



PUBLIC NOTICE

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

DA 03-3664
November 17, 2003

**AT&T AND MCI CIRCUITS TO THE PHILIPPINES REACTIVATED BY SMART:
SUSPENSION LIFTED ON U.S. CARRIER PAYMENTS TO SMART**

IB Docket No. 03-38

On March 10, 2003, the International Bureau (Bureau) of the 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. On March 25, 2003, AT&T informed the Commission that Bayan Telecommunications Company (Bayantel) and Digital Telecommunications Philippines, Inc. (Digitel) ceased blocking AT&T’s traffic into the Philippines and the Bureau lifted the suspension of payment with respect to these carriers.¹

On October 6, 2003, AT&T informed the Commission that Smart ceased all blocking of AT&T’s traffic and that AT&T’s circuits with Smart were fully restored.² In addition, on

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).

² See letter from James J.R. Talbot, Senior Attorney, AT&T to Marlene Dortch, Secretary, Federal Communications Commission (filed October 6, 2003).

November 14, 2003, MCI informed the Commission that Smart ceased all blocking of MCI's traffic and its bilateral circuits have been restored.³

As a result of the full restoration of these AT&T and MCI circuits, by this Notice, we lift the suspension of payments required in the Order with respect to U.S. carrier payments to Smart. Therefore, all U.S. carriers must now resume making payments for termination services to Smart. U.S. carriers must comply with the other provisions of the Bureau Order with respect to Smart, including negotiating arrangements with Smart that comply with the Commission's ISP retroactive to February 1, 2003. The Bureau's March 10 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.

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³ See letter from Scott S. Shefferman, Associate Counsel, MCI (filed November 14, 2003).