



PUBLIC NOTICE

Federal Communications Commission
445 12th St., S.W.
Washington, D.C. 20554

DA 04-359
February 12, 2004

SUSPENSION LIFTED ON U.S. CARRIER PAYMENTS TO SUBIC

IB Docket No. 03-38

On March 10, 2003, the International Bureau (Bureau) of the Federal Communications Commission (FCC) adopted and released an Order, DA 03-581, finding that six Philippine carriers have engaged in the anticompetitive “whipsawing” of U.S. carriers on the U.S. Philippines route, in violation of the Commission’s International Settlements Policy (ISP). The Bureau found that the Philippine carriers had disrupted the U.S.-Philippine networks of either AT&T Corp. (AT&T) or MCI (formerly WorldCom, Inc.), or both, in retaliation for the refusal of AT&T and WorldCom to agree to the Philippine carriers’ demand for rate increases for termination services on their networks in the Philippines.

In light of this finding, the Bureau ordered U.S. carriers to suspend payments to the six Philippine carriers pending restoration of the U.S.-Philippine circuits of AT&T and MCI. The Bureau has since then lifted the suspension for five of these carriers, Bayan Telecommunications Company (Bayantel), Digital Telecommunications Philippines, Inc. (Digitel), Smart Communications, Inc. (Smart), Philippine Long Distance Telephone Company (PLDT), and Globe Telecom Inc. (Globe) upon being informed that these carriers had ceased blocking traffic to U.S. carriers and that circuits were fully restored.¹

¹ See AT&T Circuits to the Philippines Reactivated by Digital Telecommunications Philippines, Inc. and Bayan Telecommunications Company: Suspension Lifted on U.S. Carrier Payments to These Carriers, DA 03-1030 (rel. March 31, 2003); AT&T and MCI Circuits to the Philippines Reactivated by Smart: Suspension lifted on U.S. Carrier Payments to Smart, DA 03-3664 (rel. November 17, 2003); AT&T and MCI Circuits to the Philippines Reactivated by PLDT: Suspension lifted on U.S. Carrier Payments to PLDT, DA 04-63 (rel. January 15, 2004); AT&T and MCI Circuits to the Philippines Reactivated by Globe: Suspension lifted on U.S. Carrier Payments to Globe, DA 04-162 (rel. January 26, 2004). See also Letter from James J.R. Talbot, Senior Attorney, AT&T, to Marlene Dortch, Secretary, Federal Communications Commission (filed October 6, 2003), Letter from Scott S. Shefferman, Associate Counsel, MCI, to Marlene Dortch, Secretary, Federal Communications Commission (filed November 14, 2003); Letter from Maria Cattafesta, Senior Attorney, Sprint, to Marlene H. Dortch, Secretary, Federal Communications Commission (filed November 19, 2003); Letter from Patrick J. Donovan, Counsel for IT&E, to Marlene H. Dortch, Secretary, Federal Communications Commission, IB Docket No. 03-38 (filed Dec. 9, 2003); Letter from James J.R. Talbot, Senior Attorney, AT&T, to Marlene Dortch, Secretary, Federal Communications Commission (filed January 12, 2004); Letter from Scott A. Shefferman, Associate Counsel, MCI, to Marlene Dortch, Secretary, Federal Communications Commission (filed January 22, 2004).

On January 26, 2004, AT&T notified the Commission that Subic Telecom (Subic) had informed AT&T that it no longer provides termination arrangements for international services and that its operations were now limited to local exchange services.² AT&T further informed the Commission that it and Subic have ended their existing termination agreement. Since Subic apparently is no longer providing termination services to U.S. carriers, the terms of the Bureau's March 10, 2003 Order do not apply. If Subic were to offer termination arrangements for international services, however, U.S. carriers would have to comply with the other provisions of the Bureau's March 10, 2003 Order with respect to Subic, including negotiating arrangements with Subic that comply with the Commission's ISP retroactive to February 1, 2003. The Bureau's March 10, 2003 Order, including the requirement for application of the ISP, is subject to Applications for Review in IB Docket No. 03-38.

Copies of this Notice, status reports, Order, and pleadings are available electronically on the Commission's web site at www.fcc.gov.

For additional information, please contact James Ball, Policy Division, International Bureau, (202) 418-1460.

- FCC -

² See Letter from James J.R. Talbot, Senior Attorney, AT&T, to Marlene Dortch, Secretary, Federal Communications Commission (filed January 26, 2004)