SWIDLER
&
BERLIN
CHARTERED

ORIGINAL

May 13, 1997

VIA OVERNIGHT DELIVERY

Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0870

970582-TI

Re: Applicatio of Teleglobe USA Inc.

Dear Ms. Bayo:

Enclosed herewith on behalf of Teleglobe USA Inc. ("TUSA") are an original and five (5) copies of an Application Form for Authority to Provide Interexchange Telecommunications Service within the State of Florida. Also enclosed is a check in the amount of $250.00 to cover the filing fee.

Please date-stamp the extra copy and return it in the enclosed, self-addressed stamped envelope.

If you have any questions concerning this filing, please do not hesitate to contact us.

Very truly yours,

Margaret M. Charles

Margaret M. Charles
Kimberly A. Rosenthal
Counsel for Teleglobe USA Inc.

Check received with filing and
forwarded to Fiscal for deposit.
[illegible] copy of check
[illegible] of deposit.
Initials of person who forwarded check:
[illegible]

Enclosures

cc: Charles A. Tievsky (w/encl.)
Andrew D. Lipman, Esq. (w/o encl.)
Helen Disenhaus, Esq. (w/o encl.)

DOCUMENT NUMBER-DATE
04810 MAY 14 [illegible]
FPSC-RECORDS/REPORTING

190596.1

3000 K Street, N.W. ■ Suite 300
Washington, D.C. 20007-5116
(202)424-7500 ■ Telex 701131 ■ Facsimile (202)424-76[illegible]

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Re: Application of Teleglobe USA Inc.

Dear Ms. Bayo:

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Very truly yours

SWIDLER & BERLIN
CHARTERED
3000 K STREET, N.W., SUITE 300
WASHINGTON, D.C. 20007

FIRST UNION NATIONAL BANK
WASHINGTON, D.C.

0056492

EXACTLY*****250*DOLLARS AND*00*CENTS

DATE 05/13/97

AMOUNT $$$$$250.00

PAY TO THE ORDER OF FLORIDA PUBLIC SERVICE COMMISS

GENERAL ACCOUNT
TWO SIGNATURES REQUIRED ABOVE $10,000

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

Teleglobe USA Inc.	)	
	)	
Request for Authority to Provide	)	Docket No. ______________
Interexchange Telecommunications	)	
Service within the State of Florida	)	

APPLICATION FORM
for
AUTHORITY TO PROVIDE INTEREXCHANGE TELECOMMUNICATIONS SERVICE WITHIN THE STATE OF FLORIDA

1. This is an application for (check one):

   (X) Original Authority (New company).
   ( ) Approval of Transfer (To another certificated company).
   ( ) Approval of Assignment of Existing Certificate (To a noncertificated company).
   ( ) Approval for Transfer of Control (To another certificated company).

2. Select what type of business your company will be conducting (check all that apply):

   ( ) Facilities Based Carrier - company owns and operates or plans to own and operate telecommunications switches and transmission facilities in Florida.

   ( ) Operator Service Provider - company provides or plans to provide alternative operator services for IXCs; or toll operator services to call aggregator locations; or clearinghouse services to bill such calls.

   (X) Reseller - company has or plans to have one or more switches, but primarily leases the transmission facilities of other carriers. Bills its own customer base for services used.

   ( ) Switchless Rebiller - company has no switch or transmission facilities, but may have a billing computer. Aggregates traffic to obtain bulk discounts from underlying carrier. Rebills end users at a rate above its discount, but generally below the rate end users would pay for unaggregated traffic.

   ( ) Multi-Location Discount Aggregator - company contracts with unaffiliated entities to obtain bulk/volume discounts under multi-location discount plans from certain underlying carriers, then offers the resold service by enrolling unaffiliated customers.

3. Name of corporation, partnership, cooperative, joint venture, or sole proprietorship:

   Teleglobe USA Inc.

4. Name under which the applicant will do business (fictitious name, etc.):

   Teleglobe USA Inc.

5. National address (including street name and number, post office box, city, state, and zip code):

Teleglobe USA Inc.
1751 Pinnacle Drive; Suite 1600
McLean, Virginia 22102
Telephone: 703/714-6600
Facsimile: 703/610-5608

6. Florida address (including street name and number, post office box, city, state, and zip code):

Applicant does not have an office in the State of Florida at this time.

7. Structure of organization:

( )	Individual	( )	Corporation
(X)	Foreign Corporation	( )	Foreign Partnership
( )	General Partnership	( )	Limited Partnership
( )	Other, ____________		

8. If applicant is an individual or partnership, please give name, title, and address of sole proprietor or partners.

Not applicable.

(a) Provide proof of compliance with the foreign limited partnership statute (Chapter 620.169 FS), if applicable.

(b) Indicate if the individual or any of the partners have previously been:

(1) adjudged bankrupt, mentally incompetent, or found guilty of any felony or of any crime, or whether such actions may result from pending proceedings.

(2) officer, director, partner, or stockholder in any other Florida certificated telephone company. If yes, give name of company and relationship. If no longer associated with company, give reason why not.

9. If incorporated, please give:

(a) Proof from the Florida Secretary of State that the applicant has authority to operate in Florida.

Teleglobe USA, Inc. is in the process of obtaining a certificate of authority to transact business in Florida. The company will forward its certificate to the PSC upon receipt.

Corporation charter number:

(b) Name and address of the company's Florida registered agent.

(c) Provide proof of compliance with the fictitious name statute (Chapter 865.09 FS), if applicable.

Not applicable.

Fictitious name registration number:

(d) Indicate if any of the officers, directors, or any of the ten largest stockholders have previously been:

(1) adjudged bankrupt, mentally incompetent, or found guilty of any felony or of any crime, or whether such actions may result from pending proceedings.

None of TUSA's officers, directors, or stockholders, have previously been adjudged bankrupt, mentally incompetent, or found guilty of any felony or of any crime; nor are any such proceedings pending.

(2) officer, director, partner, or stockholder in any other Florida certificated telephone company. If yes, give name of company and relationship. If no longer associated with company, give reason why not.

No.

10. Who will serve as liaison with the Commission in regard to (please give name, title, address, and telephone number):

(a) Application:

Margaret M. Charles, Esq.
Dalhi N. Myers, Esq.
Swidler & Berlin, Chartered
3000 K Street, NW, Suite 300
Washington, D.C. 20007
Telephone: (202) 945-6943
Facsimile: (202) 424-7645

With a copy to:

Charles A. Tievsky, Esq.
Asst. Vice President, Regulatory Affairs
Teleglobe USA Inc.
1751 Pinnacle Drive, Suite 1600
McLean, Virginia 22102
Telephone: 703/714-6600
Facsimile: 703/610-5608

(b) Official Point of Contact for the ongoing operations of the company:

Charles A. Tievsky, Esq.
Asst. Vice President, Regulatory Affairs
Teleglobe USA Inc.
1751 Pinnacle Drive, Suite 1600
McLean, Virginia 22102
Telephone: 703/714-6600
Facsimile: 703/610-5608

(c) Tariff:

***See* response to 10(b).**

(d) Complaints/Inquiries from customers:

***See* response to 10(b).**

11. List the states in which the applicant:

(a) Has operated as an interexchange carrier.

TUSA does not presently operate as an interexchange carrier.

(b) Has applications pending to be certificated as an interexchange carrier.

TUSA is in the process of obtaining intrastate interexchange authority, where required, throughout the United States, including: Arizona, Hawaii, Illinois, Maryland, Massachusetts, Michigan, Ohio, Pennsylvania, Texas, Virginia, and Washington.

(c) Is certificated to operate as an interexchange carrier.

None.

(d) Has been denied authority to operate as an interexchange carrier and the circumstances involved.

None.

(e) Has had regulatory penalties imposed for violations of telecommunications statutes and the circumstances involved.

None.

(f) Has been involved in civil court proceedings with an interexchange carrier, local exchange company, or other telecommunications entity and the circumstances involved.

None.

12. What services will the applicant offer to other certificated telephone companies:

( ) Facilities ( ) Operators
( ) Billing and Collection ( ) Sales
( ) Maintenance
(X) Other **Inter- and IntraEAEA Switched Services**

13. Do you have a marketing program?

Yes.

14. Will your marketing program:

- (X) Pay commissions?
- ( ) Offer sales franchises?
- ( ) Offer multi-level sales incentives?
- ( ) Offer other sales incentives?

15. Explain any of the offers checked in question 14 (to whom, what amount, type of franchise, etc.).

TUSA may, from time to time, retain sales agents to market TUSA switched services to end users.

16. Who will receive the bills for your services (check all that apply)?

(X)	Residential Customers	(X)	Business Customers
( )	PATS Providers	( )	PATS Station End-Users
( )	Hotels and Motels	( )	Hotel and Motel Guests
( )	Universities	( )	Univ. Dormitory Residents
( )	C .her, ______		

At present, TUSA has no plans to provide service to other than residenti.l and business users. Based upon operating expenses and market conditions, however, the Company may expand its services to other markets.

17. Please provide the following (if applicable):

(a) Will the name of your company appear on the bill for your services and, if not, who will the billed party contact to ask questions about the bill (provide name and phone number) and how is this information provided?

TUSA's name will appear on bills sent to customers; billing services will be provided by OAN.

(b) Name and address of the firm who will bill for your services.

OAN Services, Inc.
7755 Haskel Avenue
Van Nuys, California 91406

OAN will perform TUSA's billing operations.

18. Please provide all available documentation demonstrating that the applicant has the following capabilities to provide interexchange telecommunications service in Florida.

A. Financial capability.

Regarding the showing of financial capability, the following applies:

The application should contain the applicant's financial statements, including:

1. the balance sheet

2. income statement

3. statement of retained earnings for the most recent 3 years.

If available, the financial statements should be audited financial statements.

If the applicant does not have audited financial statements, it shall be so stated. The unaudited financial statements should then be signed by the applicant's chief executive officer and chief financial officer. The signatures should affirm that the financial statements are true and correct.

TUSA will rely upon the verified Annual Information Form of its ultimate parent company, Teleglobe Inc. (Exhibit 2)

B. Managerial capability.

See Exhibit 3.

C. Technical capability.

See Exhibit 3.

19. Please submit the proposed tariff under which the company plans to begin operation. Use the format required by Commission Rule 25-24.485 (example enclosed).

TUSA's proposed tariff is appended hereto as Exhibit 4.

20. The applicant will provide the following interexchange carrier services (check all that apply):

Applicant is seeking authority to provide all forms of direct dialed interexchange services on a resale basis.

( ) MTS with distance sensitive per minute rates

- ( ) Method of access is FGA
- ( ) Method of access is FGB
- (X) Method of access is FGD
- (X) Method of access is 800

( ) MTS with route specific rates per minute

- ( ) Method of access is FGA
- ( ) Method of access is FGB
- ( ) Method of access is FGD
- ( ) Method of access is 800

( ) MTS with statewide flat rates per minute (*i.e.*, not distance sensitive)

- ( ) Method of access is FGA
- ( ) Method of access is FGB
- (X) Method of access is FGD
- ( ) Method of access is 800

( ) MTS for pay telephone service providers

( ) Block-of-time calling plan (Reach Out Florida, Ring America, etc.)

(X) 800 Service (toll free)

( ) WATS-type Service (bulk or volume discount)

- ( ) Method of access is via dedicated facilities
- ( ) Method of access is via switched facilities

( ) Private Line Services (channel services) (*i.e.*, 1.544 mbs., DS-3, etc.)

(X) Travel Service

- (X) Method of access is 950
- (X) Method of access is 800

( ) 900 Service

(X) Operator Services

(X) Available to presubscribed customers
( ) Available to non-presubscribed customers (*i.e.*, to patrons of hotels, students in universities, patients in hospitals)
( ) Available to inmates

Services included are:

(X) Station assistance
(X) Person-to-Person assistance
(X) Directory assistance
(X) Operator verify and interrupt
(X) Conference calling

21. What does the end-user dial for each of the interexchange carrier services that were checked in services included (above)?

The end-user will dial either "1", 10609, or an 800 number to access these services.

22. Other:

Applicant hereby requests a waiver to maintain its records outside the State of Florida.

** APPLICANT ACKNOWLEDGMENT STATEMENT **

1. **REGULATORY ASSESSMENT FEE:** I understand that all telephone companies must pay a regulatory assessment fee in the amount of .15 of one percent of its gross operating revenue derived from intrastate business. Regardless of the gross operating revenue of a company, a minimum annual assessment fee of $50 is required.

2. **GROSS RECEIPTS TAX:** I understand that all telephone companies must pay a gross receipts tax of two and one-half percent on all intra and interstate business.

3. **SALES TAX:** I understand that a seven percent sales tax must be paid on intra and interstate revenues.

4. **APPLICATION FEE:** A non-refundable application fee of $250.00 must be submitted with the application.

5. **RECEIPT AND UNDERSTANDING OF RULES:** I acknowledge receipt and understanding of the Florida Public Service Commission's Rules and Orders relating to my provision of interexchange telephone service in Florida. I also understand that it is my responsibility to comply with all current and future Commission requirements regarding interexchange telephone service.

6. **ACCURACY OF APPLICATION:** By my signature below, I, the undersigned owner or officer of the named utility in the application, attest to the accuracy of the information contained in this application and associated attachments. I have read the foregoing and declare that, to the best of my knowledge and belief, the information is a true and correct statement.

   Further, I am aware that, pursuant to Chapter 837.06, Florida Statutes, "Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree, punishable as provided in s. 775.082 and s. 775-083."

UTILITY OFFICIAL: ______________________ 5-9-97

Charles A. Tievsky Date
Asst. Vice President, Regulatory Affairs
Teleglobe USA Inc.
1751 Pinnacle Drive, Suite 1600
McLean, Virginia 22102

703/714-6600
Telephone Number

FORM PSC/CMU 31 (3/96)
Required by Commission Rule Nos. 25-24.471 and 25-24.473.

APPENDICES

APPENDIX A	CERTIFICATE TRANSFER STATEMENT
APPENDIX B	CUSTOMER DEPOSITS AND ADVANCE PAYMENTS
APPENDIX C	INTRASTATE NETWORK
APPENDIX D	FLORIDA TELEPHONE EXCHANGES AND EAS ROUTES

EXHIBITS

EXHIBIT 1	CERTIFICATE OF AUTHORITY TO TRANSACT BUSINESS
EXHIBIT 2	FINANCIAL STATEMENTS
EXHIBIT 3	MANAGERIAL AND TECHNICAL QUALIFICATIONS
EXHIBIT 4	PROPOSED TARIFF

FORM PSC/CMU 31 (3/96)
Required by Commission Rule Nos. 25-24.471 and 25-24.473.

**** APPENDIX A ****

CERTIFICATE TRANSFER STATEMENT

Not applicable. Teleglobe USA Inc. is applying for original authority.

I, (TYPE NAME)____,

(TITLE)________________________________ **of (NAME OF COMPANY)**

____ and current holder of certificate

number ______________, have reviewed this application and join in the petitioner's

request for a transfer of the above-mentioned certificate.

UTILITY OFFICIAL:

Signature	Date
Title	Telephone Number

FORM PSC/CMU 31 (3/96)
Required by Commission Rule Nos. 25-24.471 and 25-24.473.

**** APPENDIX B ****

CUSTOMER DEPOSITS AND ADVANCE PAYMENTS

A statement of how the Commission can be assured of the security of the customer's deposits and advance payments may be responded to in one of the following ways (applicant, please check one):

(X) The applicant will not collect deposits nor will it collect payments for service more than one month in advance.

( ) The applicant will file with the Commission and maintain a surety bond in an amount equal to the current balance of deposits and advance payments in excess of one month. (Bond must accompany application.)

UTILITY OFFICIAL: ______________________ 5-9-97

Charles A. Tievsky Date
Asst. Vice President, Regulatory Affairs
Teleglobe USA Inc.
1751 Pinnacle Drive, Suite 1600
McLean, Virginia 22102

703/714-6600
Telephone Number

**** APPENDIX C ****

INTRASTATE NETWORK

Initially, TUSA plans to offer services to its subscribers through the resale of other certificated interexchange carriers' facilities and network elements. TUSA has no plan for constructing facilities in Florida at this time. If TUSA creates a plan for constructing its own Florida facilities, it will inform the Commission, and comply with the Commission's requirements and all other relevant regulations.

1. **POP:** Addresses where located, and indicate if owned or leased.

    Not applicable. See above.

    1) 2)

    3) 4)

2. **SWITCHES:** Addresses where located, by type of switch, and indicate if owned or l ased.

    1) 2)

    3) 4)

3. **TRANSMISSION FACILITIES:** POP-to-POP facilities by type of facilities (microwave, fiber, copper, satellite, etc.) and indicate if owned or leased.

    Not applicable. See above.

POP-to-POP	TYPE	OWNERSHIP
1)		
2)		

** APPENDIX C **

INTRASTATE NETWORK (continued)

4. **ORIGINATING SERVICE:** Please provide the list of exchanges where you are proposing to provide originating service within thirty (30) days after the effective date of the certificate (Appendix D).

> **TUSA seeks authority to originate interexchange telecommunications service throughout the State of Florida.**

5. **TRAFFIC RESTRICTIONS:** Please explain how the applicant will comply with the EAEA requirements contained in Commission Rule 25-24.471(4)(a) (copy enclosed).

> **As described more fully in the body of this Application, TUSA proposes to provide interexchange service on a resale basis. The certificated carriers from which TUSA purchases services for resale will be responsible for complying with Commission Rule 25-24.471(4)(a). If TUSA deploys its own facilities-based interexchange service, it will do so in a manner that recognizes that "the local exchange company shall be the sole carrier for O+ local, O- local and O- intraLATA toll calls dialed by end users." TUSA will "not change or augment the dialing pattern of end users for such calls." TUSA will only provide intraLATA toll services to end users who dial TUSA's access code (either 950, 800, or 10XXX).**

6. **CURRENT FLORIDA INTRASTATE SERVICES:** Applicant has ( ) or has not (X) previously provided intrastate telecommunications in Florida. If the answer is has, fully describe the following:

   a) What services have been provided and when did these services begin?

   b) If the services are not currently offered, when were they discontinued?

UTILITY OFFICIAL: [signature] 5-9-97

Charles A. Tievsky Date
Asst. Vice President, Regulatory Affairs
Teleglobe USA Inc.
1751 Pinnacle Drive, Suite 1600
McLean, Virginia 22102

703/714-6600
Telephone Number

**** APPENDIX D ****

FLORIDA TELEPHONE EXCHANGES AND EAS ROUTES

Describe the service area in which you hold yourself out to provide service by telephone company exchange. If all services listed in your tariff are not offered at all locations, so indicate.

In an effort to assist you, attached is a list of major exchanges in Florida showing the small exchanges with which each has extended area service (EAS).

** FLORIDA EAS FOR MAJOR EXCHANGES **

Extended Service Area with	These Exchanges
PENSACOLA:	Cantonment, Gulf Breeze Pace, Milton Holley-Navarre.
PANAMA CITY:	Lynn Haven, Panama City Beach, Youngstown-Fountain and Tyndall AFB.
TALLAHASSEE:	Crawfordville, Havana, Monticello, Panacea, Sopchoppy and St. Marks.
JACKSONVILLE:	Baldwin, Ft. George, Jacksonville Beach, Callahan, Maxville, Middleburg, Orange Park, Ponte Vedra and Julington.
GAINESVILLE:	Alachua, Archer, Brooker, Hawthorne, High Springs, Melrose, Micanopy, Newberry and Waldo.
OCALA:	Belleview, Citra, Dunnellon, Forest Lady Lake (B21), McIntosh, Oklawaha, Orange Springs, Salt Springs and Silver Springs Shores.
DAYTONA BEACH:	New Smyrna Beach.

**** APPENDIX D ****

FLORIDA TELEPHONE EXCHANGES AND EAS ROUTES (continued)

TAMPA:	Central	None
	East	Plant City
	North	Zephyrhills
	South	Palmetto
	West	Clearwater
CLEARWATER:	St. Petersburg, Tampa-West and Tarpon Springs.	
ST. PETERSBURG:	Clearwater.	
LAKELAND:	Bartow, Mulberry, Plant City, Polk City and Winter Haven.	
ORLANDO:	Apopka, East Orange, Lake Buena Vista, Oviedo, Windermere, Winter Garden, Winter Park, Montverde, Reedy Creek and Oviedo-Winter Springs.	
WINTER PARK:	Aopoka, East Orange, Lake Buena Vista, Orlando, Oviedo, Sanford, Windermere, Winter Garden, Oviedo-Winter Springs Reedy Creek, Geneva and Montverde.	
TITUSVILLE:	Cocoa and Cocoa Beach.	
COCOA:	Cocoa Beach, Eau Gallie, Melbourne and Titusville.	
MELBOURNE:	Cocoa, Cocoa Beach, Eau Gallie and Sebastian.	
SARASOTA:	Bradenton, Myakka and Venice.	

** APPENDIX D **

FLORIDA TELEPHONE EXCHANGES AND EAS ROUTES (continued)

FT. MYERS:	Cape Coral, Ft. Myers Beach, North Cape Coral, North Ft. Myers, Pine Island, Lehigh Acres and Sanibel-Captiva Islands
NAPLES:	Marco Island and North Naples.
WEST PALM BEACH:	Boyston Beach and Jupiter.
POMPANO BEACH:	Boca Raton, Coral Springs, Deerfield Beach and Ft. Lauderdale
FT. LAUDERDALE:	Coral Springs, Deerfield Beach, Hollywood and Pompano Beach.
HOLLYWOOD:	Ft. Lauderdale and North Dade.
NORTH DADE:	Hollywood, Miami and Perrine.
MIAMI:	Homestead, North Dade and Perrine.

TUSA seeks authority to originate interexchange telecommunications services throughout the State of Florida at the rates identified in its proposed tariff attached hereto as Exhibit 4.

UTILITY OFFICIAL:

5-9-97

Charles A. Tievsky
Date
Asst. Vice President, Regulatory Affairs
Teleglobe USA Inc.
1751 Pinnacle Drive, Suite 1600
McLean, Virginia 22102

703/714-6600
Telephone Number

EXHIBIT 1

Certificate of Authority to Transact Business

TUSA is in the process of obtaining its certificate of authority to transact business and will forward it upon receipt.

FILED 04:30 PM 06/20/1995
950137474 - 2455505

CERTIFICATE OF AMENDMENT

TO

CERTIFICATE OF INCORPORATION

OF

TELEGLOBE INTERNATIONAL (U.S.) INC.

Teleglobe International (U.S.) Inc., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware, does hereby certify:

FIRST: That the Sole Stockholder and all of the members of the Board of Directors of Teleglobe International (U.S.) Inc., by written consent, filed with the minutes of the Corporation resolutions proposing and declaring advisable the following amendment to the Certificate of Incorporation of the Corporation:

RESOLVED: That Article FIRST of the Certificate of Incorporation of the Corporation be amended so that, as amended, said Article FIRST shall be and read in its entirety as follows:

"FIRST. The name of the Corporation is Teleglobe USA Inc."

SECOND: That the aforesaid amendment was duly adopted in accordance with the applicable provisions of Sections 103 and 242 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, Teleglobe International (U.S.) Inc. has caused this Certificate of Amendment to be signed by Richard Teller, its Assistant Secretary, this 19th day of June, 1995.

TELEGLOBE INTERNATIONAL (U.S.) INC.

By ______________________
Richard Teller, Assistant Secretary

State of Delaware

Office of the Secretary of State

I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF INCORPORATION OF "TELEGLOBE INTERNATIONAL (U.S.) INC." FILED IN THIS OFFICE ON THE TWENTY-THIRD DAY OF NOVEMBER, A.D. 1994, AT 9:01 O'CLOCK A.M.

A CERTIFIED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE NEW CASTLE COUNTY RECORDER OF DEEDS FOR RECORDING.

GREAT SEAL OF THE STATE OF DELAWARE

LIBERTY AND INDEPENDENCE

1793 · 1847 · 1907

Edward J. Freel

Edward J. Freel, Secretary of State

2455505 8100

944227223

AUTHENTICATION: 7313594

DATE: 11-23-94

CERTIFICATE OF INCORPORATION

OF

TELEGLOBE INTERNATIONAL (U.S.) INC.

1. The name of the Corporation is Teleglobe International (U.S.) Inc.

2. The address of the Corporation's registered office in the State of Delaware is 1013 Centre Road, in the City of Wilmington, County of New Castle. The name of the Corporation's registered agent at such address is Corporation Service Company.

3. The nature of the business and purposes to be conducted or promoted are as follows:

> To engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

4. The total number of shares of capital stock which the Corporation shall have authority to issue is 1,000 shares; all of such shares shall be common stock without par value.

5. The name and mailing address of the sole incorporator is as follows:

Name	Mailing Address
Richard Teller	Sullivan & Worcester One Post Office Square Boston, MA 02109

6. The Corporation is to have perpetual existence.

7. In furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized to make, alter or repeal the by-laws of the Corporation.

8. Meetings of the stockholders may be held within or without the State of Delaware, as the by-laws may provide. The books of the Corporation may be kept (subject to any provisions contained in the statutes) outside the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the by-laws of the Corporation. Written ballots shall not be required for any vote taken by the stockholders of the Corporation.

9. No director shall have personal liability for monetary damage for breach of fiduciary duty as a director to the Corporation or its stockholders, provided that the foregoing shall not eliminate or limit the liability of a director (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the Delaware General Corporation Law, and (iv) for any transaction from which the director derived an improper personal benefit.

10. The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation.

IN WITNESS WHEREOF, I have hereunto set my hand on this 21st day of November, 1994.

Richard Teller
Sole Incorporator

F:\JUE\TELG9\INTERCER.MAS:11/21/94

EXHIBIT 2

Financial Statements

Costs and operating expenses were up $3.5 million as a result of costs incurred to generate the additional revenues.

Income from operations rose to $22.6 million from $20.7 million in 1994.

1994 compared with 1993

TMI revenues were $44.1 million in 1994 compared with $27.5 million in 1993. This increase stemmed from *CANTAT 3* laying and burial activities, the full-year impact of the operations of the *C.S. Global Mariner*, which was brought into service in the second quarter of 1993, as well as the weakening of the Canadian dollar with respect to the US currency.

Operating expenses went up by $13.7 million, mostly due to costs incurred to generate the additional revenues. Income from operations rose to $20.7 million from $17.8 million in 1993.

Insurance Systems

1995 compared with 1994

Revenues increased by $11.2 million to $152.4 million in 1995. The US segment's revenues rose by $4.8 million, chiefly due to outsourcing and processing services as well as software license sales, while the Canadian segment's revenues were up $6.4 million, largely thanks to motor vehicle information services.

Costs and operating expenses amounted to $133.1 million in 1995, up 7.5% from $123.8 million in 1994. The increase is entirely attributable to direct costs associated with the additional sales, the main factors being extra labour required to generate the outsourcing revenues and higher costs in the information services sector.

In 1995, the Insurance Systems Division posted income from operations of $19.3 million compared with $17.4 million in 1994.

1994 compared with 1993

Revenues increased by $29.0 million to $141.2 million in 1994. The growth trend which started in 1992 was maintained as sales to both existing and new customers continued to rise. The Division derived additional revenues of US$9.5 million in the United States from processing services as well as software licenses and related services, while Canadian revenues rose by over $10.7 million, largely due to motor vehicle information services.

Costs and operating expenses totaled $123.8 million in 1994, up 20.2% from $103.0 million in 1993. The increase is entirely due to direct costs associated with the additional sales.

In 1994, the Insurance Systems Division recorded income from operations of $17.4 million compared with $9.2 million the previous year. Due to significant productivity gains, the growth in sales was not accompanied by a similar growth in expenses.

Liquidity and *capital resources*

Operations

Cash from operations before changes in non-cash operating balances was $285.1 million in 1995 compared with $217.4 million in 1994. Net changes in non-cash operating balances decreased cash by $2.3 million in 1995 versus a decrease of $61.7 million in 1994, which reflected an unusual timing difference between the reporting of results and year-end collections.

As at December 31, 1995, the Corporation had a positive working capital position of $249.7 million compared with a negative position of $57.5 million a year earlier. The increase is due to the inclusion in current assets of *Globesystem Atlantic*™, a cable system which is made up of *CANTAT 3* and *CANUS 1*™ and owned by a subsidiary of the Corporation.

Investment

Capital expenditures totaled $158.5 million in 1995 compared with $228.9 million the previous year and were incurred mainly by the telecommunications group. Investments in other assets rose to $87.1 million from $41.3 million in 1994 as a result of expenditures related to a long-term contract with Stentor to lease capacity in the Eastern Ring Network and the Central Corridor. Proceeds from the disposal of property, plant and equipment were $31.3 million in 1995 compared with $13.9 million in 1994 and derived from the reassignment or sale of rights in submarine cables and in INMARSAT and INTELSAT assets.

Debt structure

In 1995, the Corporation completed the financing of Teleglobe Marine (U.S.) Inc. by issuing US$86 million in notes. In January 1996, the Corporation arranged for a new $300 million credit facility with a group of domestic commercial banks.

Equity structure

No equity issues were required in 1995, as cash generated by operations and existing lines of credit were sufficient to finance the Corporation's investments.

In the first quarter of 1994, the Corporation issued 5 million 5.4% cumulative third series preferred shares for a total net consideration of $121.7 million. The proceeds from this series were used to redeem the 7.75% debentures, reimburse the 12% US debentures and reduce the credit facility.

At the end of 1995, the ratio of long-term debt to equity was 0.65:1, compared with 0.68:1 in 1994 and 0.9:1 in 1993

Discontinued operations

On January 11, 1994, the Corporation completed a private sale to C-MAC Industries Inc. of 51% of the outstanding shares of Memotec Communications Inc. and sold all of the remaining shares through a public offering for $70.9 million, the approximate net book value of the assets. A balance of payment of $4.1 million outstanding at December 31, 1994 was fully repaid in 1995. The net proceeds of this transaction were applied to reduce outstanding bank loans.

Dividends

Dividend payments amounted to $35.4 million in 1995 compared with $30.6 million in 1994 and $23.3 million in 1993. The higher 1995 figure is due to an increase in quarterly dividends from $0.09 to $0.10 effective in the second quarter of 1995 and to the full-year impact of the third series preferred shares issued in March 1994. The rise in 1994 was attributable to the full-year impact of the July 1993 common share issue, an increase in quarterly dividends from $0.08 to $0.09 effective in the second quarter of 1994 and the issuing of third series preferred shares in March 1994.

Commitments

At the end of 1995, the Corporation had made capital expenditure commitments of approximately $58.1 million, primarily to allow the telecommunications group to meet the demand for existing and new services. It is also committed to investing US$36.9 million in *ORBCOMM*, having exercised its option to increase its stake in the project in 1995. The Corporation has in place the financing it needs to meet any short-term requirements and has the capabilities to raise additional funds in the capital markets whenever necessary.

Since 1992, TCI has had a policy of hedging against currency fluctuations. Various financial instruments are used to hedge projected revenues denominated in foreign currencies. In 1995, forward exchange contracts were purchased to cover most TCI 1996 revenues budgeted in US dollars and special drawing rights (SDRs). (See Note 18 to the financial statements – Commitments.)

Outlook

The Corporation expects its capital expenditures to be lower in 1996 than in 1995. Any reduction in capital spending will result in a lower allowance for funds used during construction. For the balance of 1996, the Corporation plans to meet its cash requirements through cash flow generated by operations, its revolving credit facility and TCI's commercial paper program.

Management's Report

The management of the Corporation is responsible for the preparation and integrity of the financial statements and all other financial information contained in the Annual Report. These statements have been prepared in accordance with accounting principles generally accepted in Canada and necessarily include some amounts that are based on management's best estimates and judgment. Management considers that the statements present fairly the financial position of the Corporation, the results of its operations and the changes in its financial position. Financial information contained elsewhere in this Annual Report is consistent with the information contained in the financial statements.

To fulfill its responsibility, management developed and maintains systems of internal accounting controls and establishes policies and procedures designed to ensure the reliability of financial information and to safeguard assets. The internal control systems and financial records are subject to reviews by internal auditors and by the external auditors during the examination of the financial statements.

The Board of Directors oversees management's performance of its financial reporting and internal control responsibilities. The Board of Directors carries out its responsibility with regards to the consolidated financial statements primarily through its Audit Committee.

The Audit Committee, which is composed exclusively of outside directors, meets regularly with the internal and external auditors, and with management, to discuss accounting policies and practices, internal control systems, the scope of audit work and to assess reports on audit work performed. The external and internal auditors have direct access to the Audit Committee, with or without the presence of management, to discuss results of their audit and any recommendations they have for improvements in internal controls, the quality of financial reporting and any other matters of interest. The financial statements have been reviewed and approved by the Board of Directors on the recommendation of the Audit Committee.

Charles Sirois
Chairman of the Board and Chief Executive Officer

Claude Seguin
Executive Vice-President, Finance and Chief Financial Officer

February 14, 1996

Auditors' Report

To the Shareholders of Teleglobe Inc.

We have audited the consolidated balance sheet of Teleglobe Inc. as at December 31, 1995 and 1994 and the consolidated statements of income, retained earnings and changes in financial position for the years then ended. These consolidated financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on the financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Canada. Those standards require that we plan and perform an audit to obtain reasonable assurance 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. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 1995 and 1994, and the results of its operations and the changes in its financial position for the years then ended in accordance with accounting principles generally accepted in Canada.

Raymond, Chabot, Martin, Paré

General Partnership
Chartered Accountants
Montreal, Quebec
February 14, 1996

Consolidated Income

For the years ended December 31

(in millions of Canadian dollars except per share amounts)	1995	1994	1993
Revenues (Note 3)	$ 1,350.7	$ 1,506.0	$ 1,432.2
Operating revenues			
Telecommunications services	$ 566.9	$ 501.8	$ 431.7
Other services and product sales	152.4	141.2	112.2
	719.3	643.0	543.9
Operating expenses	542.8	491.2	415.8
Income from operations before unusual items	176.5	151.8	128.1
Unusual items (Note 5)	(3.6)	8.5	-
Income from operations	180.1	143.3	128.1
Financial charges (Note 6)	29.2	9.4	13.3
Income from continuing operations before income taxes	150.9	133.9	114.8
Income taxes (Note 7)	55.2	43.0	42.9
Income from continuing operations	95.7	90.9	71.9
Income from discontinued operations (Note 8)	-	-	3.6
Net income	95.7	90.9	75.5
Preferred dividends	12.8	11.4	6.0
Net income to common shareholders	$ 82.9	$ 79.5	$ 69.5
Earnings per share (Note 16)			
Basic			
Continuing operations	$ 1.41	$ 1.36	$ 1.18
Net income	$ 1.41	$ 1.36	$ 1.24

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated Retained Earnings

For the years ended December 31

(in millions of Canadian dollars)	1995	1994	1993
Retained earnings, beginning of year	$ 122.9	$ 67.6	$ 17.2
Net income	95.7	90.9	75.5
	218.6	158.5	92.7
Dividends	35.5	31.7	23.3
Share issue costs	-	3.3	1.4
Taxes related to dividends on preferred shares	0.6	0.6	0.4
	36.1	35.6	25.1
Retained earnings, end of year	$ 182.5	$ 122.9	$ 67.6

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated Balance Sheet

As at December 31 in millions of Canadian dollars	1995	1994
Assets		
Current		
Cash and short-term deposits	$ 81.3	$ 14.5
Accounts receivable (Note 9)	321.0	326.9
Inventories (Note 10)	229.5	0.6
Prepaid expenses and other	25.1	15.3
	656.9	357.3
Loan receivable (Note 11)	30.2	–
Property, plant and equipment (Note 12)	1,136.9	1,325.4
Goodwill	137.1	140.6
Deferred charges and other (Note 13)	117.7	111.1
	$ 2,078.8	$ 1,934.4
Liabilities		
Current		
Accounts payable and accrued liabilities	$ 382.5	$ 368.0
Income taxes payable	12.9	8.6
Dividend payable	3.2	3.2
Current portion of long-term debt (Note 14)	8.6	35.0
	407.2	414.8
Long-term debt (Note 14)	604.9	561.4
Deferred credits (Note 15)	82.8	76.0
Non-controlling interest	39.9	–
	1,134.8	1,052.2
Shareholders' equity		
Capital stock (Note 16)		
Preferred shares	218.0	218.0
Common shares	542.8	541.3
	760.8	759.3
Retained earnings	182.5	122.9
Cumulative translation adjustment	0.7	–
	944.0	882.2
	$ 2,078.8	$ 1,934.4

The accompanying notes are an integral part of the consolidated financial statements.

On behalf of the Board

Director

Director

Consolidated Changes in Financial Position

For the years ended December 31 in millions of Canadian dollars	1995	1994	1993
Operating activities:			
Income from continuing operations	$ 95.7	$ 90.9	$ 71.9
Non-cash items:			
Depreciation of property, plant and equipment	141.6	119.4	106.1
Amortization and write-down of assets	33.2	24.0	10.4
Gain on dilution	(19.8)	-	-
Allowance for funds used during construction	(3.1)	(18.6)	(18.4)
Rate stabilization accou[illegible]	11.9	(1.2)	3.8
Deferred credits and other	5.6	2.9	11.5
	285.1	217.4	185.3
Changes in non-cash operating balances (Note 21)	(2.3)	(61.7)	(14.7)
Cash provided by operating activities	282.8	155.7	170.6
Investing activities:			
Acquisition of property, plant and equipment	(158.5)	(228.9)	(310.2)
Proceeds on disposal of property, plant and equipment	31.3	13.9	11.5
Net increase in investments	(9.2)	-	(13.1)
Other assets	(87.1)	(41.3)	(20.8)
Proceeds from sale of a business unit	-	70.9	-
Cash applied to investing activities	(223.5)	(185.4)	(332.6)
Financing a[illegible]ivities:			
Issue of shares, net of issue costs			
Common	1.3	0.5	76.0
Preferred	-	(21.7)	-
Issue of long-term debt	97.9	93.8	234.2
Repayment of long-term debt	(79.7)	(149.7)	(122.9)
Non-controlling interest	23.8	-	-
Other	(0.6)	(0.6)	(0.4)
Cash provided by financing activities	42.9	65.7	186.9
Dividends	(35.4)	(30.6)	(23.3)
Cash related to continuing operations	66.8	5.4	1.6
Cash provided by discontinued operations	-	-	2.5
Increase in cash	66.8	5.4	4.1
Cash, beginning of year	14.5	9.1	5.0
Cash, end of year	$ 81.3	$ 14.5	$ 9.1

Cash represents cash and short-term deposits net of bank loans.

The accompanying notes are an integral part of the consolidated financial statements.

December 31, 1995

(in millions of Canadian dollars except per share amounts)

1. GOVERNING STATUTES, NATURE OF OPERATIONS AND REGULATORY REGIME

Teleglobe Inc. is incorporated under the *Canada Business Corporations Act*. The Corporation carries on the businesses of providing international telecommunications services as well as supplying computer systems and information services to the insurance industry.

In March 1992, after a government review, the Minister of Communications announced a five-year extension of Teleglobe Canada Inc. (TCI)'s mandate, and indicated that this policy would be reviewed. On July 22, 1995, Industry Canada ("Industry") issued a notice inviting public comments on various issues related to the carriage of telecommunications between Canada and countries overseas, and in particular, TCI's future role.

TCI, as well as a number of other interested parties, in accordance with the comment process established by Industry, provided its submissions which requested the establishment of an appropriate reciprocal competitive environment through a transitional process that will foster fair and sustainable competition.

Management is unable to assess the potential impact of its request until Industry renders its decision.

TCI is subject to regulation by the Canadian Radio-television and Telecommunications Commission (CRTC).

On December 21, 1994, TCI filed an application with the CRTC for an order to revise the regulatory framework which governs it. On February 2, 1996, TCI received the CRTC decision, which revises its regulatory framework governing its operations. The main features of the revised framework are:

- Replacement of the rate-base/rate-of-return regulation by a form of price regulation which includes a price reduction commitment regime for telephone services and a price ceiling for non-telephone services for the period extending from April 1, 1996 to December 31, 199[illegible], barring exceptional changes to TCI's operating environment including any significant changes resulting from the federal government's review of TCI's sole provider status.
- Continued tariff filing, approval procedures and financial monitoring.

Furthermore, the CRTC stated that it does not have the jurisdiction to grant TCI's application for forbearance from regulation for Non-Canadian Traffic as such traffic is not subject to the *Telecommunications Act* and therefore not subject to CRTC regulation.

As a result of the CRTC decision, TCI shall review during 1996 its accounting policies related to regulatory matters, as described in Note 2. TCI may then submit to the CRTC a proposal to modify such policies accompanied by its external auditors' opinion. Accordingly, management is unable to assess the potential impact of such modifications, if any, until such time as the CRTC renders its decision on any proposal submitted.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These consolidated financial statements are prepared in accordance with accounting principles generally accepted in Canada and, where applicable, are in general conformity with practices prevailing in the telecommunications industry. They include the accounts of Teleglobe Inc. and its subsidiaries. All significant intercompany transactions and balances have been eliminated on consolidation.

TCI, the Corporation's regulated telecommunications subsidiary, is the designated Canadian signatory to the International Telecommunications Satellite Organization (INTELSAT) and International Maritime Satellite Organization (INMARSAT) operating agreements. Periodically, TCI's ownership in these organizations is adjusted to conform to its proportional use of the systems or such other level as it may elect, according to the terms of the respective operating agreements. TCI's share in the satellite organizations is accounted for on a proportionate consolidation basis.

Participation in cable ships by Teleglobe Marine (TMI) is through limited partnership agreements. TMI's share of the partnerships is accounted for on a proportionate consolidation basis.

The Corporation holds a 50% interest in IDB Mobile Communications, Inc. (IDB Mobile), a joint venture formed with LDDS Worldcomm. The joint venture interest is accounted for on a proportionate consolidation basis.

The Corporation holds a joint control interest, through Teleglobe Mobile Partners (TMP)—a US General Partnership—in ORBCOMM Global, L.P., a joint venture formed with Orbital Sciences Corporation. The joint venture interest is accounted for on a proportionate consolidation basis.

The investment in Optel Communications, Inc. is accounted for using the cost method.

Revenues

Telecommunications services

Substantially all revenues are earned from international public services, mainly telephone, provided through TCI's telecommunications network; they consist of access charges to domestic carriers for the routing of traffic to foreign countries, and settlements from foreign administrations for the routing of traffic to Canada. Also included are other service revenues, derived primarily from transit services to foreign administrations, circuits leased to private users as well as broadcast and mobile services. The carriers' share of revenues represents the amounts paid to Canadian domestic carriers and foreign administrations to compensate them for their part in the collection and distribution of telecommunications traffic in Canada and outside the country, respectively. Estimates are included to provide for that portion of revenues which have not been reported to TCI at the end of the year.

In its role as regulator, the CRTC sets allowable rates of return based on an acceptable capital structure, approves tariffs for TCI's telecommunications services and periodically issues directives which affect the accounting treatment of specific items in TCI's accounts. The regulated earnings of TCI for 1995, 1994 and 1993 have not exceeded an amount equivalent to 14.75% of equity, the maximum allowed.

Revenues from non-regulated telecommunications services are recognized as the services are provided.

Revenues from cable ship interests consist of a return on capital and recovery of depreciation expenses while the remaining standing and running costs are reimbursed, all under the terms of cable maintenance and repair agreements.

Revenues from the sale of cable capacity are recognized using the venture accounting method, whereby all costs and revenues of the project are recorded in inventory until the total project is completed at which time the accumulated balance will be reflected in income.

Other services and product sales

Revenues from computer systems and related services are recognized as the services are rendered, and from software licensing and hardware sales as the products are shipped.

Inventories

Inventories are valued at the lower of average cost and net realizable value. They include cable system capacity projects held for resale which may remain in inventory for more than one year.

Property, plant and equipment

Property, plant and equipment are stated at cost including, when applicable, the cost of funds used during construction.

TCI's investment in cable systems represents its share of the costs of systems constructed jointly with other international telecommunications administrations as well as indefeasible rights of user in international cable system facilities owned by others.

Depreciation

Depreciation is calculated using the straight-line method over the following periods:

Telecommunications equipment	5 to 15 years
Buildings, plant and equipment	3 to 40 years
Cable systems	20 years
Computer software and equipment	3 to 5 years
Satellite systems	7 to 13 years
Cable ships and submersible craft	7 to 21 years

When property, plant and equipment are sold or taken out of service, any gain or loss arising at that time is reflected in income.

Research and product development costs

The Corporation annually incurs costs for activities which relate to research and the development of new products. Such costs are expensed as they are incurred. Certain computer software development costs associated with new products are capitalized and amortized over the estimated useful lives of the products, which range from two to six years. Costs are reduced by government grants and investment tax credits where applicable.

2. Significant Accounting Policies (continued)

Deferred charges

The following deferred charges are recorded at cost and amortized using the straight-line method over the following periods:

Fiber-optic capacity	Term of the leases (between 9 and 10 years)
Systems development costs	3 years, starting when the system is brought into service
Long-term financing charges	Term of the debt

Foreign currency translation

Foreign currency denominated balances of the Corporation as well as assets and liabilities of foreign subsidiaries that are considered to be fully integrated operations are translated into Canadian dollars on the following basis:

– Monetary assets and liabilities are translated at the rates of exchange prevailing at the balance sheet date;

– Revenues and expenses and non-monetary assets and liabilities are translated at the average rates of exchange prevailing in the periods of the transactions or at the rate of exchange prevailing when the assets were acquired or the liabilities incurred;

– Monetary items hedged by means of forward exchange contracts are translated using the exchange rates established by the terms of the contracts;

– Gains and losses on translation of foreign currencies are included in earnings except as described below with respect to TCI. Also unrealized foreign exchange gains or losses relating to monetary items with fixed or ascertainable lives extending beyond one year from the balance sheet date are deferred and amortized over the remaining period.

Financial statements of self-sustaining foreign operations are translated into Canadian dollars as follows:

– Assets and liabilities, using the exchange rates in effect at the balance sheet date;

– Revenue and expense items, at exchange rates prevailing at the time the transactions occurred;

– Unrealized translation gains and losses are deferred and included as a separate component of shareholders' equity.

In accordance with a CRTC directive, TCI established a rate stabilization account, effective January 1, 1988, to reduce the impact of foreign currency fluctuations and help stabilize collection rates. Revenues are recorded using budgeted exchange rates and any variations of actual exchange rates from the budgeted rates are either credited or charged to the rate stabilization account. The account is also credited or charged with unrealized gains or losses resulting from the revaluation of the related accounts receivable and accounts payable, as well as any realized gains or losses resulting from settlement of these accounts. The amounts transferred to the rate stabilization account are amortized on a straight-line basis over a 24-month period commencing January 1 of the following year. The excess and amortization of the rate stabilization account are included in regulated telecommunications services revenues.

Allowance for funds used during construction

The CRTC requires TCI to provide for a return on capital invested in new property, plant and equipment, by including in income as a reduction of financial charges, and also as an addition to the cost of such property, plant and equipment being constructed, an allowance for funds used during construction. This allowance for funds used during construction, net of related depreciation, is recognized as a permanent difference in accounting for income taxes.

Income taxes

The Corporation uses the tax allocation basis of accounting for income taxes. Deferred income taxes arise mainly from timing differences between tax and financial statement recognition of revenues and expenses.

The CRTC directed TCI to annually adjust its deferred tax liability to reflect changes in statutory income tax rates. The income tax expense is affected in the year in which the changes in statutory income tax rates occur, unless the CRTC directs otherwise.

Goodwill

Goodwill, representing the excess of cost over net assets of subsidiaries acquired, is amortized over 40 years on a straight-line basis. Annually, the Corporation reviews the underlying value of the assets by comparing the carrying value to the net recoverable value of the asset. Any permanent impairment of such value would be written off to expense.

Retirement benefits

Retiring employees of the telecommunications group are paid a benefit based on unused sick leave and length of service. The cost of this benefit program was expensed in the year in which it was earned by employees. The Corporation discontinued the program in April of this year. The liability is included as a deferred credit and the current portion has been reflected in accounts payable.

3. Revenues

Revenues are stated before any allocation of carriers' share of regulated telecommunications revenues and reflect elimination of inter-company revenues. The carriers' share is shown in Note 23 – Segmented information.

4. Information included in the statement of income

	1995	1994	1993
Continuing operations			
Depreciation of property, plant and equipment	$ 141.6	$ 119.4	$ 106.1
Amortization of deferred charges	22.5	4.4	3.4
Research and product development costs	5.7	4.3	6.0
Amortization of product development costs	7.6	11.5	3.1
Discontinued operations			
Depreciation of property, plant and equipment	–	–	3.6
Research and product development costs	–	–	2.2

5. Unusual items

The Company recorded a gain on dilution of $19.8 on the reduction of its ownership, from 100% to 70%, in TMP, a US General Partnership that owns a 50% joint control interest in ORBCOMM Global, L.P.

The carrying value of the assets of IDB Mobile was reduced through a $16.2 write-down in recognition of the estimated recoverable value of these assets.

In 1994, TCI completed an organizational review and subsequently approved a plan to improve efficiency and reduce operating costs. TCI recorded a provision of $8.5 for this restructuring, which included amounts for severance as well as other related costs.

6. Financial charges

	1995	1994	1993
Interest expense – long-term debt	$ 43.6	$ 38.9	$ 39.3
Allowance for funds used during construction	(3.1)	(18.6)	(18.4)
Other capitalized interest	(11.9)	(13.4)	(10.5)
Interest and other income	(5.1)	(2.7)	(2.9)
Foreign exchange loss	2.7	1.7	0.4
Other	3.0	3.5	4.8
	29.2	9.4	12.7
Financial charges allocated to discontinued operations	–	–	(0.6)
	$ 29.2	$ 9.4	$ 12.1

7. Income taxes

	1995	1994	1993
Combined federal and provincial statutory income tax rate	39.1%	38.9%	39.0%
Increase (decrease) resulting from:			
Allowance for funds used during construction	(0.8)	(5.4)	(6.2)
Prior years' losses, for which no tax benefit was recorded, utilized during the year	–	(7.0)	(3.7)
Amortization of goodwill	0.9	1.1	1.7
Tax on large corporations	0.6	1.1	1.0
Depreciation expense permanently disallowed and other items	(2.3)	3.4	5.6
Effective income tax rate	37.5%	32.1%	37.4%
The components of the provision for income taxes are as follows:			
Canadian			
Current taxes	$ 49.6	$ 37.1	$ 32.5
Deferred taxes	6.7	4.8	9.6
	56.3	41.9	42.1
Foreign			
Current taxes	(1.6)	1.1	0.8
Deferred taxes	0.5	–	–
	(1.1)	1.1	0.8
	$ 55.2	$ 43.0	$ 42.9

7. INCOME TAXES (continued)

No recognition has been given to potential income tax savings which may result from claiming the following items for income tax purposes.

- Net operating losses of US$54.5 expiring in the years 1997 to 2010 and interest expense of US$1.6 having no expiry date and subject to deduction limitations.
- Research and development expenses of $13.0, having no expiry date.

8. DISCONTINUED OPERATIONS

On October 15, 1993, the Corporation adopted a plan of disposal to sell its Communication Products business unit by filing a preliminary prospectus for the initial public offering of a subsidiary, Memotec Communications Inc.

On January 11, 1994, the Corporation disposed of its Communication Products business unit through a private sale and the initial public offering of Memotec Communications Inc. for an amount which approximates the net book value of the net assets sold, subject to closing adjustments. The cash consideration received was used to repay a portion of the Corporation's credit facility.

The income of the Communication Products business unit for the year ended December 31, 1993 has been reclassified as discontinued operations in the statement of income and consists of $48.0 of operating revenues and $3.6 of income.

9. ACCOUNTS RECEIVABLE

	1995	1994
Accounts receivable	$ 319.6	$ 324.8
Current portion of long-term receivables	1.4	2.1
	$ 321.0	$ 326.9

10. INVENTORIES

	1995	1994
Cable system	$ 228.5	$ -
Other	1.0	0.6
	$ 229.5	$ 0.6

11. LOAN RECEIVABLE

The Corporation, through a wholly owned subsidiary, has committed to provide Optel Communications, Inc. (Optel), a US company in which the Corporation owns a 20% equity interest, with a collateral revolving credit facility of US$42.0. The interest rate on this credit facility is 12% per annum, plus a premium of 3% per annum for up to US$2.5. This facility matures in 2001 unless the outstanding balance does not exceed US$11.3 at that time, in which case Optel has the option to extend the facility for three years for a maximum availability of US$11.3. The proceeds of this facility are to be used by Optel to finance the capital cost of its participation of up to 50% of the capacity in the *CANUS 1* cable system project and its general corporate expenditures.

As at December 31, 1995, the amount outstanding was US$22.1.

12. Property, Plant and Equipment

	1995	1994
Cost		
Land	$ 8.6	$ 8.6
Telecommunications equipment	576.3	551.3
Buildings, plant and equipment	252.5	236.1
Cable systems	510.3	514.1
Computer software and equipment	70.9	63.2
Satellite systems	114.1	115.1
Cable ships and submersible craft	121.9	122.6
Construction in progress *	120.5	248.0
	1,775.1	1,859.0
Accumulated depreciation		
Telecommunications equipment	327.9	263.5
Buildings, plant and equipment	76.8	58.7
Cable systems	112.4	103.2
Computer software and equipment	49.3	45.1
Satellite systems	41.3	39.7
Cable ships and submersible craft	30.5	23.4
	638.2	533.6
Net book value	$ 1,136.9	$ 1,325.4

* An amount of $208.4 included in the 1994 balance was transferred to cable system inventory in 1995.

13. Deferred Charges and Other

	1995	1994
Fiber-optic capacity	$ 30.8	$ 19.9
Systems development costs	31.7	18.2
Exchange losses	13.9	20.0
Pension charges (Note 20)	12.3	10.7
Investments	9.2	13.1
Long-term financing charges	6.4	5.3
Long-term receivables	4.1	0.8
Rate stabilization account	-	12.0
Other	9.3	11.1
	$ 117.7	$ 111.1

14. Long-term debt

		1995		1994
Teleglobe Inc.				
Credit facility (US$20.0; US$75.0 in 1994)	$	27.3	$	105.1
CANTAT 3 (US$68.8; US$75.0 in 1994)		93.9		105.1
		121.2		210.2
Teleglobe Canada Inc.				
Debentures, 8.35%, maturing in 2003		125.0		125.0
Debentures, 8.85%, maturing in 2002		125.0		125.0
Construction loan, prime plus 0.50% (0.625% in 1994)		70.1		64.1
Proportion of INMARSAT long-term debt under capital lease agreements (US$8.2; US$12.3 in 1994), 4.9% to 7.13%, maturing from 2002 to 2006		11.2		17.2
Proportion of INTELSAT long-term debt (US$18.2; US$15.6 in 1994), 6.625% to 8.375%, maturing from 2000 to 2005		24.8		22.0
Promissory notes, 5.64% (5.75% to 6.50% in 1994)		15.0		30.0
		371.1		383.3
Teleglobe Marine (U.S.) Inc.				
Senior notes, 7.05% (US$61.0), maturing in 2013		83.2		-
Subordinated notes, 7.12% (US$25.0), maturing in 2004		34.1		-
		117.3		-
Other		3.9		2.9
		613.5		596.4
Less: Current portion		8.6		35.0
	$	604.9	$	561.4

Credit facility

Until January 16, 1996, the Corporation had a committed credit facility of $250.0 (or US dollar equivalent) with a syndicate of domestic financial institutions. The credit facility was amended in 1994 to provide, among other things, for the release and discharge of all security other than that granted by certain entities holding, directly or indirectly, an interest in the CANTAT 3 cable system. The facility, maturing in 1998, was secured by limited recourse guarantees by, assignments of interests in loans made to, and pledges of shares or interests held in, such entities, and was divided in three tranches:

– A revolving reducing-term credit facility of up to $230.0 (or US dollar equivalent) made available for general corporate purposes and repayable over four years commencing in 1995,

– A revolving term credit facility of up to $20.0 (or US dollar equivalent) made available to the Corporation for general working capital purposes, and

– A non-revolving reducing-term credit facility of up to US$70.0, with annual repayments until maturity in May 1998. The terms of this tranche could be renegotiated at the option of the Corporation at any time. This tranche was renegotiated during 1995.

Interest rates on this facility were based on bankers' acceptance plus 0.75% or bank prime rate plus 0.125% for drawdowns in Canadian dollars and on LIBOR (London Interbank Offered Rate) plus 0.75% or US base rate plus 0.125% for drawdowns in US dollars until May 1996. After that date, the premium was 0.875% on bankers' acceptance and LIBOR and 0.25% on the bank prime rate and US base rate.

At December 31, 1995, the Corporation has available an unused bank credit facility of $222.7.

On January 16, 1996, the Corporation entered into a new credit facility of $300.0 (or US dollar equivalent) with a syndicate of domestic financial institutions. This new facility which matures in 2001 is divided in two tranches:

– A revolving term credit facility of up to $280.0 (or US dollar equivalent) made available for general corporate purposes and repayable in 2001;

– A revolving term credit facility of up to $20.0 (or US dollar equivalent) made available to the Corporation for general working capital purposes.

Interest rates on this facility are based on bankers' acceptance plus 0.35% or bank prime rate for drawdowns in Canadian dollars and on LIBOR plus 0.35% or US base rate for drawdowns in US dollars.

The facility is unsecured save for a second-ranking security granted by certain entities holding, directly or indirectly, an interest in the CANTAT 3 cable system.

14. Long-term debt (continued)

CANTAT 3

A US$71.25 (US$95.0 in 1994) non-recourse revolving financing facility with respect to the CANTAT 3 cable system project has been arranged with a Canadian bank. This facility carries interest rates which are based on LIBOR plus 0.5% or US base rate and matures in 2000 with repayments in 1997. This facility is guaranteed by BCE Inc. (BCE), one of the Corporation's major shareholders, and the guarantee is secured by a pledge of the Corporation's ownership in the subsidiary that owns the Corporation's portion of the CANTAT 3 and CANUS 1 cable systems, excluding the portion owned by TCI.

Debentures, 8.35% and 8.85%

The TCI 8.35% and 8.85% debentures issued in 1993 and 1992 respectively are unsecured and redeemable at any time. They were each issued under a trust indenture providing for the creation of a debenture in the aggregate principal amount of $300.0.

Construction loan

The construction loan pertains to TCI's 30% interest in an office complex. The current interest rate is lowered by increments of 0.125% as the occupancy rate increases, to reach prime plus 0.25% when the building is more than 90% leased. This loan is secured by a first mortgage bond on TCI's interest in the office complex amounting to $88.9. Under the terms of this loan, TCI is contingently liable for an additional amount not exceeding $21.0. The construction loan shall be converted into a term loan maturing June 1, 1998.

Promissory notes

TCI is authorized to issue up to $150.0 of promissory notes (commercial paper) which are supported by a revolving credit facility with commercial banks of up to $100.0 (or US dollar equivalent). This facility, which matures in 1997 and is renewable each year thereafter, has been obtained to ensure payment at maturity of the promissory notes or to reimburse TCI's long-term debt as it becomes due.

This facility can be drawn through dollar advances or bankers' acceptances. Canadian dollar advances bear interest from prime rate to prime rate plus 0.125%. US dollar advances bear interest at base rate to base rate plus 0.125% or LIBOR plus 0.625% to LIBOR plus 0.875%.

Senior notes and subordinated notes

Teleglobe Marine (U.S.) Inc. senior and subordinated notes, 7.05% and 7.12%, were issued in 1995 and are secured by an interest in five cableships which are owned through limited partnerships with a subsidiary of AT&T.

Operating line of credit

TCI has negotiated an operating line of credit of $30.0 which can be drawn upon through Canadian dollar or US dollar advances, bankers' acceptances or letters of guarantee. Borrowings under this facility will bear interest at prime rate for Canadian dollar advances, at prime rate or LIBOR plus 0.50% for US dollar advances, and at bankers' acceptance plus 0.50% for bankers' acceptances.

Long-term debt maturities

The terms of the new credit facility are reflected in the following:

1996	$ 8.6
1997	37.6
1998	79.2
1999	9.9
2000	78.7
Thereafter	399.5
	$ 613.5

15. Deferred credits

	1995	1994
Income taxes	$ 62.0	$ 53.7
Tenant inducements	7.6	8.4
Retirement benefits	5.4	6.0
Revenues	5.3	5.2
Other	2.5	2.7
	$ 82.8	$ 76.0

16. Capital Stock

The Corporation is authorized to issue an unlimited number of common shares, class A non-voting shares and preferred shares, all without nominal or par value.

The first series preferred shares are non-voting and convertible at any time, at the option of the holder, into an equal number of common shares. No dividend may be declared on the common shares and class A non-voting shares unless an equal and rateable dividend has been declared on the first series preferred shares. The holders are entitled to receive capital and any dividends declared thereon before holders of common shares and class A non-voting shares in the event of liquidation, but otherwise the shares rank equally with the common shares. The shares are deemed to be equivalent to common shares for purposes of calculating earnings per share.

The second series preferred shares entitle shareholders to fixed cumulative dividends at a rate of 8% per annum. The shares are non-voting and convertible at any time based on a conversion price of $10.75 per common share. They are retractable on May 1, 1997 and redeemable from May 2, 1997 at a price of $25.00 per share.

The third series preferred shares entitle shareholders to fixed cumulative dividends at a rate of 5.4% per annum. The shares are non-voting and are, at the Corporation's option on and after April 1, 2001, redeemable for cash at $25.00 per share or convertible into common shares of the Corporation determined by dividing $25.00 by the greater of $3.00 and 95% of the weighted average trading price of the common shares at the time of conversion. On and after May 1, 2001, subject to the preemptive right of the Corporation to redeem for cash or to find substitute purchasers at $25.00 per share, the shares are convertible at the option of the holder into common shares of the Corporation based on the same formula used for redemption. At any time, the Corporation may offer shareholders the right to convert into a further series of preferred shares on a one-for-one basis.

The rights attached to the class A non-voting shares are identical to those of the common shares except for the voting right. At December 31, 1995 and 1994 there were no class A non-voting shares outstanding.

Capital stock issued and outstanding and changes in capital stock are as follows:

	Number	Amount
First series preferred shares	1,285,000	$ 18.0
Second series preferred shares	2,999,800	75.0
Third series preferred shares		
Issued during 1994 for cash	5,000,000	125.0
		$ 218.0

Common shares		
Balance, December 31, 1992	52,093,859	$ 463.4
Issued during 1993		
Exercise of options for cash	290,210	2.4
For cash	4,379,600	75.0
Balance, December 31, 1993	56,763,669	540.8
Issued during 1994		
Exercise of options for cash	54,983	0.5
Balance, December 31, 1994	56,818,652	541.3
Issued during 1995		
Exercise of options for cash	165,327	1.5
Conversion of second series preferred shares	465	-
Balance, December 31, 1995	56,984,444	$ 542.8

Common shares reserved for:	
Preferred shares	8,261,279
Options, issued to employees at prices ranging from US$4.1128 per share (equivalent to CA$5.61 at December 31, 1995) to CA$23.25 per share, exercisable by instalments over periods extending to 7 years (there were 335,903 options exercisable at December 31, 1995)	894,548
	9,155,827

16. Capital stock (continued)

Earnings per share

The weighted average number of common and first series preferred shares outstanding in 1995 used to calculate basic earnings per share was 58,182,067 (58,079,430 in 1994; 53,389,324 in 1993).

Fully diluted earnings per share reflect the most dilutive effect which would have resulted if the second series preferred shares and third series preferred shares had been converted into common shares and if the stock options had been exercised as of January 1. The number of shares used in the calculation of the fully diluted earnings per share in 1995 was 73,423,659 (73,027,625 in 1994; 63,266,340 in 1993).

The following table shows the diluted earnings per share:

		1995		1994		1993
Continuing operations						
Excluding the third series preferred shares effect	$	1.35	$	1.30	$	1.14
Fully diluted	$	1.31	$	1.25	$	1.14
Net income						
Excluding the third series preferred shares effect	$	1.35	$	1.30	$	1.20
Fully diluted	$	1.31	$	1.25	$	1.20

17. Joint ventures

On September 12, 1995, the Corporation exercised its option to participate in the second phase of the *ORBCOMM* project and thereby obtained joint control over ORBCOMM Global, L.P. a provider of international wireless data communications services. Accordingly, this investment is now accounted for using the proportionate consolidation method whereas it was previously carried at cost.

This transaction is reflected in the balance sheet as follows:

Fixed assets	$	54.7
Current liabilities		20.5
Long-term debt		2.4
Other liabilities		18.5

As at December 31, 1995, the Corporation, through an indirect subsidiary, is committed to invest US$36.9 in the *ORBCOMM* project.

The following amounts related to joint ventures are included in the consolidated financial statements:

		1995		1994
Current assets	$	43.3	$	30.4
Long-term assets		368.5		323.3
Current liabilities		63.6		23.5
Long-term liabilities		220.4		105.0
Revenues		84.5		87.3
Expenses		88.2		64.6
Net income (loss)		(3.7)		22.7
Cash provided by operating activities		43.0		41.2
Cash applied to investing activities		(37.2)		(31.1)
Cash provided by financing activities		123.1		1.3
Increase in cash during the year	$	128.9	$	11.4

18. COMMITMENTS

Commitments under operating leases for buildings, plant and equipment are as follows:

1996	$	61.4
1997		85.1
1998		51.9
1999		48.0
2000		76.5
Thereafter		255.0
	$	577.9

Rental expense for the year was $68.7 ($60.3 in 1994; $57.5 in 1993).

Contractual commitments outstanding as at December 31, 1995 which related to construction projects amounted to approximately $58.1 including TCI's share of various joint ventures.

TCI is committed as follows under foreign exchange contracts designated as hedges of 1996 projected revenue transactions denominated in foreign currencies:

	1995	1994
Forward exchange contracts	$ 138.2	$ 73.3
Range forward contracts	-	120.0
Call option contracts	-	120.0

19. CONTINGENCIES

Various lawsuits and claims are pending by and against the Corporation. It is the opinion of management and supported by counsel that final determination of these claims will not have a material adverse effect on the financial position or results of the Corporation.

20. PENSION PLANS

The Corporation and its subsidiaries have contributory and non-contributory defined benefit plans which provide pensions based on length of service and final average earnings. Actuarial reports prepared during the year, which were based on projections of employees compensation levels to the time of retirement, indicate that, as at December 31, 1995, the present value of accrued pension benefits was $101.4 ($92.1 in 1994) and the market value of net assets available to provide for these benefits was $123.1 ($109.1 in 1994).

The cumulative difference of $12.3 ($10.7 in 1994) between the funding contributions and the amounts expensed has been reflected in the balance sheet as a deferred pension charge.

The Corporation's Insurance Systems Division has defined contribution pension plans covering all of its employees in Canada and the United States. Under the plan for Canadian staff, employees are required to contribute 2% of earnings, with matching employer contributions. Under the plan for US staff, employees are free to contribute up to 15% of earnings, with matching employer contributions of 2/3 of the first 3% of an employee's contributions. All contributions made under the plan are subject to certain limitations.

The pension expense for the year was $2.8 ($1.2 in 1994; $3.0 in 1993).

21. Changes in non-cash operating balances

	1995	1994	1993
Accounts receivable	$ 41.7	$ (93.7)	$ (17.5)
Inventories	(3.8)	(1.3)	(0.1)
Accounts payable and accrued liabilities	(29.8)	46.5	4.6
Other	(10.4)	(13.2)	(1.9)
	$ (2.3)	$ (61.7)	$ (14.7)

22. Related party transactions

BCE and affiliates

The following disclosure applies to transactions of TCI with parties related, directly or indirectly, to the Corporation through major shareholdings. In the normal course of business, TCI maintains, on an arm's length basis, ongoing relationships with a telecommunications company in the BCE group, Bell Canada, both directly and indirectly, through Stentor Canadian Network Management (Stentor). TCI also transacts with a manufacturing company in the BCE group, Northern Telecom Canada Limited. TCI derives most of its revenues on traffic to foreign countries from the member companies of Stentor, through the *International Globeaccess Service Tariff*. Furthermore, TCI compensates the member companies of Stentor for the distribution of international traffic in Canada.

TCI has entered into agreements expiring in 2005 with Stentor Resource Centre Inc. for the leasing of domestic fiber-optic capacity. Amounts paid pursuant to these agreements totaled $28.0 in 1995 ($21.0 in 1994 and nil in 1993). Outstanding commitments under these agreements amount to $214.7.

In connection with the *CANTAT 3* and *CANUS 1* cable systems, BCE will provide up to US$71.25 (US$95.0 in 1994) of non-recourse financial assistance and will in turn receive certain guarantee fees as well as a 25% equity interest in the subsidiary that owns the Corporation's capacity in these systems, excluding the portion owned by TCI.

During the year, TCI leased transmission facilities directly from Bell Canada for an amount of $14.6 ($30.6 in 1994; $27.5 in 1993) and acquired telecommunications equipment and services from Northern Telecom Ltd. for an amount of $7.2 ($8.6 in 1994; $23.4 in 1993).

Accounts payable due directly to BCE affiliates were $0.4 as at December 31, 1995 ($1.9 as at December 31, 1994).

TCI has entered into a joint venture with BCE for the development, operation and management of an office complex. During the year, an amount of $9.6 ($9.3 in 1994; $9.0 in 1993) was paid to the joint venture for the rental of TCI head office premises.

23. Segmented Information

The Corporation conducts its continuing operations under the following segments.

Telecommunications services – regulated

Provision of public telecommunications services between Canada and foreign countries other than the United States, under an exclusive mandate granted by the Government of Canada.

Telecommunications services – non-regulated

Provision of satellite transmission services and consulting services for the international telecommunications industry. Installation, maintenance and repair of undersea telecommunications cables and provision of marine consulting services.

Insurance Systems

Development, marketing and support of processing systems and applications software for the insurance industry in Canada, the United States and the United Kingdom.

The following tables present the financial information by industry and geographic segments.

	1995	1994	1993
Industry segments			
Telecommunications services – regulated			
Revenues	$ 1,313.9	$ 1,275.4	$ 1,258.4
Carriers' share of revenues	(829.8)	(854.0)	(881.0)
Amortization and excess of rate stabilization account	(6.9)	(9.0)	(7.3)
Intersegment revenues	0.8	1.2	3.5
Operating revenues	478.0	413.6	373.6
Operating expenses	321.2	286.5	262.4
Unusual items	-	8.5	-
Income from operations	156.8	118.6	111.2
Telecommunications services – non-regulated			
Revenues	87.9	82.3	58.7
Intersegment revenues	1.7	7.5	2.6
Operating revenues	89.6	89.8	61.3
Costs and operating expenses	77.6	70.8	45.0
Unusual items	(3.6)	-	-
Income from operations	15.6	19.0	16.3
Insurance Systems			
Operating revenues	152.4	141.2	112.2
Costs and operating expenses	133.1	123.8	103.0
Income from operations	19.3	17.4	9.2
Operating revenues			
Telecommunications services – regulated	478.0	413.6	373.6
Telecommunications services – non-regulated	89.6	89.8	61.3
Insurance Systems	152.4	141.2	112.2
	720.0	644.6	547.1
Elimination of intersegment revenues	(0.7)	(1.6)	(3.2)
Total operating revenues	$ 719.3	$ 643.0	$ 543.9

Note: Intersegment revenues are accounted for at prices comparable to open market prices for similar products and services.

23. Segmented Information (continued)

	1995	1994	1993
Total income from operations before unallocated items	$ 191.7	$ 155.0	$ [illegible]
Unallocated items			
Financial charges	29.2	9.4	[illegible]
Corporate expenses	11.6	11.7	8.6
Income taxes	55.2	43.0	42.9
	96.0	64.1	[illegible]
Income from continuing operations	$ 95.7	$ 90.9	$ [illegible]

Identifiable assets			
Telecommunications services			
Regulated	$ 1,327.3	$ 1,380.7	$ 1,275.1
Non-regulated	634.4	445.4	316.7
	1,961.7	1,826.1	1,591.8
Insurance Systems	117.1	108.3	100.0
Discontinued operations	-	-	76.4
	117.1	108.3	176.4
	$ 2,078.8	$ 1,934.4	$ 1,768.2

Capital expenditures			
Telecommunications services			
Regulated	$ 88.0	$ 166.1	$ 208.8
Non-regulated	63.3	54.7	95.8
Insurance Systems	7.2	8.1	5.6
	$ 158.5	$ 228.9	$ 310.2

Depreciation and amortization			
Telecommunications services			
Regulated	$ 150.3	$ 118.4	$ 94.6
Non-regulated	33.4	14.3	11.6
Insurance Systems	11.1	10.7	10.3
	$ 194.8	$ 143.4	$ 116.5

23. Segmented Information (continued)

	1995	1994	1993
Geographic segments			
Operating revenues			
Canada			
Domestic customers	$ 349.3	$ 287.6	$ 248.7
Export customers	219.3	203.7	173.0
Transfers	2.1	7.9	6.3
	570.9	499.2	428.0
United States			
Customers	139.8	138.5	114.1
Transfers	0.7	1.2	0.2
	140.5	139.7	114.3
Other			
Customers	9.0	6.0	5.2
Elimination of intersegment transfers	(1.1)	(1.9)	(3.6)
Total operating revenues	$ 719.3	$ 643.0	$ 543.9
Income from operations before unallocated items			
Canada	$ 169.1	$ 129.9	$ 117.2
United States	22.5	24.2	19.2
Other	0.1	0.9	0.3
	191.7	155.0	136.7
Unallocated items			
Financial charges	29.2	9.4	13.3
Corporate expenses	11.6	11.7	8.6
Income taxes	55.2	43.0	42.9
	96.0	64.1	64.8
Income from continuing operations	$ 95.7	$ 90.9	$ 71.9
Identifiable assets			
Canada	$ 1,423.7	$ 1,490.1	$ 1,322.5
United States	392.6	243.7	310.7
Other	262.5	200.6	135.0
	$ 2,078.8	$ 1,934.4	$ 1,768.2

in millions of dollars except number of employees, number of shares and per share amounts

	1995	1994	1993	1992	1991
Operating revenues	$ 719.3	$ 643.0	$ 543.9	$ 438.1	$ [illegible]
Income (loss) from continuing operations	95.7	90.9	71.9	45.5	27.6
Net (loss) income	95.7	90.9	75.5	50.6	23.7
Earnings per share – Basic	$ 1.41	$ 1.36	$ 1.24	$ 1.19	$ 0.54
– Fully diluted	$ 1.31	$ 1.25	$ 1.20	$ 1.19	$ 0.54
Total assets	2,078.8	1,934.4	1,768.2	1,502.4	1,388.[illegible]
Long-term debt	613.3	596.4	642.6	526.5	427.4
Shareholders' equity	944.0	882.2	701.4	573.6	498.9
Cash dividends declared per share					
Common and first series preferred	$ 0.39	$ 0.35	$ 0.31	$ 0.28	$ 0.28
Second series preferred	$ 2.00	$ 2.00	$ 2.00	$ 2.00	$ 1.38
Third series preferred	$ 1.35	$ 1.08	-	-	-
Number of common shares outstanding	56,984,444	56,818,652	56,763,669	52,093,859	39,578,264
Number of employees	1,804	1,899	2,128	2,082	2,340

Quarterly financial data (unaudited)

in millions of Canadian dollars except per share amounts

	First	Second	Third	Fourth	Total year
1995					
Operating revenues	$ 166.4	$ 178.4	$ 173.6	$ 200.9	$ 719.3
Income from operations	36.1	41.8	46.4	55.8	180.1
Net income	16.7	20.3	25.4	33.3	95.7
Earnings per share					
– Basic	$ 0.23	$ 0.29	$ 0.38	$ 0.51	$ 1.41
– Fully diluted excluding the effect of the third series preferred shares	$ 0.23	$ 0.28	$ 0.36	$ 0.48	$ 1.33
– Fully diluted	$ 0.23	$ 0.28	$ 0.35	$ 0.45	$ 1.31
1994					
Operating revenues	$ 145.7	$ 155.9	$ 167.6	$ 173.8	$ 643.0
Income from operations	26.7	38.1	40.2	38.3	143.3
Net income	14.3	24.5	24.9	27.2	90.9
Earnings per share					
– Basic	$ 0.22	$ 0.36	$ 0.37	$ 0.41	$ 1.36
– Fully diluted excluding the effect of the third series preferred shares	$ 0.22	$ 0.35	$ 0.35	$ 0.39	$ 1.30
– Fully diluted	$ 0.20	$ 0.34	$ 0.34	$ 0.37	$ 1.25

Market price Montreal and Toronto (in Canadian dollars)	1995 High	1995 Low	1994 High	1994 Low
Per common share				
First quarter	21.000	17.875	23.875	19.500
Second quarter	21.625	19.375	22.375	17.875
Third quarter	20.500	18.000	19.500	17.125
Fourth quarter	19.000	17.000	19.000	16.500
Per second series preferred share				
First quarter	50.250	44.250	57.250	49.500
Second quarter	51.500	46.750	53.000	43.500
Third quarter	48.750	43.750	46.750	42.500
Fourth quarter	44.750	41.500	46.500	40.000
Per third series preferred share				
First quarter	22.000	19.375	24.000	23.000
Second quarter	23.250	21.250	23.125	19.500
Third quarter	23.375	22.375	22.125	20.500
Fourth quarter	23.750	21.250	21.250	19.500

On December 31, 1995, the market price per share on the Montreal and Toronto stock exchanges was:

Common share	$18.875
Second series preferred share	$42.750
Third series preferred share – Montreal	$22.750
– Toronto	$22.625

EXHIBIT 3

Managerial and Technical Qualifications

DIRECTORS AND OFFICERS

The name, municipality of residence, office held with the Corporation and principal occupation of the directors and officers of the Corporation are set out below. In addition, the date on which each director commenced to serve in that capacity is indicated. The term of office of each director will expire at the next annual meeting of the Corporation.

Name and Municipality of Residence	Office with the Corporation	Principal Occupation	Director Since
J. Brian Aune() Westmount, Quebec	Director	Chairman, St. James Financial Corporation Inc	May 1992
Andre Bureau() Mont-Royal, Quebec	Director	Vice-Chairman, Astral Communications Inc., Vice-Chairman, President and Chief Executive Officer, The Astral Broadcasting Group Inc.	May 1993
Derek H. Burney(4) Montreal, Quebec	Director	Executive Vice-President, International, BCE Inc., Chairman, President and Chief Executive Officer, Bell Canada International Inc.	February 1993
Pierre Collins Verdun, Quebec	Director	President, Capital Communications CDPQ Inc	March 1996
J. V. Raymond Cyr(2) Montreal, Quebec	Director	Chairman of the Board, Telesat Canada Director, Bell Canada and BCE Mobile Communications Inc.	May 1992
George A. Fierheller(2) Don Mills, Ontario	Director	Vice-Chairman, Rogers Communications Inc.	May 1991
Pierre MacDonald(1)() Verdun, Quebec	Director	Corporate Director	May 1992
John T. McLennan Kanata, Ontario	Director	President and Chief Executive Officer, Bell Canada	August 1994
C. Edward Medland(1)(3) Toronto, Ontario	Director	President, Beauwood Investments Inc.	May 1992
Charles Sirois Montreal, Quebec	Director, President, Chairman and Chief Executive Officer	Chairman, President and Chief Executive Officer of the Corporation	May 1992

H. Arnold Steinberg() Montreal, Quebec	Director	Associate, Cleman Ludmer Steinberg Inc	February 1989
Peter G. White Banff, Alberta	Director	Chairman, UniMedia Division, Hollinger Inc	December 1995
Lynton Ronald Wilson(3) Montreal, Quebec	Director	Chairman and Chief Executive Officer, BCE Inc. Chairman of the Board, Bell Canada	December 1994
Claude Seguin Mont-Royal, Quebec	Executive Vice-President, Finance and Chief Financial Officer	Executive Vice-President, Finance and Chief Financial Officer of the Corporation and Chief Financial Officer of Teleglobe Canada	---
Guthrie J. Stewart Montreal, Quebec	Executive Vice-President, Corporate Development and Corporate Secretary	Executive Vice-President, Corporate Development and Corporate Secretary of the Corporation	---
Marc Leroux Outremont, Quebec	Vice-President, Technology of the Corporation and President and Chief Operating Officer of Teleglobe World Mobility	Vice-President, Technology of the Corporation	---
Marc Godin() Outremont, Quebec	Treasurer	Treasurer of the Corporation and of Teleglobe Canada	---
François Laurin Pointe-Claire, Quebec	Vice-President, Finance and Controller	Vice-President, Finance and Controller of the Corporation and of Teleglobe Canada	---

During the last five years, each of the foregoing has held the principal occupation shown opposite his name, except as follows:

- prior to November 1990, J. Brian Aune was Chairman and Chief Executive Officer of Nesbitt Thomson Inc. (now Nesbitt Burns Inc.), a securities dealer;

- prior to March 1990, the principal occupation of Andre Bureau was that of Counsel for the Montreal law firm Heenan Blaikie, a position which he continues to hold;

- prior to January 1993, Derek H. Burney was Canada's Ambassador to the United States;

- prior to November 1995, Pierre Collins was Executive Vice-President of CF Cable TV Inc. and prior to February 1994, he was Executive Vice-President and General Manager of Optinet Telecommunications Inc.;

- prior to March 1995, J.V. Raymond Cyr was Chairman of the Board of Bell Canada, and prior to January 1994, he was Chairman and Chief Executive Officer of BCE Canadian Telecom Group, a division of BCE Inc., a management holding company; prior to April 1993, he was Chairman of the Board and Chief Executive Officer of BCE Inc.; and prior to November 1990, he was Chairman of the

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CONCURRING CARRIERS

None

CONNECTING CARRIERS

None

OTHER PARTICIPATING CARRIERS

None

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TARIFF FORMAT

Sheet Numbering. Sheet numbers appear in the upper right hand corner of the sheets. Sheets are numbered sequentially. From time to time new sheets may be added to the tariff. When a new sheet is added between existing sheets, a decimal is added to the preceding sheet number. For example, a new sheet added between sheets 5 and 6 would be numbered 5.1.

Sheet Revision Numbers. Revision numbers also appear in the upper right corner of sheets. These numbers are used to determine the most current sheet version on file with the Commission. For example, the 4th Revised Sheet No. 14 cancels the 3rd Revised Sheet No. 14.

Paragraph Numbering Sequence. There are nine levels of paragraph coding. Each level of coding is subservient to its next higher level, as shown by the following example:

2
2.1
2.1.1
2.1.1.A
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2.1.1.A.1.(a).I
2.1.1.A.1.(a).I.(i)
2.1.1.A.1.(a).I.(i).(1)

Check Sheets. When a tariff filing is made with the Commission, an updated check sheet accompanies the tariff filing. The check sheet lists the sheets contained in the tariff, with a cross-reference to the current revision number. When new sheets are added, the check sheet is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (*). The tariff user should refer to the latest check sheet to find out if a particular sheet is the most current one on file with the Commission.

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TARIFF FORMAT (Cont'd)

Explanation of Symbols. When changes are made in any tariff sheet, a revised sheet will be issued replacing the tariff sheet affected. Changes will be identified on the revised sheet through the use of the following symbols:

(D) - Identifies a discontinued rate, condition, or regulation.

(I) - Identifies an increase in rate.

(M) - Identifies material that has been transferred from another sheet or place in the tariff.

(N) - Identifies a new rate, regulation or sheet.

(R) - Identifies a reduction in rate.

(T) - Identifies a change in text for clarification.

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0.0 Application and Scope of Tariff

0.1 Application

This tariff contains the rates and regulations applicable to regulated intrastate interexchange services provided by Teleglobe between and among points within the State of Florida.

0.2 Scope

Teleglobe's services are provided subject to the availability of facilities and subject to the terms and conditions of this tariff. All services within the jurisdiction of the Commission provided by Teleglobe between and among points in Florida are governed by this tariff.

0.3 Interconnection with Other Carriers

Service provided by Teleglobe may be connected with services or facilities of other carriers or may be provided over facilities provided by carriers other than Teleglobe. However, service provided by Teleglobe is not a part of a joint undertaking with any other carrier providing telecommunications channels, facilities, or services.

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1.0 Technical Terms and Abbreviations

1.1 Definitions of Terms

Calls
Telephone messages completed by Customers.

Carrier
Teleglobe USA Inc.

Charges
Monthly recurring and nonrecurring amounts billed to Customers for services.

Commission
The Florida Public Service Commission.

Customer
Any person, firm, association, corporation, agency of the federal, state, or local government, or legal entity responsible by law for payment of rates and charges and for compliance with the regulations of Carrier.

Customer Contract
A written agreement between the Customer and Carrier containing or referring to the rates and regulations applicable to the service being provided.

Customer Premises Equipment
All terminal equipment normally used on the Customer's premises. This equipment may be Customer-owned, or may be owned by Carrier or another supplier and leased to the Customer.

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1.0 Technical Terms and Abbreviations (cont'd)

1.1 Definitions of Terms (cont'd)

Delinquent or Delinquency
An account for which an uncontested bill or payment agreement for regulated services has not been paid in full on or before the last day for timely payment. This term may also apply to a contested bill for which the Commission finds the Customer's complaint to be without merit.

Depositor
The Customer from whom a deposit is received.

Disconnect or Disconnection
The disabling of circuitry to prevent outgoing and/or incoming calls.

Discontinue or Discontinuance
Suspension and/or disconnection.

Due Date
The last day for payment of a bill without unpaid amounts being considered delinquent or subject to additional collection efforts. The due date may be designated by "due by," "pay by," "if paid by," or other such language on the Customer's bill.

Exchange
A unit established for the administration of local communication services.

Exchange Service
A local communications service furnished by means of local exchange plant and facilities.

Extended Area Service or EAS
Telephone service, offered at a flat local rate, between Customers located within an exchange area and all Customers in an additional exchange area or areas.

1.0 Technical Terms and Abbreviations (cont'd)

1.1 Definitions of Terms (cont'd)

Individual Case Basis
The application of a rate, charge, or condition of the tariff as determined by individual circumstances.

Inside Station Wiring or Inside Wiring
Wiring on the premises beyond the demarcation point.

Interexchange Service
The provision of intrastate telecommunications services and facilities between local exchanges, excluding EAS.

InterLATA Service
The completion of calls between Local Access Transportation Areas.

IntraLATA Service
The completion of calls between points within the boundaries of a Local Access Transportation Area.

Local Access Transportation Area or LATA
A geographic area within which Bell Operating Companies are permitted to offer interexchange service. These areas were established as a result of the break-up of the former Bell System.

Local Exchange Utility or Local Utility
A telephone utility that provides local service under a tariff filed with the Commission. The utility may also provide other services and facilities.

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1.0 Technical Terms and Abbreviations (cont'd)

1.1 Definitions of Terms (cont'd)

Local Service
Telephone service furnished between points located within an area where there is no toll charge.

Message
A telephone call made by a Customer.

Month
For billing purposes, a month is considered to have thirty (30) days.

Public Safety Answering Point
A communications facility operated on a twenty-four (24) hour basis and serving participating jurisdictions that initially receives 911 calls and either directly dispatches emergency response services or relays the calls to the appropriate public safety agency.

Rates
The usage amounts billed to Customers for regulated services and/or equipment.

Suspend or Suspension
To disconnect or impair a service temporarily in order to disable either outgoing or incoming calls or both.

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1.0 Technical Terms and Abbreviations (cont'd)

1.1 Definitions of Terms (cont'd)

Timely Payment
A payment of the Customer's account made on or before the due date shown on a current bill for rates and charges or by an agreement between the Customer and Carrier for a series of partial payments to settle a delinquent account.

Working Day
Any day on which U.S. Mail is delivered and Carrier is open for business.

10XXX Access
A dialing method that enables a Customer to reach the long distance carrier of the Customer's choice even if the Customer is not a regular Customer of that long distance carrier. For example, to reach AT&T Communications of the Midwest, Inc., the Customer dials "10288."

1.2 Explanation of Acronyms and Trade Names

AT&T = AT&T Communications of the Midwest, Inc.
BOC = Bell Operating Company
DA = Directory Assistance
EAS = Extended Area Service
FCC = Federal Communications Commission
LATA = Local Access Transport Area
MCI = MCI Telecommunications Corporation
NPA = Numbering Plan Area, more commonly known as Area Code
SNI = Standard Network Interface
Sprint = Sprint Communications Company, L.P.

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2.0 General Rules and Regulations

2.1 Undertaking of Carrier

2.1.1 General

Pursuant to this tariff, Teleglobe undertakes to provide within the state regulated interLATA and intrastate intraLATA interexchange services described in Section 3.0. Service will be provided on a statewide basis.

2.1.2 Limitations

A. Service is offered subject to the availability of the necessary facilities and equipment and subject to the provisions of this tariff in compliance with limitations set forth in the Commission's rules.

B. Teleglobe reserves the right to discontinue service when the Customer is using the service in violation of the provisions of this tariff, signed contract, or the law, with notice as required by the rules of the Commission.

C. Teleglobe does not undertake to transmit messages, but offers the use of its facilities, when available, for that purpose.

2.2 Use

2.2.1 Lawful Purpose

Services provided under this tariff may be used for any lawful purpose for which the service is technically suited consistent with the transmission and switching parameters of the telecommunications facilities utilized in the provision of the service.

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2.0 General Rules and Regulations (cont'd)

2.2 Use (cont'd)

2.2.2 Use of Service for Unlawful and/or Fraudulent Purposes

Teleglobe's services are provided subject to the condition that they will not be used for any unlawful and/or fraudulent purpose. Services will not be furnished if any law enforcement agency, acting within its jurisdiction, advises Carrier that such services are being used or are likely to be used in violation of the law and/or in a fraudulent manner. If Teleglobe receives other evidence giving reasonable cause to believe that such services are being used or are likely to be used for unlawful and/or fraudulent purposes, it may either discontinue or deny the services and/or refer the matter to the appropriate law enforcement agency in accordance with law and/or Commission rules.

2.2.3 Unauthorized Use

Any individual who uses or receives Teleglobe's services other than under the provisions of an accepted application for service and a current Customer relationship shall be liable for the appropriate rates and charges for the service received and for Teleglobe's costs of investigation and collection.

2.2.4 Recording Devices

Teleglobe's services are not designed for the use of recording devices, and Customers who use such devices to record two-way telephone conversations do so at their own risk.

2.2.5 Use of Service Mark

No Customer shall use any service mark or trademark of Teleglobe or refer to Teleglobe in connection with any product, equipment promotion, or publication of the Customer without the prior written consent of Teleglobe.

2.0 General Rules and Regulations (cont'd)

2.3 Undertaking of the Company

2.3.1 Liability of Carrier

2.3.1.1 Except as otherwise stated in this section, Teleglobe's liability for damages arising out of either: (1) the furnishing of its services, including but not limited to mistakes, omissions, interruptions, delays, or errors, or other defects, representations, or use of these services, or (2) the failure to furnish its service, whether caused by acts or omission, shall be limited to the extension of allowances to the Customer for interruptions in service as set forth in Section 2.11.

2.3.1.2 Except for the extension of allowances to the Customer for interruptions in service as set forth in Section 2.11, Teleglobe shall not be liable to a Customer or third party for any direct, indirect, special, incidental, reliance, consequential, exemplary or punitive damages, including, but not limited to, loss of revenue or profits, for any reason whatsoever, including, but not limited to, any act or omission, failure to perform, delay, interruption, failure to provide any service or any failure in or breakdown of facilities associated with the service.

2.3.1.3 Teleglobe's liability for errors in billing that result in overpayment by the Customer shall be limited to a credit equal to the dollar amount erroneously billed or, in the event that payment has been made and service has been discontinued, to a refund of the amount erroneously billed.

2.0 General Rules and Regulations (cont'd)

2.3 Undertaking of the Company (cont'd)

2.3.1 Liability of Carrier (cont'd)

2.3.1.4 Teleglobe shall not be liable for any claims for loss or damages involving:

A. Any act or omission of: (1) the Customer, (2) any other entity furnishing service, equipment or facilities for use in conjunction with services or facilities provided by the Carrier; or (3) common carriers or warehousemen;

B. Any delay or failure of performance or equipment due to causes beyond the Carrier's control, including but not limited to, acts of God, fires, floods, earthquakes, hurricanes, or other catastrophes; national emergencies, insurrections, riots, wars or other civil commotions; strikes, lockouts, work stoppages or other labor difficulties; criminal actions taken against the Carrier; unavailability, failure or malfunction of equipment or facilities provided by the Customer or third parties; and any law, order, regulation or other action of any governing authority or agency thereof;

C. Any unlawful or unauthorized use of the Carrier's facilities and services;

2.0 General Rules and Regulations (cont'd)

2.3 Undertaking of the Company (cont'd)

2.3.1 Liability of Carrier (cont'd)

2.3.1.4 (cont'd)

D. Libel, slander, invasion of privacy or infringement of patents, trade secrets, or copyrights arising from or in connection with the transmission of communications by means of Carrier-provided facilities or services; or by means of the combination of Carrier-provided facilities or services with Customer-provided facilities or services;

E. Breach in the privacy or security of communications transmitted over Teleglobe's facilities;

F. Changes in any of the facilities, operations or procedures of the Carrier that render any equipment, facilities or services provided by the Customer obsolete, or require modification or alteration of such equipment, facilities or services, or otherwise affect their use or performance, except where reasonable notice is required by the Carrier and is not provided to the Customer, in which event the Carrier's liability is limited as set forth in subsection 2.3.1.1 of this Section 2.3.1.

G. Defacement of or damage to Customer premises resulting from the furnishing of services or equipment on such premises or the installation or removal thereof;

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2.0 General Rules and Regulations (cont'd)

2.3 Undertaking of the Company (cont'd)

2.3.1 Liability of Carrier (cont'd)

2.3.1.4 (cont'd)

H. Injury to property or injury or death to persons, including claims for payments made under Workers' Compensation law or under any plan for employee disability or death benefits, arising out of, or caused by, any act or omission of the Customer, or the construction, installation, maintenance, presence, use or removal of the Customer's facilities or equipment connected, or to be connected to the Carrier's facilities;

I. Any intentional, wrongful act of a Teleglobe employee when such act is not within the scope of the employee's responsibilities for Teleglobe and/or is not authorized by Teleglobe;

J. Any representations made by Teleglobe employees that do not comport with, or that are inconsistent with the provisions of this Tariff;

K. Any act or omission in connection with the provision of 911, E911, or similar services involving emergencies;

L. Any noncompletion of calls due to network busy conditions;

M. Any calls not actually attempted to be completed during any period that service is unavailable.

2.0 General Rules and Regulations (cont'd)

2.3 Undertaking of the Company (cont'd)

2.3.1 Liability of Carrier (cont'd)

2.3.1.5 Teleglobe shall be indemnified, defended and held harmless by the Customer or end user from and against any and all claims, loses, demands, suits, expense, or other action or any liability whatsoever, including attorney fees, whether suffered, made, instituted, or asserted by the Customer or by any other party, for any personal injury to or death of any person or persons, and for any loss, damage or destruction of any property, including environmental contamination, whether owned by the Customer or by any other party, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, presence, condition, location, use or removal of any Carrier or Customer equipment or facilities or service provided by Teleglobe and not due to Teleglobe's negligence.

2.3.1.6 Teleglobe does not guarantee nor make any warranty with respect to installations provided by it for use in an explosive atmosphere. Teleglobe shall be indemnified, defended and held harmless by the Customer from and against any and all claims, loss, demands, suits, or other action, or any liability whatsoever, including attorney fees, whether suffered, made, instituted or asserted by the Customer or by any other party, for any personal injury to or death of any person or persons, and for any loss, damage or destruction of any property, including environmental contamination, whether owned by the Customer or by any other party, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, presence, condition, location, use or removal of any equipment or facilities or the service, and not due to Teleglobe's negligence.

2.0 General Rules and Regulations (cont'd)

2.3 Undertaking of the Company (cont'd)

2.3.1 Liability of Carrier (cont'd)

2.3.1.7 Teleglobe assumes no responsibility for the availability or performance of any cable or satellite systems or related facilities under the control of other entities, or for other facilities provided by other entities used for service to the Customer, even if Teleglobe has acted as the Customer's agent in arranging for such facilities or services. Such facilities are provided subject to such degree of protection or nonpreemptibility as may be provided by the other entities.

2.3.1.8 Any claim of whatever nature against Teleglobe shall be deemed conclusively to have been waived unless presented in writing to the Carrier within thirty (30) days after the date of the occurrence that gave rise to the claim.

2.3.1.9 IN NO EVENT SHALL TELEGLOBE BE LIABLE TO THE CUSTOMER FOR CONSEQUENTIAL, SPECIAL OR INDIRECT LOSSES OR DAMAGES HOWSOEVER ARISING AND WHETHER UNDER CONTRACT, TORT OR OTHERWISE (INCLUDING, WITHOUT LIMITATION, THIRD PARTY CLAIMS, LOSS OF PROFITS, LOSS OF CUSTOMERS, OR DAMAGE TO REPUTATION OR GOODWILL). NO WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE SHALL BE APPLICABLE TO THE PROVISION OF THE SERVICES.

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2.0 General Rules and Regulations (cont'd)

2.4 Equipment

2.4.1 Inspection, Testing, and Adjustment

Teleglobe may, upon reasonable notice, make such tests and inspections as may be necessary to determine whether the requirements of this tariff are being complied with in the installation, operation, or maintenance of the Customer's equipment. Teleglobe may interrupt the service at any time, without penalty to itself, unless interruption exceeds twenty-four (24) hours.

2.4.2 Interference and Hazard

The operating characteristics of Customer premises equipment or communications systems connected to Teleglobe's services must not interfere with, or impair, any of the services offered by Teleglobe. Additionally, connected Customer premises equipment must not endanger the safety of Teleglobe employees or the public, damage or interfere with the proper functioning of Teleglobe's equipment, or otherwise injure the public in its use of Teleglobe's services.

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2.0 General Rules and Regulations (cont'd)

2.4 Equipment (cont'd)

2.4.3 Maintenance and Repair

A. Customer Liability

The Customer shall be responsible for damages to Teleglobe's facilities used in the provision of regulated services caused by the negligence or willful act of the Customer or those using Teleglobe's service through the Customer. The Customer may not physically modify or intrude upon, rearrange, disconnect, remove, or attempt to repair any of Teleglobe's facilities except upon written consent of Teleglobe.

B. Leased or Owned Facilities

The Customer's obligation to Teleglobe is the same whether the facilities involved are Teleglobe's facilities or are facilities leased by Carrier from another party. If Teleglobe incurs expenses due to the Customer's actions that result in damage or impairment of Carrier's owned or leased facilities, Teleglobe will pass on to the Customer any and all expenses to repair Teleglobe's facilities or that the owner imposes on Teleglobe for leased facilities.

2.0 General Rules and Regulations (cont'd)

2.5 Contract for Service

Service is installed upon contractual agreement between a Customer and Teleglobe. This Customer Contract specifies the terms and conditions of service not covered by this tariff. The contract does not alter the obligations of Teleglobe to Customers as described in this tariff. The term of the services shall commence and will remain in effect from the service activation date specified in the Customer Contract for the term of that contract. Should Teleglobe continue to provide service after the initial term without further agreement, the service shall continue under the terms of the then applicable tariff on a month-to-month basis. A Customer Contract may, however, provide for the renewal of the contract for a period similar to its existing term, if the Customer does not advise Teleglobe that the Customer desires to terminate the contract by a reasonable time prior to its expiration date.

2.6 Application for Service

2.6.1 Information Required

When applying for service, each prospective Customer will be required to furnish Teleglobe with the following information:

A. The name of the party who will be responsible for payment for the service provided.

B. The address or addresses or exact location of the premises where service is to be provided and billed.

C. Any information required to make a proper determination of appropriate creditworthiness.

2.6.2 Initiation of Service

Service shall be deemed to be initiated upon the service activation date specified in the Customer Contract.

2.0 General Rules and Regulations (cont'd)

2.7 Billing

2.7.1 Monthly Billing

Bills to Customers will be issued monthly unless Teleglobe is authorized by the Commission to bill at other than monthly intervals because of unusual circumstances. Toll charges are billed in arrears.

2.7.2 Bill Contents

The bill form or a bill insert will provide the following information: the dates at the beginning and end of the billing period; the last date for timely payment, which shall not be less than thirty (30) days after the bill is rendered; the amount of the net charge, stated by category, for ancillary services and equipment, toll service, information service, sales tax and excise tax, and of any late payment charge, together with the gross amount of the bill, with separate entries for total amounts current or in arrears. Teleglobe will also comply with reasonable requests for bill detail.

2.8 Payment for Service

2.8.1 Late Penalty Charge

Teleglobe may impose a late payment charge not to exceed 1.5% on any bill not paid within thirty (30) days of receipt of the bill. Customer shall be responsible for all costs, including attorneys' fees, incurred in the collection of unpaid charges or in any other action to enforce payments and/or obligations arising under this tariff.

2.8.2 Timely Payment for Residential Customers

Each residential Customer is permitted to have a last day for timely payment changeable for cause in writing.

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2.0 General Rules and Regulations (cont'd)

2.8 Payment for Service (cont'd)

2.8.3 Collection

No collection efforts other than the rendering of the bill shall be undertaken until the delinquency date.

2.8.4 Taxes

All federal excise taxes, gross receipts taxes, and state and local sales, use and similar taxes, are the responsibility of the Customer, are billed as separate line items, and are not included in the quoted rates.

2.8.5 Returned Check Charges

Teleglobe will assess a $20.00 charge for returned checks.

2.8.6 Restoration of Service

A reconnection fee of $25.00 per occurrence is charged when service is re-established for customers who had been disconnected for non-payment.

2.0 General Rules and Regulations (cont'd)

2.9 Disputes and Complaints

2.9.1 Disputed Bills

In the event of a dispute concerning the bill, Teleglobe will require the Customer to pay a sum of money equal to the amount of the undisputed portion of the bill. Following payment of the undisputed amount, efforts to resolve the complaint using the complaint procedures in Section 2.9.2 shall continue, and for not less than thirty (30) days after reading the disputed bill, the service shall not be disconnected for nonpayment of the disputed amount. If a Customer does not give Teleglobe written notice of a dispute with respect to Teleglobe's charges within two (2) years from the later of the date of the bill or the date of the discovery of the dispute, the bill shall be deemed correct and binding upon the Customer.

2.0 General Rules and Regulations (cont'd)

2.9 Disputes and Complaints (cont'd)

2.9.2 Complaint Procedures

Inquiries, general questions, or complaints may be directed informally to Teleglobe by telephone, in person, or in writing at Teleglobe's office located at 1751 Pinnacle Drive, Suite 1600, McLean, Virginia 22102. Teleglobe's customer service department can be reached by dialing the following toll-free number: 1-800-947-5084. Teleglobe's customer service department accepts calls on a twenty-four-hour-a-day basis. Complaints concerning the charges, practices, facilities, or services of Carrier will be investigated promptly and thoroughly. Teleglobe will keep records of each complaint showing the name and address of the complainant, the date and nature of the complaint, its disposition, and all other pertinent facts dealing with the complaint that will enable Teleglobe to review and analyze its procedures and actions. Teleglobe will maintain for at least six (6) months a record of all signed written complaints. The records maintained by Teleglobe under this tariff will be available for inspection by the Commission or its staff upon request. Within fifteen (15) days of the receipt of a written complaint, Teleglobe will provide written notice to the Customer of the status of the complaint. Each Customer may file with the Commission for resolution of disputes.

2.9.3 Bill Insert or Notice

Teleglobe shall notify Customers, by bill insert or notice on the bill form, of the address and telephone number where a Teleglobe representative qualified to assist in resolving the complaint can be reached.

2.0 General Rules and Regulations (cont'd)

2.10 Service Refusal and Discontinuance

2.10.1 Notice of Pending Discontinuance

Prior to the discontinuance of service, Teleglobe shall provide a written notice to the Customer setting forth the reason for disconnection and the final date by which the account is to be settled or specific action taken. Final dates shall be no less than five (5) working days with respect to an unpaid bill, and no less than twelve (12) days with respect to an unpaid deposit, after the notice is rendered. The notice shall be considered rendered to the Customer when deposited in the U.S. Mail with postage prepaid. If delivery is by other than U.S. Mail, the notice shall be considered rendered when delivered to the last known address of the person responsible for payment for the service. The notice will specify 1-800-947-5084 as a toll-free number at which a Teleglobe representative can be reached to provide additional information about the discontinuance.

2.10.2 Reasons for Service Refusal and Discontinuance

Service may be refused or discontinued:

A. Without notice if a condition on the Customer's premises is determined by Teleglobe to be hazardous.

B. Without notice if the Customer uses the service in such a manner as to adversely affect Teleglobe's equipment or Teleglobe's service to others.

C. Without notice if equipment furnished, leased, or owned by Teleglobe is subject to tampering.

D. Without notice if there is unauthorized use. Unauthorized use includes, without limitation, use or attempted use for an unlawful purpose and/or use or attempted use in any fraudulent manner.

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2.0 General Rules and Regulations (cont'd)

2.10 Service Refusal and Discontinuance (cont'd)

2.10.2 Reasons for Service Refusal and Discontinuance (cont'd)

E. If there are reasonable grounds to believe there is a violation of or noncompliance with Teleglobe's regulations on file with the Commission, municipal ordinances, or law.

F. If the Customer or prospective Customer fails to furnish service equipment, permits, certificates, or rights-of-way specified to be furnished in Teleglobe's regulations filed with the Commission as conditions for obtaining service, or withdraws such equipment or terminates those permissions or rights, or fails to fulfill the contractual obligations imposed upon the Customer as conditions of obtaining service.

G. If the Customer fails to permit Teleglobe reasonable access to its equipment.

2.0 General Rules and Regulations (cont'd)

2.10 Service Refusal and Discontinuance (cont'd)

2.10.3 Refusal and Discontinuance of Service for Nonpayment of Bill or Deposit

Except as restricted by Section 2.10.4, service may be refused or discontinued for nonpayment of a bill or deposit if Teleglobe has made a reasonable attempt to effect collection and:

A. Teleglobe has provided the Customer with five (5) working days' prior written notice with respect to an unpaid bill and twelve (12) days' prior written notice with respect to an unpaid deposit. However, disconnection may take place prior to the expiration of the 5-day unpaid bill notice period if Teleglobe determines from verifiable data that usage during the 5-day notice period is so abnormally high that a risk of substantial revenue loss is created.

B. In the event of a dispute concerning the bill, Teleglobe will require the Customer to pay a sum of money equal to the amount of the undisputed portion of the bill. Following payment of the undisputed amount, efforts to resolve the complaint using the complaint procedures in Section 2.9.2 shall continue, and for not less than thirty (30) days after the rendering of the disputed bill, the service shall not be disconnected for nonpayment of the disputed amount.

2.0 General Rules and Regulations (cont'd)

2.10 Service Refusal and Discontinuance (cont'd)

2.10.4 Insufficient Reasons for Refusal or Discontinuance of Service

The following reasons are not sufficient cause for refusal or discontinuance of service to a present or prospective Customer:

A. Delinquency in payment for service by a previous occupant, other than a Customer of the same household, of the premises to be served.

B. Delinquency in payment for service by a present occupant who was delinquent at another address and subsequently joined the household of the current Customer in good standing.

C. Delinquency in payment for separate telephone service of another Customer in the same residence.

D. Failure to pay for separate business telephone service at different location does not constitute cause to refuse residential service at another location and number, and vice versa.

E. Failure to pay for directory advertising charges or other unregulated services.

F. Failure to pay the bill of another Customer as guarantor thereof.

G. Failure to pay a dishonored check service charge imposed by Teleglobe.

H. Failure to pay for 900, 960, or 976 calls disputed by a Customer.

2.0 General Rules and Regulations (cont'd)

2.11 Cancellations and Deferments of Service

When a Customer cancels or defers an order for service before the service is activated, a charge applies that will allow Teleglobe to recover its unrecovered costs, including but not limited to outside vendor charges, engineering, labor, materials, and equipment. Charges apply as follows:

2.11.1. Cancellation

In a cancellation situation, the charge is equal to the unrecoverable costs incurred prior to the request for cancellation and the costs of removal, restoration, and disposal, if any, to comply with the cancellation. Those costs include, but are not limited to, costs of outside vendors, engineering, labor, nonrecoverable materials, and equipment expense.

2.11.2 Deferment of Start of Service

If a request for deferment of service is received by Teleglobe prior to the date an order for equipment or service is placed with Teleglobe's supplier, no charge shall apply. For deferments received by Carrier subsequent to the date the order for equipment or service is placed with Carrier's supplier, a monthly recurring charge based upon the costs incurred prior to the request for the deferment applies. This monthly rate shall be equal to the deferred investment multiplied by the monthly prime interest rate as announced by Firstar Bank of Cedar Rapids, N.A., plus recurring costs resulting directly from the deferral such as storage, taxes, etc. In addition, any extraordinary nonrecurring costs resulting from the deferral, such as additional engineering, labor, and transportation, shall be billed in total. Billing shall start at the beginning of the month of deferment and extend to the start of service. Charges shall not exceed the monthly rate that would have applied had the service been established. Teleglobe will also charge the Customer who defers service any and all rates and charges incurred by Teleglobe for any leased facilities for which Teleglobe is held responsible. Teleglobe will make a good faith effort to minimize those rates and charges whenever possible.

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2.0 General Rules and Regulations (cont'd)

2.11 Cancellations and Deferments of Service (cont'd)

2.11.3 Cancellation or Interruption of Services

2.11.3.1 General

A. A service is interrupted when it becomes unusable to the Customer, *e.g.*, the Customer is unable to transmit or receive, because of a failure of a component furnished by Teleglobe under this tariff.

B. An interruption period begins when the Customer reports a service, facility or circuit to be inoperative and releases it for testing and repair. An interruption period ends when the service, facility or circuit is operative.

C. If the Customer reports a service, facility or circuit to be inoperative but declines to release it for testing and repair, the service, facility or circuit is considered to be impaired but not interrupted. No credit allowances will be made for a service, facility or circuit considered by Teleglobe to be impaired.

2.0 General Rules and Regulations (cont'd)

2.11 Cancellations and Deferments of Service (cont'd)

2.11.3 Cancellation or Interruption of Services (cont'd)

2.11.3.2 Limitations on Allowances

No credit allowance will be made for any interruption of service:

A. Due to the negligence of, or noncompliance with the provisions of this Tariff by, any person or entity other than the Carrier, including but not limited to the Customer or other common carriers connected to the service of Teleglobe;

B. Due to the failure of power, equipment, systems, or services not provided by Teleglobe;

C. Due to circumstances or causes beyond the control of Teleglobe;

D. During any period in which Teleglobe is not given full and free access to its facilities and equipment for the purposes of investigating and correcting interruptions;

E. During any period in which the Customer continues to use the service on an impaired basis;

2.0 General Rules and Regulations (cont'd)

2.11 Cancellations and Deferments of Service (cont'd)

2.11.3 Cancellation or Interruption of Services (cont'd)

2.11.3.2 Limitations on Allowances (cont'd)

F. During any period when the Customer has released service to Teleglobe for maintenance purposes or for implementation of a Customer order for a change in service arrangements;

G. That occurs or continues due to the Customer's failure to authorize replacement of any element of special construction; and

H. That was not reported to Teleglobe within thirty (30) days of the date that service was affected.

2.11.3.3 Application of Credits for Interruptions of Service

Credits for interruptions of service, for which charges are specified on the basis of per minute of use, or on the usage of a fraction of a minute, shall in no event exceed an amount equal to the initial period charge provided for under this tariff.

2.12 Commission Ordered Refunds

Teleglobe will follow Rule 25-24.490 that incorporates Rule 25-4.114 in calculating and paying interest and any refund, except deposit refunds, that may be ordered by the Commission.

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2.0 General Rules and Regulations (cont'd)

2.13 Provision of Information

Pursuant to Commission Rule 25-24.490(4), Teleglobe, upon request of any person, will provide information, verbally or in writing, regarding the terms of Teleglobe's services. Teleglobe will send this information in a separate mailing to new Customers at or before Customer's receipt of the first bill.

2.14 Information Service Access Blocking

Where facilities are available, Customers have the option to block access to all "900" and "976" prefix numbers, without charge for the first block. Teleglobe will comply with all applicable rules of the Commission concerning such blocking.

3.0 Description of Services and Rate Schedule

3.1 Description of Services

Teleglobe provides interexchange telecommunications services that are available on a switched access basis. Teleglobe only provides the telecommunications services set forth in this tariff and does not provide directory or operator services.

3.2 Calculation of Usage Rates

A. Billing for calls placed over Teleglobe's network is based in part on the duration of the call. Billing is in six second increments, with a minimum call length of not less than six seconds. Timing begins when the called station is answered as determined by standard industry methods generally in use for ascertaining answer, including hardware answer supervision in which the local telephone company sends a signal to the switch. A call is terminated when either party (called or calling) hangs up.

3.0 Description of Services and Rate Schedule (cont'd)

3.3 Rate Schedules

This section sets forth the rates and charges applicable to Carrier's service offerings. Teleglobe reserves the right to amend the rates and charges for any of the following services upon providing a fifteen (15) day advance written notice to the Customer.

3.3.1 Message Telecommunications Services

Message Telecommunications Services ("MTS") consist of the furnishing of message telephone service between telephone stations located within the state.

Flat Rate: $0.20 per minute

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3.0 Description of Services and Rate Schedule (cont'd)

3.3 Rate Schedules (cont'd)

3.3.2 800 Service

800 Service is an inbound-only service in which callers located within the State may place toll-free calls to a telephone in the 800 area code assigned to the Customer.

Flat Rate: $0.20 per minute

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3.0 Description of Services and Rate Schedule (cont'd)

3.3 Rate Schedules (cont'd)

3.3.3 Postpaid Travel Calling Card Service

Postpaid travel calling card service is available to Customers of Carrier's long distance services. Customers will reach Carrier's network via a toll free number. A Customer who elects to use this service will pay the tariffed rates for calls charged to the card. Charges for such calls appear on the Customer's regular monthly bill.

Flat Rate: $0.20 per minute

3.0 Description of Services and Rate Schedule (cont'd)

3.3 Rate Schedules (cont'd)

3.3.4 Prepaid Calling Card Service

Prepaid Calling Card Service is a service offered to customers for placing calls away from the home or office. Prepaid Calling Cards maintain a balance which is depleted on a real-time basis as calls are placed. Customers are notified of their remaining account balance at the beginning of each call. Customers access the service via an 800 number. Customers then enter their account number followed by the destination station number.

Flat Rate: $0.20 per minute

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Board, President and Chief Executive Officer of BCE Inc.,

- prior to April 1993, George A. Fierheller was Chairman and Chief Executive Officer of Rogers Cantel Mobile Communications Inc., a telecommunications company;

- prior to September 1994, Pierre MacDonald was Vice-President, TGV Projects, Transportation Equipment Group, Bombardier Inc.;

- prior to January 1994, John T. McLennan was President of Bell Ontario, a telecommunications company, prior to September 1993, he was Chairman, President and Chief Executive Officer of BCE Mobile Communications Inc., a telecommunications company; and prior to April 1990, he was President and founder of his own firm, Jenmark Consulting Inc.;

- prior to June 1992, Charles Sirois was President and Chief Executive Officer of Teleglobe Canada Inc., prior to February 1992, he was Chairman and Chief Executive Officer of National Telesystem Ltd., a management holding company, a position which he continues to hold; and prior to April 1990, he was Chairman and Chief Executive Officer of BCE Mobile Communications Inc., a telecommunications company;

- prior to April 1993, Lynton Ronald Wilson was President and Chief Executive Officer of BCE Inc., a management holding company; prior to April 1992, he was President and Chief Operating Officer of BCE Inc.; and prior to November 1990, he was Vice-Chairman of the Bank of Nova Scotia;
- prior to October 1992, Claude Séguin was Deputy Minister of Finance for the Government of Quebec;

- prior to February 1994, Guthrie J. Stewart was Executive Vice-President, Government and International Affairs and Corporate Secretary of the Corporation; prior to August 1993, he was Vice-President, Legal Matters and Corporate Secretary of the Corporation; and prior to June 1992, he was Vice-President, Legal Matters and Corporate Secretary of BCE Mobile Communications Inc.;

- prior to September 1992, Marc Leroux was Senior Manager, Services Development with Bell-Northern Research Ltd., a research and development company;

- prior to September 1992, Marc Godin was Assistant Treasurer of the Corporation and prior to May 1992, he was Associate, Corporate Finance at Nesbitt Thomson Inc. (now Nesbitt Burns Inc.), a securities dealer.

- prior to October 1995, François Laurin was Corporate Controller of the Corporation and prior to November 1992, he was Vice-President (Administration) of Television Quatre Saisons Inc., a broadcasting company.

<u>EXHIBIT 4</u>

Proposed Tariff

TITLE SHEET

TELECOMMUNICATIONS SERVICES

This tariff applies to the Long Distance Interexchange Telecommunications Services furnished by Teleglobe USA Inc. ("Teleglobe" or "Carrier") between one or more points in the State of Florida. This tariff is on file with the Florida Public Service Commission, and copies may be inspected, during normal business hours, at Teleglobe's principal place of business, 1751 Pinnacle Drive, Suite 1600, McLean, Virginia 22102.

CHECK SHEET

The sheets of this tariff are effective as of the date shown at the bottom of the respective sheets. Original and revised sheets as named below comprise all changes from the original tariff that are currently in effect as of the date at the bottom of this sheet.

Sheet	Revision	Sheet	Revision
1	Original	26	Original
2	Original	27	Original
3	Original	28	Original
4	Original	29	Original
5	Original	30	Original
6	Original	31	Original
7	Original	32	Original
8	Original	33	Original
9	Original	34	Original
10	Original	35	Original
11	Original	36	Original
12	Original	37	Original
13	Original	38	Original
14	Original	39	Original
15	Original	40	Original
16	Original	41	Original
17	Original	42	Original
18	Original	43	Original
19	Original	44	Original
20	Original	45	Original
21	Original		
22	Original		
23	Original		
24	Original		
25	Original		

* Indicates new or revised sheet submitted with this filing.

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