

DT 00-023

IDT CORPORATION AND IDT AMERICA, CORPORATION

Corporate Restructuring

**Order Approving Pro Forma Assignment of Certificate of
Authority**

O R D E R N O. 23,473

May 9, 2000

On July 20, 1998, IDT Corporation (IDT) and IDT America Corporation, (IDT America) (the Parties) jointly filed a "Letter of Notification" (LON) informing the New Hampshire Public Utilities Commission (Commission) of the *pro forma* assignment of IDT's Certificate of Authority to its wholly-owned subsidiary, IDT America. In response to a Staff data request, the Parties on January 21, 2000 filed additional information necessary to complete the *pro forma* assignment.

IDT, a Delaware corporation, is a registered competitive intraLATA toll provider in New Hampshire pursuant to Authorization No. IXC20897 issued by the Commission.

IDT America, a New Jersey corporation, is a wholly-owned subsidiary of IDT. IDT America received its authority to provide IntraLATA Toll services in New Hampshire on May 3, 2000 by Authorization No. 0500100.

The proposed incorporation is *pro forma* in essence as IDT and IDT America are affiliated through their parent-

subsidiary relationship. IDT asserts that operational efficiency of IDT would be improved by a corporate reorganization with the assignment of its Certificate of Authority to IDT America. IDT America avers that the transaction will be transparent to IDT consumers and will have no impact on the services, rates or terms and conditions the company offers. Nor will the company's ongoing operations be affected. IDT America has filed with the Commission a revised tariff that indicates IDT America's adoption of IDT's tariff.

We find that the assignment of IDT's license to IDT America is in the public good, a finding necessitated by RSA 374:30 to approve the transfer of a public utility's franchise, works, or system. This transaction is similar to, but slightly different from other acquisitions. As in *Re Maxxis Communications, Inc.*, DT 99-110, Order No., 23,323 (October 25, 1999), the system to be transferred consists of customer base and billing systems, *inter alia*. Unlike the transaction in *Re Maxxis*, however, the transfer is to a wholly-owned subsidiary of the parent rather than to another long distance carrier. Because the entity providing service will remain the same except for the name, there is no issue of slamming here. We note that the same reasoning may not apply to an affiliate. RSA 374:28-a prohibits slamming, i.e.,

changes of a customer's service provider without the customer's knowledge or consent. As we stated in *Re Maxxis*, we approve the transfer of a customer base only to the extent that the acquisition of each customer's long distance service is conditioned on notice to the customer of his/her opportunity to choose another long distance carrier, without additional charge, for a period of at least 14 days after the date of the notice.

In the instant situation, while we direct IDT America to provide notice to each customer of the acquisition of IDT by its wholly-owned subsidiary, we will not require that IDT America provide all customers with an opportunity to change carriers without additional charge. We consider that the administrative benefits of obtaining a certificate of authority to do business within New Hampshire, as now permitted by RSA 374:25, IV, were not intended to come with additional costs.

Based upon the foregoing, it is hereby

ORDERED, that the *pro forma* assignment of IDT Corporation Certificate of Authority to provide telecommunication services in New Hampshire to IDT America is hereby APPROVED with the condition that customers' notification proceed as directed above.

By order of the Public Utilities Commission of New
Hampshire this ninth day of May, 2000.

Douglas L. Patch
Chairman

Susan S. Geiger
Commissioner

Nancy Brockway
Commissioner

Attested by:

Thomas B. Getz
Executive Director and Secretary