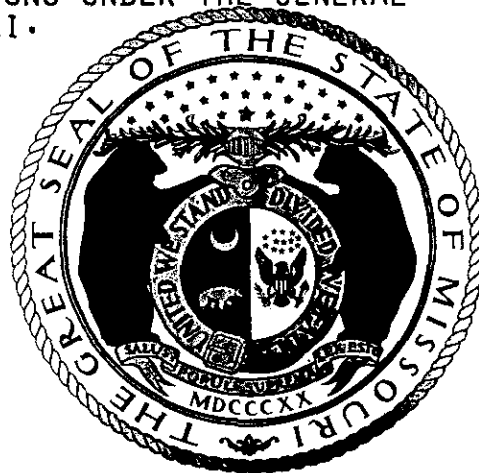
USING IN MISSOURI THE NAME
 WORLDWIDE FIBER NETWORKS, INC.

HAS COMPLIED WITH THE GENERAL AND BUSINESS CORPORATION LAW WHICH GOVERNS FOREIGN CORPORATIONS; BY FILING IN THE OFFICE OF THE SECRETARY OF STATE OF MISSOURI AUTHENTICATED EVIDENCE OF ITS INCORPORATION AND GOOD STANDING UNDER THE LAWS OF THE STATE OF NEVADA.

NOW, THEREFORE, I, REBECCA MCDOWELL COOK, SECRETARY OF STATE OF THE STATE OF MISSOURI, DO HEREBY CERTIFY THAT SAID CORPORATION IS FROM THIS DATE DULY AUTHORIZED TO TRANSACT BUSINESS IN THIS STATE, AND IS ENTITLED TO ALL RIGHTS AND PRIVILEGES GRANTED TO FOREIGN CORPORATIONS UNDER THE GENERAL AND BUSINESS CORPORATION LAW OF MISSOURI.

IN TESTIMONY WHEREOF, I HAVE SET MY HAND AND IMPRINTED THE GREAT SEAL OF THE STATE OF MISSOURI, ON THIS, THE 8TH DAY OF JULY, 1999.

Rebecca McDowell Cook
 Secretary of State



\$155.00



State of Missouri

Rebecca McDowell Cook, Secretary of State

P.O. Box 778, Jefferson City, MO 65102
Corporation Division

FILED
AND CERTIFICATE OF
AUTHORITY ISSUED

**Application for Foreign Corporation
for a Certificate of Authority**

JUL 08 1999

(Submit in duplicate with filing fee of \$155.00)

Rebecca McDowell Cook
SECRETARY OF STATE

(1) The corporation's name is Worldwide Fiber Networks, Inc.
and it is organized and existing under the laws of Nevada

(2) The name it will use in Missouri is Worldwide Fiber Networks, Inc.

(3) The date of its incorporation was 6/12/98 (month/day/year),
and the period of its duration is Perpetual

(4) The address of its principal place of business (Address/City/State/Zip)
1575 Delucchi Lane, Suite 224, Reno, Nevada 89502

(5) The name and address of its registered agent and office in the State of
Missouri is (Name, Address, City/State/Zip)
C T Corporation System, 120 South Central Avenue, Clayton, Missouri 63105

(6) The specific purpose(s) of its business in Missouri are: _____
Telecommunications

(7) The name of its officers and directors and their business addresses are as
follows:

Officers (Name/Address/City/State/Zip)

President See attached list of officers

Vice President _____

Secretary _____

Treasurer _____

Board of Directors (Name/Address/City/State/Zip)

Director _____ See attached list of directors

Director _____

Director _____

Director _____

(8) The effective date of this document is the date it is filed by the Secretary of State of Missouri, unless you indicate a future date, as follows:

(Date may not be more than 90 days after the filing date in this office)

In affirmation thereof, the facts stated above are true.

James A. G. Vice President June 30, 1999
(Authorized signature of officer or chairman of the board) (Title) (Date)

Note: You must have a current certificate of good standing or certificate of existence with this application. This may be obtained from the Secretary of State or other authority that issues corporate charters.

Office of Secretary of State Rebecca McDowell Cook
600 W. Main and 208 State Capitol, P.O. Box 778, Jefferson City, Missouri 65102
Telephone: (573) 751-4936

Information contained in this document was compiled using publications from the Secretary of State's Office

7/96

FILED
AND CERTIFICATE OF
AUTHORITY ISSUED

JUL 08 1999

Rebecca McDowell Cook
SECRETARY OF STATE

Appendix to Missouri
Application for Foreign Corporation for a Certificate of Authority

**Officers of
Worldwide Fiber Networks, Inc.**

1. Jerry Tharp, President
1575 Delucchi Lane, Suite 224
Reno, Nevada 89502
2. Ron Stevenson, Executive Vice President/Secretary
1575 Delucchi Lane, Suite 224
Reno, Nevada 89502
3. David Lede, Chief Executive Officer
1575 Delucchi Lane, Suite 224
Reno, Nevada 89502
4. Clifford Lede, Chief Operating Officer
1575 Delucchi Lane, Suite 224
Reno, Nevada 89502
5. John Mandrusiak, Executive Vice President
1575 Delucchi Lane, Suite 224
Reno, Nevada 89502
6. Stephen Stow, Executive Vice President
1575 Delucchi Lane, Suite 224
Reno, Nevada 89502
7. Lionel Desmarais, Sr. Vice President
1575 Delucchi Lane, Suite 224
Reno, Nevada 89502
8. James Cox, Vice President, Planning and Development
1575 Delucchi Lane, Suite 224
Reno, Nevada 89502
9. Bruce Tinney, Vice President, Business Development
1575 Delucchi Lane, Suite 224
Reno, Nevada 89502
10. Patrick Summers, Vice President, Legal and General Counsel
1575 Delucchi Lane, Suite 224
Reno, Nevada 89502
11. Matt Milstead, General Manager, East Coast
1575 Delucchi Lane, Suite 224
Reno, Nevada 89502
12. Carmen Drollinger, Financial Controller
1575 Delucchi Lane, Suite 224
Reno, Nevada 89502

FILED
AND CERTIFICATE OF
AUTHORITY ISSUED

JUL 08 1999

Rebecca McDowell Cook
SECRETARY OF STATE

Appendix to Missouri
Application for Foreign Corporation for a Certificate of Authority

**Directors of
Worldwide Fiber Networks, Inc.**

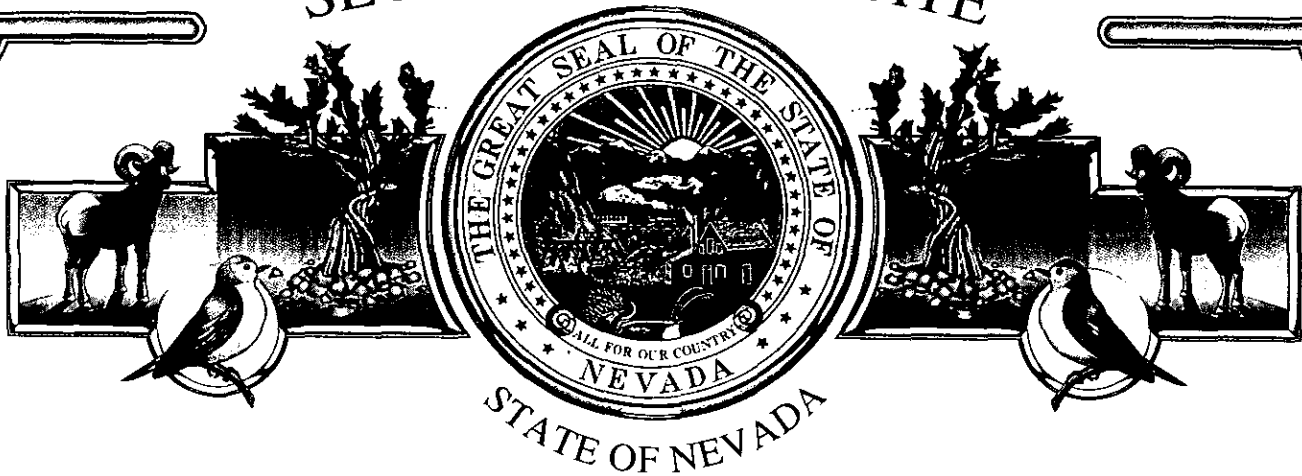
1. Jerry Tharp
1575 Delucchi Lane, Suite 224
Reno, Nevada 89502
2. Ron Stevenson
1575 Delucchi Lane, Suite 224
Reno, Nevada 89502
3. David Lede
1575 Delucchi Lane, Suite 224
Reno, Nevada 89502
4. Clifford Lede
1575 Delucchi Lane, Suite 224
Reno, Nevada 89502
5. Larry Olsen
1575 Delucchi Lane, Suite 224
Reno, Nevada 89502
6. Stephen Stow
1575 Delucchi Lane, Suite 224
Reno, Nevada 89502
7. Lionel Desmarais
1575 Delucchi Lane, Suite 224
Reno, Nevada 89502
8. Pat Michels
1575 Delucchi Lane, Suite 224
Reno, Nevada 89502
9. Brian Johnson
1575 Delucchi Lane, Suite 224
Reno, Nevada 89502

FILED
AND CERTIFICATE OF
AUTHORITY ISSUED

JUL 08 1999

Rebecca McDowell Cook
SECRETARY OF STATE

SECRETARY OF STATE



CERTIFICATE OF EXISTENCE WITH STATUS IN GOOD STANDING

I, DEAN HELLER, the duly elected and qualified Nevada Secretary of State, do hereby certify that I am, by the laws of said State, the custodian of the records relating to filings by corporations, limited-liability companies, limited partnerships, and limited-liability partnerships pursuant to Title 7 of the Nevada Revised Statutes which are either presently in a status of good standing or were in good standing for a time period subsequent of 1976 and am the proper officer to execute this certificate.

I further certify that the records of the Nevada Secretary of State, at the date of this certificate, evidence, **WORLDWIDE FIBER NETWORKS, INC.**, as a corporation duly organized under the laws of Nevada and existing under and by virtue of the laws of the State of Nevada since June 12, 1998, and is in good standing in this state.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Great Seal of State, at my office, in Carson City, Nevada, on June 30, 1999.



Dean Heller

Secretary of State

By

J. M. Mueselman

Certification Clerk

Appendix C
Officers and Directors
Worldwide Fiber Networks, Inc.

Appendix to Missouri
Application for Foreign Corporation for a Certificate of Authority

**Directors of
Worldwide Fiber Networks, Inc.**

1. Jerry Tharp
1575 Delucchi Lane, Suite 224
Reno, Nevada 89502
2. Ron Stevenson
1575 Delucchi Lane, Suite 224
Reno, Nevada 89502
3. David Lede
1575 Delucchi Lane, Suite 224
Reno, Nevada 89502
4. Clifford Lede
1575 Delucchi Lane, Suite 224
Reno, Nevada 89502
5. Larry Olsen
1575 Delucchi Lane, Suite 224
Reno, Nevada 89502
6. Stephen Stow
1575 Delucchi Lane, Suite 224
Reno, Nevada 89502
7. Lionel Desmarais
1575 Delucchi Lane, Suite 224
Reno, Nevada 89502
8. Pat Michels
1575 Delucchi Lane, Suite 224
Reno, Nevada 89502
9. Brian Johnson
1575 Delucchi Lane, Suite 224
Reno, Nevada 89502

FILED
AND CERTIFICATE OF
AUTHORITY ISSUED

JUL 08 1999

Rebecca McDowell Cook
SECRETARY OF STATE

Appendix to Missouri
Application for Foreign Corporation for a Certificate of Authority

**Officers of
Worldwide Fiber Networks, Inc.**

1. Jerry Tharp, President
1575 Delucchi Lane, Suite 224
Reno, Nevada 89502
2. Ron Stevenson, Executive Vice President/Secretary
1575 Delucchi Lane, Suite 224
Reno, Nevada 89502
3. David Lede, Chief Executive Officer
1575 Delucchi Lane, Suite 224
Reno, Nevada 89502
4. Clifford Lede, Chief Operating Officer
1575 Delucchi Lane, Suite 224
Reno, Nevada 89502
5. John Mandrusiak, Executive Vice President
1575 Delucchi Lane, Suite 224
Reno, Nevada 89502
6. Stephen Stow, Executive Vice President
1575 Delucchi Lane, Suite 224
Reno, Nevada 89502
7. Lionel Desmarais, Sr. Vice President
1575 Delucchi Lane, Suite 224
Reno, Nevada 89502
8. James Cox, Vice President, Planning and Development
1575 Delucchi Lane, Suite 224
Reno, Nevada 89502
9. Bruce Tinney, Vice President, Business Development
1575 Delucchi Lane, Suite 224
Reno, Nevada 89502
10. Patrick Summers, Vice President, Legal and General Counsel
1575 Delucchi Lane, Suite 224
Reno, Nevada 89502
11. Matt Milstead, General Manager, East Coast
1575 Delucchi Lane, Suite 224
Reno, Nevada 89502
12. Carmen Drollinger, Financial Controller
1575 Delucchi Lane, Suite 224
Reno, Nevada 89502

FILED
AND CERTIFICATE OF
AUTHORITY ISSUED

JUL 08 1999

Rebecca McDowell Cook
SECRETARY OF STATE

Appendix D
Proposed Tariff
Worldwide Fiber Networks, Inc.

Appendix E
Qualifications of Management
Worldwide Fiber Networks, Inc.

1794

MANAGEMENT

1795 Directors and Officers

1796 Our directors and officers are set forth below:

Name	Age	Position
David Lede	51	Chairman of the Board and Chief Executive Officer
Clifford Lede	43	Vice-Chairman and Chief Operating Officer
Larry Olsen	50	Vice Chairman and Chief Financial Officer
Ron Stevenson	46	President and Director
Stephen Stow	45	Executive Vice President and Director
John Mandrusiak	67	Executive Vice President and Director
Lionel Desmarais	46	Senior Vice President and General Manager
Scott Lyons	44	Vice President, Marine Services
David Brierley	51	Vice President, Engineering
Scott Ballentine	42	Vice President, Business Development
William Ramsay	49	Vice President and Treasurer
William Walls	33	Manager, Finance

1797

1798 David Lede has served as Chairman and Chief Executive Officer since our inception and as Chairman
 1799 of the Board and Chief Executive Officer of Ledcor Inc. since 1983. Mr. Lede has been with Ledcor for 31 years
 1800 and, prior to becoming Chairman of the Board and Chief Executive Officer of Ledcor, he held positions such as
 1801 President, Vice President, Operations Manager and Superintendent.

1802

1803 Clifford Lede has served as Vice Chairman and Chief Operating Officer since our inception and as
 1804 Vice Chairman and President and Chief Operating Officer of Ledcor Inc. since 1983. Mr. Lede has been with
 1805 Ledcor for 24 years and, prior to becoming President and Chief Operating Officer of Ledcor, he held positions
 such as Vice President, Operations Manager and Superintendent. Clifford Lede and David Lede are brothers.

1806

1807 Larry Olsen has served as Vice Chairman and Chief Financial Officer since our inception. Mr. Olsen
 1808 is also a member of the Board and Executive Committee of First Heritage Savings, a Canadian financial institu-
 1809 tion. Mr. Olsen was previously involved in several international business ventures throughout Asia, Australia
 1810 and the Middle East. He has held the position of Managing Director, Chief Executive Officer and Executive
 1811 Chairman of Crownhampton International Limited and Promet Petroleum and various other public and private
 1812 companies involved in several different industries including offshore oil petroleum and exploration, offshore
 1813 work vessels, high technology manufacturing, construction development and marketing for major technology
 companies.

1814

1815 Ron Stevenson has served as President and a Director since our inception and is a director of Ledcor.
 1816 Prior to joining us, Mr. Stevenson spent 28 years with Ledcor. From 1989 to 1998, Mr. Stevenson was Senior
 1817 Vice President of Operations for Ledcor's telecommunications and civil divisions and was responsible for con-
 struction and project development.

1818

1819 Stephen Stow has served as Executive Vice President, Corporate Development and a Director since our
 1820 inception. Mr. Stow previously served as a principal in various venture capital activities. From 1992 to 1995,
 1821 Mr. Stow was co-head and Director of Corporate Finance for National Westminster Bank's Asian investment
 banking operations.

1822 John Mandrusiak has served as Executive Vice President and a Director since our inception and has
 1823 been a Director of Leducor for the past 36 years and an Executive Vice President since 1988. Mr. Mandrusiak has
 1824 held various positions with Leducor, including Controller, Vice President, Finance and Chief Financial Officer.

1825 Lionel Desmarais has served as Senior Vice President and General Manager since our inception. Prior
 1826 to joining us, Mr. Desmarais spent 12 years with Leducor. From 1993 to 1998, Mr. Desmarais was Vice President
 1827 for Leducor's telecommunications division and has been responsible for overseeing the successful execution of
 1828 numerous long-distance fiber optic networks, including the Canadian FOTS and the Calgary-Edmonton network.

1829 Scott Lyons has served as Vice President, Marine Services since our inception. From 1997 to 1998,
 1830 Mr. Lyons was Vice President of Leducor's Marine Division and was responsible for its creation and management.
 1831 Prior to that time, Mr. Lyons was President of Artoch Enterprises from 1995 to 1997, President and Chief Oper-
 1832 ating Officer of Hard Suits Inc. from 1994 to 1995 and from 1990 to 1994 as Chief Operating Officer of Rock-
 1833 water Limited, a subsidiary of Brown and Root specializing in marine construction.

1834 David Brierley has served as Vice President, Engineering since our inception. From 1996 to 1998,
 1835 Mr. Brierley was Vice President, Engineering of Leducor's telecommunications division and was primarily respon-
 1836 sible for the engineering aspects of the planning, design, construction and maintenance for the Canadian FOTS.
 1837 Prior to that time, Mr. Brierley was Manager of Technology Development for R.V. Anderson Associates Limited
 1838 from 1994 to 1996, and Vice President of Delcan Corporation from 1992 to 1994.

1839 Scott Ballentine has served as Vice President, Business Development since our inception. Prior to
 1840 joining us, Mr. Ballentine spent 11 years with Leducor in senior marketing and business development positions.

1841 William Ramsey recently joined us as Vice President with responsibility for treasury functions. He was
 1842 previously Chief Financial Officer, for 13 years, of WIC Western International Communications Ltd., a publicly
 1843 traded Canadian broadcasting company.

1844 William Walls has served as Manager of Finance since our inception. Prior to joining us, Mr. Walls
 1845 was a principal in various venture capital activities and has been a director or senior financial officer of several
 1846 Canadian and U.S. publicly-listed companies.

Appendix F
Financial Statements
Worldwide Fiber (USA), Inc.

PricewaterhouseCoopers LLP
Chartered Accountants
1111 West Hastings Street
Vancouver British Columbia
Canada V6E 3R2
Telephone +1 (604) 806 7000
Facsimile +1 (604) 806 7806

Report of Independent Accountants

**To the Board of Directors and Shareholders of
Worldwide Fiber (USA), Inc.
(formerly Pacific Fiber Link, Inc.)**

In our opinion, the accompanying consolidated balance sheet and related consolidated income statement and statements of changes in shareholders' equity and of cash flows present fairly, in all material respects, the financial position of Worldwide Fiber (USA), Inc. (formerly Pacific Fiber Link, Inc.) and its subsidiaries at December 31, 1998, and the results of their operations and their cash flows for the period from February 11, 1998 to December 31, 1998, in conformity with generally accepted accounting principles in the United States. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for the opinion expressed above.

PricewaterhouseCoopers LLP

Vancouver, Canada
March 12, 1999.

Worldwide Fiber (USA), Inc.

(formerly Pacific Fiber Link, Inc.)

Consolidated Balance Sheet

As at December 31, 1998

(tabular amounts expressed in thousands of U.S. dollars)

Assets

Current assets

Cash and cash equivalents	\$	2,242
Accounts receivable (note 4)		3,090
Unbilled revenue (note 4)		9,634
Inventory (note 4)		23,835

38,801

Fixed assets (note 4)

7,178

\$ 45,979

Liabilities

Current liabilities

Accounts payable (note 4)	\$	17,445
Income taxes payable		980
Due to parent (note 4)		21,783

40,208

Shareholders' Equity

Share capital

Authorized (note 5)

25,000 non-voting common shares, without par value

25,000 Class A voting preferred shares, without par value

100,000 Class B non-voting preferred shares, without par value

Issued and outstanding

200 non-voting common shares and 200 Class A voting preferred shares (note 5)

3,915

Retained earnings

1,856

5,771

\$ 45,979

Commitments (note 11)

Approved by the Board of Directors

Director

Director

The accompanying notes are an integral part of these consolidated financial statements

Worldwide Fiber (USA), Inc.

(formerly Pacific Fiber Link, Inc.)

Consolidated Income Statement

For the period from February 11, 1998 to December 31, 1998

(tabular amounts expressed in thousands of U.S. dollars)

Revenue	\$	21,071
Costs		<u>16,533</u>
Gross profit		4,538
Expenses		
General and administrative		<u>1,683</u>
		2,855
Interest expense		72
Interest income		<u>53</u>
Income before income taxes		2,836
Provision for income taxes		<u>980</u>
Net income for the period	\$	<u>1,856</u>

The accompanying notes are an integral part of these consolidated financial statements

Worldwide Fiber (USA), Inc.
(formerly Pacific Fiber Link, Inc.)
Notes to Consolidated Financial Statements
December 31, 1998

(tabular amounts expressed in thousands of U.S. dollars)

1 The Company

Worldwide Fiber (USA), Inc. (the "Company"), formerly known as Pacific Fiber Link, Inc., was incorporated on August 7, 1998. The Company was inactive until August 31, 1998. On August 31, 1998, the Company acquired 100% of the ownership interest of Worldwide Fiber Networks, Inc. ("WFNI") (formerly Pacific Fiber Link, LLC) from its two members, Leducor Industries Limited ("Leducor") and Mi-Tech Communications, LLC ("Mi-Tech"), in exchange for 100 non-voting common shares and 100 Class A voting preferred shares of the Company. The acquisition was accounted for in a manner similar to a pooling of interests on the basis that the ownership interests before and after the acquisition remained the same. Accordingly, the financial statements presented include the results of operations of the Company and WFNI from February 11, 1998, the date that WFNI was organized.

On December 31, 1998, the Company issued 100 shares of non-voting common shares and 100 Class A voting preferred shares as consideration for the settlement of indebtedness owed to Worldwide Fiber Inc. ("WFI" or "parent") of \$3,915,000 increasing WFI's interest from 50% to 75%.

The Company has entered into a shareholders' agreement among WFI, Leducor, Mi-Tech and Michels Pipeline Construction, Inc. (an affiliate of Mi-Tech) whereby:

- (i) Any sale, transfer, assignment or encumbrance or divestment of any interest in or control of the Company to a third party is restricted. In the event of a proposed sale of the shares of the Company held by WFI, Mi-Tech will have certain tag-along rights. If there is a change of control of the Company, Mi-Tech has the option to require the Company to purchase all of the shares owned by Mi-Tech or its affiliates at the fair market value of such shares. In addition, after the tenth anniversary of this agreement Mi-Tech has the option to require the Company to purchase all of the shares owned by Mi-Tech and its affiliates at fair market value. If Mi-Tech exercises this option, WFI can elect to sell all of the shares or assets of the Company to a third party in which case WFI will not be required to purchase Mi-Tech's shares.
- (ii) The Company has an option to purchase from Mi-Tech 24 fiber optic strands along certain existing routes owned by Mi-Tech and its affiliates at fair value. The Company also has an option to purchase from WFI and its affiliates, indefeasible rights of use of 24 fiber optic strands from its Chicago-New Orleans route if and when built, at fair value. These options expire one year after the strands are available.
- (iii) If WFI were to issue shares in a public offering having an aggregate value of at least \$20,000,000, Mi-Tech has the option to convert all of the shares of the Company held by Mi-Tech and its affiliates into the class and series of shares being offered to the public.

The Company's operations consist of developing, engineering, constructing, installing and maintaining fiber optic networks assets. The Company's primary customers are telecommunications carriers and fiber optic systems developers located in the U.S.

Worldwide Fiber (USA), Inc.
(formerly Pacific Fiber Link, Inc.)
Notes to Consolidated Financial Statements
December 31, 1998

(tabular amounts expressed in thousands of U.S. dollars)

2 Summary of significant accounting policies

Basis of presentation

These consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States and include the accounts of the Company and its wholly-owned subsidiaries. All significant intercompany transactions and balances have been eliminated on consolidation.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses for the period reported. Actual results could differ from those estimates.

Cash and cash equivalents

Cash and cash equivalents consists of cash on deposit and highly liquid short-term interest bearing securities with maturity at the date of purchase of three months or less.

Fixed assets

Fiber optic network assets and other assets are recorded at cost. Fixed assets are depreciated using the following rates and methods:

- Fiber optic network assets - straight-line method over the estimated useful lives of the assets.
- Other assets - straight-line method, over the estimated useful lives of the assets.

Inventory

Inventory consists of fiber optic network assets to be sold or leased and are recorded at the lower of cost and market. Cost includes direct materials, subcontractors charges, labour and interest.

Unbilled revenue

Revenue recognized using the cost-to-cost method (see "Revenue recognition") less billings to date is recorded as unbilled revenue.

Worldwide Fiber (USA), Inc.
(formerly Pacific Fiber Link, Inc.)
Notes to Consolidated Financial Statements
December 31, 1998

(tabular amounts expressed in thousands of U.S. dollars)

Income taxes

Income taxes are accounted for using an asset and liability approach, which requires the recognition of taxes payable or refundable for the current period and deferred tax liabilities and assets for future tax consequences of events that have been recognized in the Company's financial statements or tax returns. The measurement of current and deferred tax liabilities and assets are based on provisions of enacted tax laws; the effects of future changes in tax laws or rates are not anticipated. The measurement of deferred tax assets is reduced, if necessary, by a valuation allowance, where based on available evidence, the probability of realization of the deferred tax asset, does not meet a more likely than not criteria.

Revenue recognition

Revenue and income from construction contracts to develop fiber optic network assets, are determined on the percentage-of-completion basis using the cost-to-cost method. Provision is made for all anticipated losses as soon as they become evident. Claims for additional contract compensation are not recognized until resolved.

Foreign currency transactions

The Company uses the U.S. dollar as its functional currency. Gains or losses from foreign currency transactions are included in the consolidated income statement.

Fair value of financial instruments

The fair value of the Company's financial instruments consisting of cash and cash equivalents, accounts receivable, unbilled revenue, accounts payable, income taxes payable, and due to parent approximates their carrying values due to their short-term nature.

Recent accounting pronouncements

In June 1998, the Financial Accounting Standards Board issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities". This statement establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts and for hedging activities. The Company does not expect the adoption of SFAS No. 133 to have material impact on its consolidated financial statements.

Worldwide Fiber (USA), Inc.
 (formerly Pacific Fiber Link, Inc.)
 Notes to Consolidated Financial Statements
 December 31, 1998

(tabular amounts expressed in thousands of U.S. dollars)

3 Supplemental cash flow information

Cash paid for income taxes	\$	-
Cash paid for interest		-
Supplemental non-cash investing and financing activities		
Issuance of shares:		
To acquire Worldwide Fiber Networks Inc.		-
In exchange for surrender of note payable to WFI		3,915

4 Balance Sheet components

Accounts receivable		
Trade accounts receivable	\$	3,090
Unbilled revenue		
Revenue earned on uncompleted contracts	\$	21,071
Less: Billings to date		11,437
	\$	9,634

Each contract specifies individual billing arrangements as specified in the contract.

Inventory		
Fiber optic network assets	\$	23,835
Fixed assets		
Fiber optic network assets	\$	7,178
Less: Accumulated depreciation		-
Fixed assets - net	\$	7,178

The Company has not provided for any depreciation of the fiber optic network assets for the period ended December 31, 1998 as these assets were under construction.

Accounts payable		
Subcontractor and supplier costs	\$	12,544
Subcontractor and supplier holdbacks payable		4,844
Washington State tax payable		57
	\$	17,445

Due to parent

Due to parent consists of advances made during the period. The advances bear interest at the rate of 12.625% and have no stated terms of repayment.

Worldwide Fiber (USA), Inc.
(formerly Pacific Fiber Link, Inc.)
Notes to Consolidated Financial Statements
December 31, 1998

(tabular amounts expressed in thousands of U.S. dollars)

5 Share capital

a) Preferred shares

Authorized

The Company is authorized to issue 125,000 preferred shares without par value; 25,000 Class A voting preferred shares and 100,000 Class B non-voting preferred shares. As at December 31, 1998, there were 200 Class A voting preferred shares issued.

Voting

The holders of Class A preferred shares are entitled to attend shareholder meetings and to one vote for each share held. The holders of Class A preferred shares have no other rights, preferences or privileges. The holders of Class B preferred shares are not entitled to vote or attend shareholder meetings.

Dividends

The holders of Class B preferred shares are entitled to receive a dividend when declared by the Board of Directors, payable in preference to the dividends payable on any other classes of shares.

Return of capital

In the event the Company is liquidated, dissolved or wound up, the holders of Class B preferred shares shall be entitled to such rights as expressed in the resolution for the issue of such Class B shares, adopted by the Board of Directors.

Redemption and retraction

The Company may redeem or purchase Class B preferred shares at such time and such price as expressed in the resolution for the issue of Class B preferred shares, adopted by the Board of Directors.

b) Common shares

Authorized

The Company is authorized to issue 25,000 non-voting common shares, without par value. As at December 31, 1998, there were 200 non-voting common shares issued.

Worldwide Fiber (USA), Inc.
(formerly Pacific Fiber Link, Inc.)
Notes to Consolidated Financial Statements
December 31, 1998

(tabular amounts expressed in thousands of U.S. dollars)

6 Provision for income taxes

The provision for current income taxes attributable to net income consists of the following:

U.S. federal	\$	953
U.S. state and local		27
	\$	<u>980</u>

The Company's statutory rate of 34% is not materially different to its effective rate of 34.6%.

7 Concentration of credit risk

Financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash and cash equivalents, accounts receivable and unbilled revenue. Accounts receivable are not collateralized. The Company limits its exposure to credit loss by placing its cash and cash equivalents with high credit quality financial institutions. Concentrations of credit risk with respect to accounts receivable and unbilled revenue are considered to be limited due to the credit quality of the customers comprising the Company's customer base.

The Company performs ongoing credit evaluations of its customers' financial condition to determine the need for an allowance for doubtful accounts. The Company has not experienced significant credit losses to date. At December 31, 1998 seven customers accounted for the entire accounts receivable and unbilled revenue balances.

8 Revenue and significant customers

During the period ended December 31, 1998, the Company's revenue from its three largest customers represented individually 35%, 30% and 13% of total revenue.

9 Related party transactions

The Company reimburses Leducor and Mi-Tech for expenses incurred on the Company's behalf. For the period ended December 31, 1998 the amount of these transactions with Leducor and Mi-Tech was \$1,469,000 and \$1,401,000 respectively. As at December 31, 1998 accounts payable includes \$478,000 owed to Leducor and \$524,000 owed to Mi-Tech.

Worldwide Fiber (USA), Inc.
(formerly Pacific Fiber Link, Inc.)
Notes to Consolidated Financial Statements
December 31, 1998

(tabular amounts expressed in thousands of U.S. dollars)

10 Segmented information

The Company operates within a single operating segment being the construction and installation of fiber optic network assets in the United States. All revenues are earned from U.S. sources and all long lived assets are located in the U.S.

11 Commitments

Network developments

The Company has, in the normal course of business, entered into agreements to provide construction services and fiber optic network assets to third parties in Canada and the United States.

Right of way access agreements

The Company has entered into various agreements during the year to secure the rights of ways along its network routes. In general, most agreements have an option renewal clause stating that grantors cannot unjustly withhold their acceptance of a renewal.

Operating leases

The Company leases certain facilities and equipment used in its operations under operating leases. Future minimum lease payments under these lease agreements at December 31, 1998 are as follows:

1999	\$	205
2000		83
2001		50
2002		34
2003 and beyond		—

EXHIBIT D