



Public Service Commission

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

DATE: December 10, 1998
TO: Tommy Williams, Division of Communications
FROM: David J. Draper, Division of Auditing and Financial Analysis *ALM*
RE: Docket No. 531804-TI, Startec Global Licensing Company, Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service *AFC*

Section 364.337 (3), Florida Statutes, requires the following:

The commission shall grant a certificate of authority to provide intrastate interexchange telecommunications service upon a showing that the applicant has sufficient technical, financial, and managerial capability to provide such service in the geographic area proposed to be served.

Also Section 364.01 (3) and (4) states that:

(3) The Legislature finds that the competitive provision of telecommunications service, including local exchange telecommunications service, is in the public interest.

and

(4)(d) The Commission shall exercise its exclusive jurisdiction in order to: (d) Promote competition by encouraging new entrants into telecommunications markets . . .

Regarding the showing of financial capability, the Finance staff has analyzed the audited financial statements of Startec Global Licensing Company (SGC) for the period ending December 31, 1997. As the attached schedule shows, SGC has adequate liquidity, sufficient common equity and reported a positive net income for the period.

ACK _____
 AFA _____
 APP _____ In this matter, SGC is asking for a certificate to provide IXC service. For purposes of granting
 CAF _____ a certificate based on the financial information provided, the financial capability appears
 CMU _____ adequate. The applicant attests to its financial capability by noting that it has adequate liquid
 CTR _____ assets to provide and maintain the proposed telecommunications service. Based on this showing,
 EAG _____ the applicant appears to meet the financial capability standard of Section 364.337, Florida
 Statutes.

LEG _____
 LIN _____ cc: Division of Legal Services
 OPC _____ Division of Records and Reporting (2)
 RCH _____
 SEC /
 WAS _____
 OTH _____

DOCUMENT NUMBER-DATE

14084 DEC 15 88

RECORDS/REPORTING

DOCKET NO. 98180
STARTEC GLOBAL LICENSING COMPANY

IXC TELECOMMUNICATION SERVICE
FINANCIAL ANALYSIS

FROM AUDITED FINANCIAL STATEMENTS

	AS OF 12/31/97 (,000)
CURRENT ASSETS	\$45,214
CURRENT LIABILITIES	19,479
CURRENT RATIO	2.32
CASH	26,114
COMMON EQUITY	31,590
TOTAL DEBT	461
TOTAL INVESTOR CAPITAL	32,051
COMMON EQUITY RATIO	99%
NET INCOME	1,619
RETURN ON EQUITY	5%

NMF = No Meaningful Figure