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Public Service Commission

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FPSC - Records/Reporting

DATE: December 2, 1997

TO: Mary Bane, Deputy Executive Director

FROM: Will Cox, Division of Legal Services

Kelly Biegalski, Division of Communications

*WPC
KB*

RE: Deferral of Item 6

Staff requests a deferral of Item 6 from the December 2, 1997 Agenda Conference. The company has elected through its platform provider to block all Florida intrastate calls. Therefore, the company does not fall under Commission jurisdiction as a telecommunications company pursuant to Section 364.02, Florida Statutes. Due to these circumstances, staff will withdraw the recommendation for this item.

*Recommend approval
NAB*

MS

12013...

PrepayUSA Telecom

245 South Street
Morristown, NJ 07960
973 829 1100

December 1, 1997

Kelly Biegalski
State of Florida, Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0863

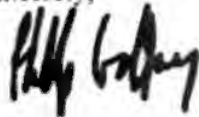
Dear Ms. Biegalski:

Pursuant to your conversation with Malcolm Mead, PrepayUSA offers the following as settlement in lieu of your show cause proceeding scheduled for tomorrow. PrepayUSA will immediately implement a policy not to offer intrastate telephone service, in the State of Florida, through our prepaid calling card service or any other product. We will instruct any service provider from which we purchase service to provision our prepaid calling cards without the ability to complete intrastate calls in the State of Florida.

Again, PrepayUSA does not currently, nor does it intend to, offer its services for sale in the State of Florida.

Thank you for your time and final understanding on this matter.

Sincerely,



Philip W. Gaffney
President