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February 23, 2006

VIA ELECTRONIC FILING

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: Notice of *Ex Parte* Meeting of IDT Corporation,
CC Docket Nos. 96-45, 98-171, 90-571, 92-237, 99-200, 95-116, 98-170

Dear Ms. Dortch:

IDT Corporation ("IDT") submits this notice of an *ex parte* meeting. On February 22, 2006, Diane Clark, Counsel to IDT and Douglas Orvis of Swidler Berlin LLP, outside counsel to IDT, met with Narda Jones, Cathy Carpino, Greg Guice and Carol Pomponio of the Telecommunications Access Policy Division of the Wireline Competition Bureau, Amy Bender of the Wireline Competition Bureau and Jim Lande of the Industry Analysis and Technology Division of the Wireline Competition Bureau.

At the meeting, IDT discussed its support of the "numbers-based" contribution methodology for USF. IDT used the attached materials in the presentation.

Respectfully submitted,

Douglas D. Orvis II

Counsel for IDT Corporation

Enclosure

cc: Narda Jones
Cathy Carpino
Greg Guice
Carol Pomponio
Amy Bender
Jim Lande

IDT Corporation

Ex Parte Presentation
WC Docket No. 96-45

February 22, 2006

About IDT

- IDT Corporation is a $2.4 billion company that provides a variety of communications, entertainment and media services.
- IDT is headquartered in Newark, New Jersey and is led by CEO Jim Courter, a former Member of Congress.
- IDT provides prepaid calling cards in the U.S. and in other countries, as well as local and long distance phone services, wholesale carrier's carrier services, and a variety of other services.
- Other services include prepaid wireless, local residential service and enhanced services.

IDT History

1990 – IDT founded by Howard Jonas as a provider of discounted international re-origination (callback) services. Initial customers were small businesses and consumers with family overseas.

1993 – IDT begins offering Consumer Long Distance and International calling.

1995 – IDT begins Wholesale (Carrier) division, trading traffic with large IXCs and PTTs.

1996 – IDT's IPO on the NASDAQ National Market.

1997 – IDT begins selling pre-paid calling cards, serving primarily recent-immigrant users.

2001 – IDT acquires assets of Winstar.

2004 – IDT ranked #3 behind AT&T and MCI in international voice minutes.

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USF Reform

- IDT supports reform of USF and other contribution systems (TRS, LNP, NANPA)
  - Limited International Revenue Exemption ("LIRE") (currently 12%) applies only to USF (not other funds).
- Current system is broken
  - Bundled service packages make it difficult to distinguish intra/interstate services, telecom/information services
  - Prepaid calling cards are singled out by face value rule to pay higher effective USF contribution rate
  - Current revenue reporting rules conflict with accounting rules

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USF Reform

- IDT supports numbers-based contribution methodology
  - Reporting should be streamlined for all funds
  - Contribution should be based on working telephone numbers and non-switched, high-speed, dedicated connections
  - The system should adopt a unitary numbers/connections-based system with no revenue carve-outs (either minimum contribution or service specific)
  - Inequities regarding LIRE disappear under a number-based regime
  - Any reforms can be phased in to address concerns of prepaid wireless and others who object to the reforms

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USF Reform

- The Commission should not adopt a hybrid system
  - A hybrid system would be inequitable and administratively burdensome
  - A hybrid system would not remedy Commission concerns regarding the stability of the contribution base
  - If the Commission maintains a revenue-based system, the LIRE:
    - Should be expanded to other funds
    - Should be increased to account for higher contribution rates
    - Alternatively, international revenue should be exempted from contribution

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USF Reform

- A hybrid system would continue to place a higher contribution burden on prepaid calling cards relative post-paid services
  - Most prepaid calling card providers only receive a percentage of the face value in revenue, e.g., 70%, making the effective USF rate higher that the current LIRE level (for example, on a $10 face value card, $1.10 out of $7.00 is effectively 15.7%)
  - Inequitably assessing USF on calling cards is contrary to the preservation and advancement of Universal Service, as many calling card users are low-income
  - A hybrid system causes double payment by calling card providers who would pay on both revenue and assigned 800 and local access numbers

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