

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554**

In the Matter of)	
)	
International Settlements Policy Reform)	IB Docket No. 02-324
International Settlement Rates)	IB Docket No. 96-261
)	
AT&T Corp. Emergency Petition for)	IB Docket No. 03-38
Settlements Stop Payment Order and)	
Request for Immediate Interim Relief)	
)	
and)	
)	
Petition of WorldCom, Inc. for Prevention)	
of “Whipsawing” on the U.S-Philippines)	
Route)	

**COMMENTS OF INTERNATIONAL ACCESS INC.
d/b/a ACCESS INTERNATIONAL**

International Access Inc. d/b/a Access International (“Access”), by its attorneys, and pursuant to the public notice issued by the Commission in IB Docket Nos. 03-324 and 96-261,¹ hereby submits its comments on whether certain routes are benchmark-compliant and whether such routes are entitled to be exempted from the Commission’s International Settlements Policy (ISP) pursuant to the revised ISP policy set forth in the Commission’s First Report and Order in the International Settlements Policy Reform proceeding.² Access’s comments are limited to the United States – Philippines route. As will be discussed more fully in these comments, based on the record before it, the Commission should not – indeed cannot -- conclude that the current settlement rates between the U.S. and the Philippines are benchmark-compliant, and neither can

¹ Public Notice – Commission Announces Pleading Cycle for Comments and Replies in Proceeding on Routes Believed to be Benchmark-Compliant, DA 04-1585, released May 28, 2004.

² International Settlements Policy Reform, et al (First Report and Order), FCC 04-53, released March 30, 2004 (“ISP Reform Order”).

it determine that removal of the U.S. – Philippines route from the ISP at this time would serve the public interest.

Access is a telecommunications carrier authorized by the Commission pursuant to Section 214 of the Communications Act of 1934, as amended,³ to provide international telecommunications service.⁴ A substantial portion of Access’s telecommunications business involves carriage of traffic between the United States and the Philippines, primarily on a wholesale basis to other U.S. carriers. Access operates largely as a “carrier’s carrier.” In fact, Access is among the leading providers of service between the U.S. and the Philippines.

On repeated occasions, Access has attempted to enter into agreements with Philippines carriers, including the Philippine Long Distance Telephone Company (PLDT) – the dominant provider of telecommunications services in the Philippines – which would enable Access to terminate traffic to the Philippines at rates comparable to those available to other U.S. carriers. Those attempts have been rebuffed. As a result, it has been necessary for Access to utilize other carriers for termination of traffic to the Philippines. Because Access has been the victim of discriminatory and anticompetitive behavior directed toward it by PLDT and by other Philippines carriers, Access applauded the order issued by the Chief, International Bureau, on March 10, 2003 which, *inter alia*, ordered that the International Settlements Policy shall apply to U.S. carriers’ agreements with Philippine carriers.⁵

³ 47 U.S.C. § 214.

⁴ File No. ITC-214-19990913-00595, granted effective October 20, 1999 (See Public Notice – International Authorizations Granted, DA 99-2252, released October 21, 1999).

⁵ AT&T Corp. Emergency Petition for Settlements Stop Payment Order and Request for Immediate Interim Relief and Petition of WorldCom, Inc. for Prevention of “Whipsawing” on the U.S.-Philippines Route, 18 FCC Rcd 3519 (2003) (“March 10 Order”). That order was recently affirmed by the full Commission. FCC 04-112, released June 4, 2004 (“Order on Review”).

The specific requirements of the ISP are well-known and have been often listed by the Commission. Those requirements include: 1) all U.S. carriers must be offered the same effective accounting rate and same effective date for the rate (“nondiscrimination”); 2) all U.S. carriers are entitled to a proportionate share of U.S.-inbound, or return traffic (“proportionate return”); and 3) the accounting rate is divided evenly 50-50 between U.S. and foreign carriers for U.S. inbound and outbound traffic so that inbound and outbound settlement rates are identical (“symmetrical settlement rates”).⁶

Among the requirements of the ISP, prevention of discrimination is especially important to Access. As the Commission itself has noted, and as its rules specifically require, “all U.S. carriers must be offered the same effective accounting rate with the same effective date for the rate.”⁷ The nondiscrimination obligation of the ISP is entirely unenforceable unless all U.S. carriers have access to the filed settlement rates on each route subject to the ISP. Stated simply, unless a U.S. carrier knows what the applicable settlement rates are, it is unable to determine whether the rates offered to it by a foreign carrier are discriminatory relative to the rates which that foreign carrier charges other U.S. carriers. It is for that reason that the Commission’s rules require that operating agreements between U.S. carriers and carriers from countries subject to the ISP must be publicly-filed and available for public inspection.⁸

Following the issuance of a series of public notices issued by the Commission announcing that certain U.S. carriers had reached compensation agreements with Philippine carriers, including PLDT, Access attempted to obtain those agreements so that it could determine what are the current settlement rates on the U.S.-Philippines route. Access was surprised and

⁶ 47 C.F.R. § 43.51. See, e.g., International Settlement Policy Reform and International Settlement Rates, 17 FCC Rcd 19954 at ¶ 3 (1997).

⁷ March 10 Order at ¶ 10 n. 34. 47 C.F.R. § 43.51.

⁸ 47 C.F.R. § 43.51.

disappointed to learn that no such agreements between U.S. carriers and PLDT or any other Philippines carrier were on file at the Commission notwithstanding the public filing obligation codified at Section 43.51 of the Commission's rules. Access then searched the table of international settlement rates maintained by the International Bureau and posted on the Commission's website to determine what are the current accounting rates between the U.S. and the Philippines. No rates are listed.

Unable to ascertain the current accounting rates and settlement rates for the U.S.-Philippines route notwithstanding the clear and unequivocal requirement articulated in the March 10 Order that the ISP shall be applicable to that route, Access sent letters to AT&T, WorldCom, Inc. d/b/a MCI, Sprint, and PLDT requesting accounting rate information. Copies of those letters are attached hereto as Attachment A. Despite the fact that the ISP is in effect, not one of the responding carriers provided the requested information.⁹ Of the carriers which did respond, each "justified" its refusal to comply with the ISP in general and with Section 43.51 of the Commission's rules in particular on the basis that the rates now in effect are "interim" rates which need not be filed with the Commission.¹⁰ This recent pronouncement that "interim" rates need not be filed and therefore need not be publicly-available begs the question of how long these ISP requirements can be avoided under the guise of rates being "interim." Attached hereto as Attachment C is an article posted June 4, 2004 on a Philippines financial website (www.money.inq7) entitled "PLDT, AT&T Extend Deal on Interim Rates." According to that article, AT&T and PLDT have agreed extend their "interim" arrangements on settlements until the end of calendar year 2004. Since those "interim" rates were agreed upon in January 2004,

⁹ WorldCom d/b/a MCI never responded to Access's February 17, 2004 letter.

¹⁰ Copies of the response letters from AT&T, Sprint and PLDT are attached hereto as Attachment B.

this means that the “interim” settlement rates between U.S. and Philippine carriers could remain effectively not subject to the ISP for at least a year (perhaps longer) despite the fact that the March 10 Order clearly and unequivocally reinstates the ISP on the U.S.-Philippines route.

Access’s inability to learn the current settlement rates either from Commission sources or from the carriers caused Access to file on March 12, 2004 a Petition for Enforcement of March 10, 2003 Order in which it asked the Commission to order U.S. carriers terminating traffic to the Philippines to make publicly available the accounting rates and settlement rates now in effect between those U.S. carriers and PLDT – the dominant carrier in the Philippines. In the June 4 Order on Review, the Commission dismissed Access’s petition stating that “[t]he Commission does not require carriers to file interim agreements under the ISP.”¹¹ Nothing in the Commission’s rules or in any Commission orders indicates the existence of an “interim rate” exception to the public filing requirement of the ISP.

Based upon the foregoing, the status of the ISP with respect to the Philippines seems to be as follows:

1. The U.S.-Philippines route is subject to the ISP;
2. Because the ISP is applicable to the U.S.-Philippines route, settlement rates on the route must be nondiscriminatory and publicly-available;
3. The current “interim” settlement rates are not publicly-available because they are “interim” rates;
4. No one other than the parties to those interim arrangements knows what are the current rates or whether those interim rates are nondiscriminatory;
5. If the current “interim” rates are not publicly-available, and are not known to the Commission, it is impossible for the Commission to determine whether the rates are “benchmark compliant.”

¹¹ Order on Review at ¶ 2 n. 9.

6. Since the current rates are not publicly-available, competing carriers (including Access) are unable to determine whether or not the rates available to them are non-discriminatory;
7. Unless and until the Commission is able to determine that the current rates are benchmark-compliant, under the policy articulated in the ISP Reform Order, the Philippines should not be removed from the list of countries subject to the ISP.

Attached to the ISP Reform Order as Exhibit E is a document captioned “Other Benchmark-Compliant Routes.” According to the ISP Reform Order, that list contains the routes which the Commission believes, based on filings at the Commission, to be benchmark-compliant.¹² Nowhere does the Commission explain what filings it is relying on to support its belief that settlement rates on the U.S.-Philippines route are benchmark-compliant. As U.S. carriers told Access and as the Commission itself acknowledged in the Order on Review, the settlement rates now in effect on that route are “interim rates” and need not be filed. Until such time as the Commission is able to determine based on publicly-available information whether the settlement rates are benchmark-compliant it has no basis for concluding that the rates are benchmark-compliant. More importantly, until such time as those rates are publicly-available and the Commission is able to determine that all U.S. carriers may terminate traffic at those rates there will be a continuing need to enforce the ISP, specifically the non-discrimination requirement of the ISP, on the U.S. – Philippines route.

Although the Commission’s inclusion of the Philippines on Exhibit E of the ISP Reform Order indicates that the Commission believes that the settlement rates on the U.S. – Philippines route are benchmark-compliant, the secret, non-public treatment afforded those “interim” rates precludes the Commission from being able to determine whether those settlement rates are

¹² ISP Reform Order at ¶ 29.

benchmark-compliant. Even if the Commission's belief is correct, such a conclusion would not support a determination that removal of the ISP from the U.S. – Philippines route at this time would serve the public interest. In the ISP Reform Order, the Commission enumerated certain actions which the Commission considers to be indicia of anticompetitive conduct by foreign carriers. Among those indicia listed by the Commission is “establishing rate floors, even if below benchmarks, that are above previously negotiated rates.”¹³ Access wishes to remind the Commission of the events which led to the March 10 Order and the removal of the Philippines from the ISP. Before the Commission were petitions of major U.S. carriers, including AT&T and WorldCom d/b/a MCI which stated that Philippine carriers were attempting to raise settlement rates from \$0.08 per minute to \$0.12 per minute (\$0.12 to \$0.16 for termination at mobile stations). Although those increased rates were still below benchmark, it became apparent that the Philippine carriers led by PLDT were attempting to establish rate floors above previously-negotiated rates, and that they were disrupting service in order to accomplish that objective.

Nothing before the Commission in any public record indicates that the currently-applicable negotiated “interim” rates are not above the rates which had been previously negotiated. Unless and until the Commission has before it publicly-available record evidence which confirms that the settlement rates in effect on the U.S. – Philippines route are not above previously-negotiated rate levels, it cannot determine that the Philippine carriers have not engaged in anticompetitive conduct, as the Commission explained anticompetitive conduct in the ISP Reform Order.

¹³ ISP Reform Order at ¶ 44.

Accordingly, Access respectfully urges the Commission not to remove the Philippines from the list of countries to which the ISP applies.

Respectfully submitted,

INTERNATIONAL ACCESS, INC.
d/b/a ACCESS INTERNATIONAL



Mitchell F. Brecher

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Its Counsel

June 28, 2004

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Attachment A

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Mitchell F. Brecher
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February 17, 2004

VIA OVERNIGHT MAIL

James J.R. Talbot, Esq.
Senior Attorney
AT&T Corporation
Room 3A230
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Re: IB Docket No. 03-38 – Service to the Philippines

Dear Mr. Talbot:

This firm represents companies which provide telecommunications service between the United States and the Philippines. In view of our clients' interest in the availability of service to the Philippines and the price for terminating international telecommunications services to the Philippines, we have been closely monitoring the above-captioned docketed proceeding at the Federal Communications Commission.

On March 10, 2003, the FCC issued an order captioned AT&T Corp. Emergency Petition for Settlements Stop Payment Order and Request For Immediate Interim Relief and Petition of WorldCom, Inc. for Prevention of "Whipsawing" On the U.S.-Philippines Route, DA 03-581, released March 10, 2003. In that Order, the FCC directed U.S. carriers having correspondent relationships with certain Philippine carriers to suspend termination payments to those carriers until such time as the FCC issued a public notice that circuits were restored. In addition, the FCC ordered that the Philippines be removed from the list of U.S.-international routes approved for the provision of International Simple Resale.

As a result of the FCC's March 10, 2003 Order, the Philippines is no longer among the countries which are exempted from the FCC's International Settlements Policy (see 47 C.F.R. § 64.1001). Accordingly, the Philippines remains a country subject to the International

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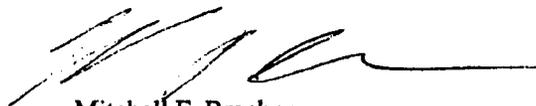
James J.R. Talbot, Esq.
February 17, 2004
Page 2

Settlements Policy and it will remain so until such time as the Commission determines to exclude the Philippines from the countries subject to the International Settlements Policy. As you are aware, a critical element of the FCC's International Settlements Policy is that competing U.S. carriers have access to accounting rates negotiated with the foreign administration on a non-discriminatory basis, *i.e.*, that all U.S. carriers must be offered the same effective accounting rate. Although the FCC has ordered an end to the suspension of payments to Philippine carriers upon the representations of U.S. carriers, including AT&T, that circuits are no longer blocked, the FCC's list of international accounting rates maintained on the FCC International Bureau's website contains no international accounting rate information for the Philippines. Without access to that accounting rate information (information which is intended to be publicly-available), our clients are unable to determine whether they are being allowed to terminate calls to the Philippines at the rates available to other U.S. carriers as mandated by the International Settlements Policy.

In order for this firm's clients to determine whether International Settlement Policy-compliant rates are available to them, they must be able to determine what accounting rates have been agreed upon between AT&T and Philippine carriers. **Accordingly, by this letter, I hereby request on behalf of our clients who provide service to the Philippines the accounting rates now in effect between AT&T and those Philippine carriers who terminate its U.S.-originated traffic in the Philippines.** We understand that those Philippine carriers include, but are not necessarily limited to, the Philippine Long Distance Telephone Company, Globe Telecom, Inc., Bayan Telecommunications Company, Digitel Telecommunications Philippines, Inc., Smart Communications, Inc., and Subic Telecom. Because this is a time-sensitive matter, please provide the requested accounting rate information within five (5) business days of the date of this letter.

Thank you for your cooperation on this matter.

Sincerely,



Mitchell F. Brecher

cc: Mr. Donald Abelson
Mr. James Ball
Ms. Lisa Choi
Ms. Kimberly Cook

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February 17, 2004

VIA OVERNIGHT MAIL

Henry Goldberg, Esq.
Goldberg, Godles, Wiener & Wright
1229 Nineteenth Street, NW
Washington, DC 20036

Re: IB Docket No. 03-38 – Service to the Philippines

Dear Mr. Goldberg:

I am writing to you in your capacity as counsel to the Philippine Long Distance Telephone Company in the above-captioned docketed proceeding before the Federal Communications Commission. This firm represents companies which provide telecommunications service between the United States and the Philippines. In view of our clients' interest in the availability of service to the Philippines and the price for terminating international telecommunications services to the Philippines, we have been closely monitoring IB Docket No. 03-38 before the FCC.

On March 10, 2003, the FCC issued an order captioned AT&T Corp. Emergency Petition for Settlements Stop Payment Order and Request For Immediate Interim Relief and Petition of WorldCom, Inc. for Prevention of "Whipsawing" On the U.S.-Philippines Route, DA 03-581, released March 10, 2003. In that Order, the FCC directed U.S. carriers having correspondent relationships with certain Philippine carriers to suspend termination payments to those carriers until such time as the FCC issued a public notice that circuits were restored. In addition, the FCC ordered that the Philippines be removed from the list of U.S.-international routes approved for the provision of International Simple Resale.

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Henry Goldberg, Esq.
February 17, 2004
Page 2

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In order for this firm's clients to determine whether International Settlement Policy-compliant rates are available to them, they must be able to determine what accounting rates have been agreed upon between U.S. carriers and Philippine carriers, including PLDT. **Accordingly, by this letter, I hereby request on behalf of our clients who provide service to the Philippines the accounting rates now in effect between U.S. carriers and those Philippine carriers, including PLDT, who terminate its U.S.-originated traffic in the Philippines.** Because this is a time-sensitive matter, please provide the requested accounting rate information within five (5) business days of the date of this letter.

Thank you for your cooperation on this matter.

Sincerely,



Mitchell F. Brecher

cc: Mr. Donald Abelson
Mr. James Ball
Ms. Lisa Choi
Ms. Kimberly Cook

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February 17, 2004

VIA OVERNIGHT MAIL

Maria L. Cattafesta, Esq.
Senior Attorney
Sprint Corporation
401 9th Street, NW
Washington, DC 20004

Re: IB Docket No. 03-38 – Service to the Philippines

Dear Ms. Cattafesta:

This firm represents companies which provide telecommunications service between the United States and the Philippines. In view of our clients' interest in the availability of service to the Philippines and the price for terminating international telecommunications services to the Philippines, we have been closely monitoring the above-captioned docketed proceeding at the Federal Communications Commission.

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As a result of the FCC's March 10, 2003 Order, the Philippines is no longer among the countries which are exempted from the FCC's International Settlements Policy (see 47 C.F.R. § 64.1001). Accordingly, the Philippines remains a country subject to the International

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Maria L. Cattafesta, Esq.
February 17, 2004
Page 2

Settlements Policy and it will remain so until such time as the Commission determines to exclude the Philippines from the countries subject to the International Settlements Policy. As you are aware, a critical element of the FCC's International Settlements Policy is that competing U.S. carriers have access to accounting rates negotiated with the foreign administration on a non-discriminatory basis, *i.e.*, that all U.S. carriers must be offered the same effective accounting rate. Although the FCC has ordered an end to the suspension of payments to Philippine carriers upon the representations of U.S. carriers, including Sprint, that circuits are no longer blocked, the FCC's list of international accounting rates maintained on the FCC International Bureau's website contains no international accounting rate information for the Philippines. Without access to that accounting rate information (information which is intended to be publicly-available), our clients are unable to determine whether they are being allowed to terminate calls to the Philippines at the rates available to other U.S. carriers as mandated by the International Settlements Policy.

In order for this firm's clients to determine whether International Settlement Policy-compliant rates are available to them, they must be able to determine what accounting rates have been agreed upon between Sprint and Philippine carriers. **Accordingly, by this letter, I hereby request on behalf of our clients who provide service to the Philippines the accounting rates now in effect between Sprint and those Philippine carriers who terminate its U.S.-originated traffic in the Philippines.** We understand that those Philippine carriers include, but are not necessarily limited to, the Philippine Long Distance Telephone Company, Globe Telecom, Inc., Bayan Telecommunications Company, Digital Telecommunications Philippines, Inc., Smart Communications, Inc., and Subic Telecom. Because this is a time-sensitive matter, please provide the requested accounting rate information within five (5) business days of the date of this letter.

Thank you for your cooperation on this matter.

Sincerely,



Mitchell F. Brecher

cc: Mr. Donald Abelson
Mr. James Ball
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February 17, 2004

VIA OVERNIGHT MAIL

Scott A. Shefferman, Esq.
Associate Counsel
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Washington, DC 20036

Re: IB Docket No. 03-38 – Service to the Philippines

Dear Mr. Shefferman:

This firm represents companies which provide telecommunications service between the United States and the Philippines. In view of our clients' interest in the availability of service to the Philippines and the price for terminating international telecommunications services to the Philippines, we have been closely monitoring the above-captioned docketed proceeding at the Federal Communications Commission.

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Scott A. Shefferman, Esq.
February 17, 2004
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Thank you for your cooperation on this matter.

Sincerely,



Mitchell F. Brecher

cc: Mr. Donald Abelson
Mr. James Ball
Ms. Lisa Choi
Ms. Kimberly Cook

Attachment B



James J.R. Talbot
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AT&T Federal Government Affairs

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February 24, 2004

VIA FAX 202-331-3101

Mitchell F. Brecher, Esq.
Greenberg Traurig, LLP
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Washington, D.C. 20006

Re: IB Docket No. 03-38.

Dear Mr Brecher:

Your letter dated February 17, 2004 refers to the FCC order released on March 10, 2003 in the above-referenced proceeding and asks for details of AT&T's accounting rates with Philippine carriers terminating U.S.-originated traffic in the Philippines.

AT&T has interim arrangements with Philippine carriers terminating U.S.-originated traffic in the Philippines. Those arrangements are commercially sensitive and proprietary and are not filed with the FCC. Chairman Powell has recently stated:

"We understand that U.S. carriers are currently negotiating interim arrangements with Philippine carriers for payment of services. *As interim arrangements are not the final agreements required to be submitted to the Commission under our rules, we do not review those agreements.*" Letter dated Oct. 15, 2003, from Michael K. Powell, Chairman, Federal Communications Commission, to Jane R. Borje, Chairman, National Telecommunications Commission, Philippines (emphasis added).

We are therefore unable to provide details of these interim arrangements. However, based on your representation that your clients provide service on the U.S.-Philippines route, we will add your name to the service list for copies of all information concerning accounting rates with the Philippines that AT&T serves on other U.S. carriers providing service on this route.

Sincerely,

James J. R. Talbot

Mitchell F. Brecher, Esq
February 24, 2004
Page 2

cc: Donald Abelson
James Ball
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Kimberly Cook



David A. Nall
General Attorney

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March 5, 2004

Mitchell F. Brecher
Greenberg Traurig, LLP
800 Connecticut Avenue, N.W.
Suite 500
Washington, D.C. 20006

Re: Accounting Rates for Service to the Philippines

Dear Mr. Brecher:

Thank you for your letter of February 17, 2004, addressed to my colleague, Maria Cattafesta. As the attorney in the Federal Regulatory Affairs group responsible for international settlements matters, I am replying in her stead.

Sprint has complied and will continue to comply with all aspects of the Federal Communications Commission's rules regarding international settlements payments and the March 10, 2003 Order of the Commission's International Bureau regarding traffic to the Philippines. Sprint has not reached a final settlements agreement with any of the six Philippines carriers affected by the March 10 Order. When such agreements are reached, Sprint will comply with the procedures set forth in Sections 43.51 and 64.1001 of the Commission's rules. We will be happy to notify you at such time.

Sincerely,

A handwritten signature in black ink, appearing to read "David A. Nall", written in a cursive style.

David A. Nall

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February 24, 2004

Mitchell Brecher
Greenberg Traurig, LLP
800 Connecticut Avenue, NW
Suite 500
Washington, DC 20006

RE: IB Docket No. 03-38 - Service to the Philippines

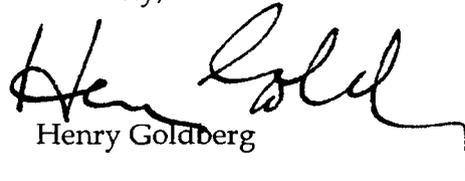
Dear Mr. Brecher:

This letter is in response to your letter to me dated February 17, 2004.

At this time my client, PLDT, has only interim agreements with U.S. carriers for the termination of international telecommunications traffic from the U.S. to the Philippines, which we understand are not required to be made public. If any of your clients would like to enter into similar interim agreements with PLDT, we suggest that their business representatives contact PLDT directly so that negotiation of such an agreement can be arranged.

I presume that your clients already have business contacts with PLDT. If not, please let us know and we will be happy to put them in touch with the appropriate PLDT business representatives.

Sincerely,


Henry Goldberg

cc: Mr. Donald Abelson
Mr. James Ball
Ms. Lisa Choi
Ms. Kimberly Cook

Attachment C



Friday June 4, 2004

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PLDT, AT&T extend deal on termination rates

Posted: 0:18 AM | Jun. 04, 2004

AFX

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PHILIPPINE Long Distance Telephone Co. (PLDT) said Thursday it has reached an understanding with AT&T to extend their interim agreement over call termination rates until the end of this year.

Last January, the two carriers agreed to settle their months-old dispute over the rates PLDT charges for calls from the US to the Philippines. The deal was supposed to expire by the end of the month.

In a statement, PLDT senior vice president Alfredo Panlilio said the two carriers continued to "explore ways to reach mutually acceptable rates without disrupting delivery of services to each other's customers."

It did not elaborate.

The extension was arrived at even after the US Federal Communication Commission (FCC) recently upheld an earlier decision, which said Philippine carriers had "whipsawed" their US counterparts by acting collectively to demand rate increases from the latter.

The FCC affirmed the order of its international bureau for US carriers to stop payments to Philippine telecom firms.

"(The extension of the agreement) is a welcome development for both parties. It just shows the desire of both PLDT and AT&T to ensure the best services for customers at the best prices. With this new interim agreement, we have a stable basis for the rates we charge customers," Panlilio said.

"The telecommunications business is rapidly changing and all telecommunications entities face big challenges. We plan to take that

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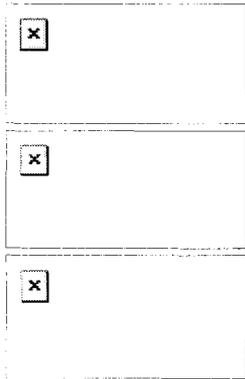
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into consideration when arriving at mutually agreeable rates," added Panlilio.

Last year, PLDT also agreed to settle its termination rate dispute with other US carriers such as Sprint Communications and MCI Worldcom International.

Panlilio said PLDT continues to hold regular dialogues with these carriers to arrive at "mutually acceptable" termination rates.

The US FCC's decision ordering US carriers to suspend payment of termination rates to local telcos was based on claims by US carriers that PLDT and other local telecom companies were blocking calls to force them to pay higher termination fees.

Local carriers raised termination rates from Feb. 1, 2003 to 0.12 dollar per minute from 0.08 dollar for landline calls and to 0.16 dollar from 0.12 for mobile phone calls.

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CERTIFICATE OF SERVICE

I, Michelle D. Diedrick, an Executive Assistant with the law firm of Greenberg Traurig, LLP, hereby certify that on June 28, 2004, a copy of the foregoing Comments of International Access Inc. d/b/a Access International was hand electronically delivered to the following:

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