

PLDT Retail, Inc.
Notice of Discontinuance of Common Carrier
Pre-paid Calling Card Services

PLDT Retail, Inc. ("PLDT Retail") hereby provides notice, pursuant to Section 63.71 of the rules of the United States Federal Communications Commission ("Commission"),¹ of its intent to discontinue pre-paid calling card services. Additionally, PLDT Retail is providing a copy of the application to discontinue service that it has filed with the Commission, attached hereto.

In accordance with the Commission's rules, PLDT Retail provides the following information:

(1) Name and address of carrier:

PLDT Retail, Inc.
624 S. Grand Avenue
Suite 901F
Los Angeles, CA 90017

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Federal Communications Commission
Office of Secretary

(2) Date of planned service discontinuance:

March 31, 2005.

(3) Points or geographic areas of services affected:

PLDT Retail's calling cards can be used to place calls to all domestic points.

(4) Brief description of type of service affected:

See Attached Section 63.71 application.

(5) Statement regarding FCC authorization:

The FCC will normally authorize this proposed discontinuance of service unless it is shown that customers would be unable to receive service or a reasonable substitute from another carrier or that the public convenience and necessity is otherwise adversely affected. If you wish to object, you should file your comments within 15 days after receipt of this notification. Address them to the Federal Communications Commission, Washington, DC 20554, referencing the § 63.71 Application of PLDT Retail. Comments should include specific information about the impact of this proposed discontinuance upon you or your company, including any inability to acquire reasonable substitute service.

¹ 47 C.F.R. § 63.71(a).

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)
)
Section 63.71 Application of)
PLDT Retail, Inc.)
)
For Authority Pursuant to Section 214)
Of the Communications Act of 1934, as)
Amended, to Discontinue Common)
Carrier Pre-paid Calling Card Services)

SECTION 63.71 APPLICATION

PLDT Retail, Inc. ("PLDT Retail"), by its attorneys, hereby applies pursuant to Section 63.71 of the Commission's rules¹ to discontinue, effective March 31, 2005, domestic common carrier services that it provides to pre-paid calling card customers.

PLDT Retail, a subsidiary of PLDT (US) Ltd. ("PLDT US"), sells prepaid calling cards that can be used to make phone calls domestically.² PLDT Retail does not sell its calling cards directly to end users. Rather, it sells the cards through distributors that serve as a middle man between PLDT Retail and the end users.

Each calling card has a user identification number associated with it. The holder of a calling card accesses PLDT Retail's system by calling an 800 number or a local access number and entering his or her identification number, followed by the number to be called. The cost of the call is deducted from the amount that the holder of the calling card has prepaid. PLDT Retail's calling cards, which are sold in denominations of \$5, \$10, and \$20, come in two varieties: physical cards, which are sold at retail outlets, and virtual cards, which are sold on the Internet.

¹ 47 C.F.R. § 63.71.

² The calling cards also can be used to place phone calls internationally. PLDT Retail is filing separately for discontinuance of the international component of its calling card services in accordance with the requirements of Section 63.19 of the rules.

Section 63.71(a) of the rules requires that domestic carriers either: (1) notify each affected customer, in advance and in a specified format, of a proposed discontinuance; or (2) show good cause for providing a different form of notice. The Commission previously has recognized that, in the case of prepaid calling card services, there is good cause for using an alternate method to notify customers. When MCI discontinued a prepaid calling card service in 1999, it stated in its discontinuance application that "because of the nature of the prepaid card service, no information is available about the product's customer base."³ The Commission granted MCI's application without requiring it to provide written notice to individual customers.

Similar considerations apply to PLDT Retail's calling cards. PLDT Retail has no direct relationship with the end users of its calling cards, and therefore has no means for providing written notice of a discontinuance of service to each end user. It already has, however, ceased providing calling cards to its distributors, and it has requested that the distributors return all unsold cards to PLDT Retail. In the case of cards that were previously sold, PLDT Retail believes, based on the expiration dates of its calling cards and past usage patterns, that as of the proposed discontinuance date there will be no remaining customers for its prepaid calling card services.

In any event, all users hear a computer generated message, when they activate their cards, alerting them as to the last date that the cards may be used. Customers who are dissatisfied with the March 31 discontinuance date may, by contacting customer service, be directed on how to return the card and receive a full refund in lieu of using their cards. Moreover, prepaid calling cards are a competitive business, and following PLDT Retail's discontinuance of service, numerous alternative carriers will remain that can satisfy its former customers' needs.

³ See Public Notice, MCI WORLDCOM Network Services, NSD File No. W-P-D-436 (Aug. 6, 1999).

In support of its application, PLDT Retail provides the following information as required by Section 63.71(b) of the Commission's rules:⁴

(1) Name and address of carrier:

PLDT Retail, Inc.
624 S. Grand Avenue
Suite 901F
Los Angeles, CA 90017

(2) Date of planned service discontinuance:

March 31, 2005.

(3) Points or geographic areas of services affected:

PLDT Retail's calling cards can be used to place calls to all domestic points.

(4) Brief description of type of service affected:

See above.

(5) PLDT Retail is a non-dominant common carrier with respect to the services it proposes in this application to discontinue.

(6) PLDT Retail certifies that it has notified and submitted a copy of this application to the Governor and public utility commission of each state in which it will be discontinuing service, and to the Secretary of Defense.⁵

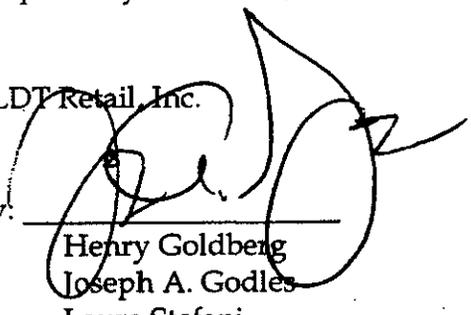
⁴ See 47 C.F.R. § 63.71(b).

⁵ See 47 C.F.R. § 63.71(a).

For the foregoing reasons, PLDT Retail requests that the Commission, as expeditiously as possible, issue a public notice announcing the filing of PLDT Retail's application to discontinue service, and that, in accordance with its discontinuance procedures, the Commission provide for the application to be granted automatically on the thirty-first day after the public notice has been released.⁶

Respectfully submitted,

PLDT Retail, Inc.

By: 

Henry Goldberg
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Laura Stefani

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Its Attorneys

January 28, 2005

⁶ Although PLDT Retail will be discontinuing its common carrier calling card services, it will continue to offer branded calling cards that will be sold under an agency arrangement with another common carrier.