



Public Service Commission

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

DATE: June 28, 1999
TO: Nancy Pruitt, Division of Communications
FROM: Pete Lester, Division of Auditing and Financial Analysis *PL*
RE: Docket No. 990490-TI, Cable & Wireless Global Markets, Inc., *ALM* Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service

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

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

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

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

and

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

Regarding the showing of financial capability, the Finance staff has analyzed the audited financial statements of Cable & Wireless PLC, the parent company of Cable & Wireless Global Markets, Inc. (CWGM), for the period ending December 31, 1998. As the attached schedule shows, CWGM's parent company has low liquidity but it has sufficient common equity and reported a positive net income for the period.

In this matter, CWGM is asking for a certificate to provide IXC service. Staff notes the limited nature of the application. For purposes of granting a certificate based on the financial information provided, the financial capability appears adequate.

AFA _____
APP _____
CAF _____
CMU _____
CTR _____
EAG _____
LEG _____
MAS _____
OPC _____

_____The applicant attests to its financial capability to provide and maintain the proposed telecommunications service by noting that its parent company is financially strong and can access the public debt and equity markets. The parent company will provide support to CWGM. Based on this showing, the applicant appears to meet the financial capability standard of Section 364.337, Florida Statutes.

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

DOCUMENT NUMBER-DATE

07862 JUN 29 99

FPSC-RECORDS/REPORTING

DOCKET NO. 990490-T1

CABLE & WIRELESS GLOBAL MARKETS, INC.
IXC CERTIFICATE

FINANCIAL ANALYSIS

FROM AUDITED FINANCIAL STATEMENTS OF
CABLE & WIRELESS PLC, THE PARENT COMPANY OF
CABLE & WIRELESS GLOBAL MARKETS, INC.

IN MILLIONS OF BRITISH POUNDS

AS OF
12/31/98

CURRENT ASSETS	1,687
CURRENT LIABILITIES	2,798
CURRENT RATIO	0.60
CASH	1,687
COMMON EQUITY	3,098
TOTAL DEBT	232
TOTAL PREFERRED STOCK	0
TOTAL INVESTOR CAPITAL	3,330
COMMON EQUITY RATIO	93%
NET INCOME	1,288
RETURN ON EQUITY	42%