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January 28, 2000

VIA OVERNIGHT DELIVERY

Ms. Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

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Re: IDT America, Corp. Notification of Transfer of Customer Base from MCI WorldCom, Inc.

Dear Ms. Bayo:

IDT America, Corp. ("IDT America"), by its undersigned counsel, submits this letter to advise the Commission of a transaction whereby MCI WorldCom, Inc. ("MCIW") will transfer selected long distance customers to IDT America.¹

Upon review of the Florida statutes and the Commission's rules, it is the understanding of IDT America that prior Commission approval is not required for the transfer of selected customers from MCIW's customer base to IDT America as described herein.

Description of the Parties

1. IDT America, Corp.

IDT America is a New Jersey corporation and a direct, wholly-owned subsidiary of IDT Corporation ("IDT"), a Delaware corporation that is publicly traded on the NASDAQ National

Concurrent with this filing, IDT America has petitioned the Federal Communications Commission to grant a limited waiver of its subscriber carrier selection rules (47 C.F.R. §§ 64.1100 through 64.1190 (1999)) and relevant Orders to the extent necessary to permit IDT America to transfer selected customers of MCIW to the IDT America's customer base without first obtaining the customers' authorization and verification.

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Market System. IDT America and IDT maintain their principal offices at 294 State Street, Hackensack, New Jersey 07601.

IDT America is authorized to provide intrastate resold interexchange services in 46 states.² IDT America provides resold interexchange telecommunications services in the State of Florida pursuant to Interexchange Telecommunications Certificate No. 3581.³ IDT is authorized by the Federal Communications Commission ("FCC") to provide international switched and private line telecommunications services between the United States and various international points.⁴ In addition, IDT and IDT America offer a wide range of integrated and competitively priced domestic and international long distance telephone and Internet access services in the U.S. and abroad, through their network of switches and leased lines interconnected to other domestic and foreign carriers.

IDT America is an experienced and duly certificated telecommunications carrier and has sufficient managerial and financial qualifications to acquire the customer assets of MCIW's as described below, and to ensure the uninterrupted provision of telecommunications services.

² As part of a corporate reorganization, IDT, the parent company, is in the process of transferring all of its certificates of public convenience and necessity to IDT America or seeking certification on behalf of IDT America. Such transactions are completed in all but the following states: Alabama, New Hampshire, Ohio and South Dakota.

³ International Discount Telecommunications, Corp. ("IDTC") was granted authority to provide interexchange telecommunications services in the State of Florida, by Order No. PSC-94-1021-FOF-TI, issued August 23, 1994, in Docket No. 940576-TI. In August of 1997, pursuant to the IDTC's request, the Commission changed the name on the certificate from IDTC to IDT. On May 7, 1998, the Florida Public Service Commission issued Order No. PSC-98-0637-FOF-TI, approving IDT's assignment of its certificate to IDT America.

⁴ IDT holds Section 214 authority to provide international resold switched and non-interconnected private line services between the U.S. and international points. *International Discount Telecommunications Corp., Application for Authority to Resell Services of Other Carriers to Provide Switched and Private Line Services Between the U.S. and Various International Points*, File No. I-T-C 96-194, DA 96-754 (rel. May 16, 1996). IDT also holds Section 214 "global" resale and facilities-based authority pursuant to Section 214 of the Communications Act of 1934, as amended. *Application of IDT Corporation For authority pursuant to Section 214 of the Communications Act of 1934 as Amended, for Global Authority to Operate as a Facilities-based Carrier and as an International Resale Carrier*, File No. I-T-C-97-136 (eff. April 16, 1997).

2. MCI WorldCom, Inc.

MCIW is a Georgia corporation with principal offices located at 500 Clinton Center Drive, Clinton, MS 39056-5654. MCIW is currently the holder of Interexchange Telecommunications Certificate of Public Convenience and Necessity No. 61, granted by this Commission on November 19, 1998, in Order No. PSC-98-1529-FOF-TP.⁵

Description of the Transaction

Pursuant to an agreement executed with MCIW, MCIW and IDT America intend to transfer specific assets of MCIW, including customer accounts and accounts receivables to IDT America. IDT previously served as an agent for MCIW and acquired these customers for MCIW. MCIW has decided to terminate service to these customers and agreed to transfer these customer accounts to IDT America pursuant to the agreement. IDT America intends to migrate approximately 2,114 Florida customers from MCIW to IDT America. IDT America will provide interexchange service to these customers under the same or better rates as provided by MCIW.

Prior to the transfer of these customers to IDT America, IDT America will provide them with notice of the changes in their interexchange service provider. These customers will be notified, via a letter that states: (a) the quality of service to the customers will remain the same and that IDT America will continue to provide service to the customers with the same or better services and rates currently provided to them by MCIW; (b) they have the right to switch to the interexchange carrier of their choice; (c) IDT America will reimburse customers for any primary interexchange carrier ("PIC") change charges if imposed by local exchange carriers ("LECs") in connection with this transaction; and (d) the customers may contact IDT America via a toll-free number with any questions regarding the switch over. IDT America will also amend its tariff to include the applicable MCIW services and rates for those customers. After consummation of the transfer, IDT America will send another notification letter welcoming customers and reiterating statements (a) through (d) above. Therefore, the transaction will be completely transparent to customers and will not involve a change in the manner or quality in which MCIW's customers will receive their telecommunications services.

As such, this transaction will neither disrupt the service nor cause inconvenience or confusion to MCIW's customers. Similarly, the proposed transaction will have no effect on the operation of IDT America, which will continue to provide intrastate telecommunications services to customers pursuant to its existing Florida authorization.

⁵ See Order No. PSC-98-1529-FOF-TP, Docket No. 981507-TP (FL PSC November 19, 1998).

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Public Interest Considerations

Telecommunications customers and the general public will realize significant benefits from the transfer of selected MCIW's customers to IDT America. Consummation of the proposed transaction will serve the public interest by allowing MCIW's customers to continue to receive service, under the same or better rates. Moreover, unless the MCIW customers are transferred to the customer base of IDT America, there is a potential for a service disruption since MCIW has decided to discontinue providing interexchange services to these customers. The customers will be sufficiently notified of the transaction and their rights before and after the transfer. As a result of the transfer, there is no change in the quality of service provided to customers and the customers are protected because they are being served by an experienced and qualified carrier. Hence, the public interest is served by IDT America's managerial, technical, and financial ability to assume full provision of service to MCIW's customer base.

Conclusion

Upon review of Florida statutes and the Commission's regulations, it is IDT America's understanding that prior Commission approval is not required for the transaction described above. Absent receipt of written notification to the contrary within thirty (30) days, IDT America will proceed on the understanding that no approval or other formal action is required. IDT America submits this letter to the Commission for informational purposes, to be included in the appropriate file.

Please date-stamp the enclosed extra copy of this filing and return it in the attached self-addressed, stamped envelope. If you have any questions or comments regarding this filing, please do not hesitate to contact Kevin Minsky at (202) 945-6920.

Respectfully submitted,



William B. Wilhelm, Jr., Esq.
Kevin D. Minsky, Esq.

Counsel for IDT America, Corp.

Enclosures

cc: Diane Clark
M. Schunck