



PUBLIC NOTICE

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APPLICATION OF PUERTO RICO TELEPHONE COMPANY, INC. D/B/A CLARO TO DISCONTINUE INTERCONNECTED VOIP SERVICES NOT AUTOMATICALLY GRANTED

WC Docket No. 13-298
Comp. Pol. File No. 1128

On November 7, 2013, Puerto Rico Telephone Company, Inc. d/b/a Claro (PRTC or Applicant), located at 1515 FD Roosevelt Avenue, 10th Floor, Guaynabo, PR 00969, filed an application with the Federal Communications Commission (FCC or Commission) requesting authority, under section 214 of the Communications Act of 1934, as amended, 47 U.S.C. § 214, and section 63.71 of the Commission's rules, 47 C.F.R. § 63.71, to discontinue interconnected Voice over Internet Protocol (VoIP) services in all of its service areas in Puerto Rico (Service Areas).¹ The Wireline Competition Bureau hereby provides notice that PRTC's application to discontinue services will not be automatically granted.

The application indicates that PRTC currently offers PhoneMax service in the Service Areas. PRTC describes PhoneMax as a VoIP fixed service that allows its DMAX DSL customers to make telephone calls using an Internet connection. PRTC states, however, that in the course of rationalizing its product portfolio and minimizing duplicative offerings, it has decided to discontinue its provision of PhoneMax service in the Service Areas on January 31, 2014, subject to Commission authorization. PRTC maintains that customers will face no impairment from this discontinuance because PRTC will continue to offer a wide range of alternative voice services from which to choose, including traditional wireline voice services and wireless voice services. PRTC adds that the public convenience and necessity will not be impaired by this proposed discontinuance because the market for voice services in Puerto Rico remains highly competitive and several other carriers offer a variety of comparable voice services.

The Commission has received ten comments in opposition to PRTC's proposed discontinuance including a comment from the Telecommunications Regulatory Board of Puerto Rico (Puerto Rico Board).² PRTC also has filed responses and updates regarding the status of some of the customers in the

¹ With an amendment filed on December 19, 2013, PRTC clarified certain details regarding the proposed discontinuance date and notice to affected customers. Accordingly, PRTC's application is deemed complete as of December 19, 2013. By Public Notice dated December 31, 2013, the Commission notified the public that, in accordance with 47 C.F.R. § 63.71(c), PRTC's application would be deemed to be automatically granted on the 31st day after the release date of the notice, unless the Commission notifies PRTC that the grant will not be automatically effective. *Comments Invited on Application of Puerto Rico Telephone Company, Inc. d/b/a Claro to Discontinue Interconnected VoIP Services*, Public Notice, WC Docket No. 13-298, DA 13-2488 (Wireline Comp. Bur. rel. Dec. 31, 2013). See also 47 C.F.R. § 63.71(c). Accordingly, the automatic grant date for PRTC's application would have been January 31, 2014.

² See Osvaldo Aponte Comments, WC Docket No. 13-298 (filed Nov. 7, 2013) (Aponte Comments); Candida Casiano Comments, WC Docket No. 13-298 (filed Oct. 21, 2013) (Casiano Comments); Telecommunications Regulatory Board of Puerto Rico Comments, WC Docket No. 13-298 (filed Jan. 15, 2014) (Puerto Rico Board Comments); Brunilda Echevarria Comments, WC Docket No. 13-298 (filed Jan. 10, 2014) (Echevarria Comments);

record.³ The Commission normally will authorize proposed discontinuances of service unless it is shown that customers or other end users would be unable to receive service or a reasonable substitute from another carrier, or that the public convenience and necessity would be otherwise adversely affected. Where there are concerns, however, as to whether a service has reasonable substitutes or whether the present or future public convenience and necessity will be adversely affected, the Commission may announce the removal of the application from automatic grant if necessary, consistent with its statutory obligations.⁴ Because the comments filed by customers and the Puerto Rico Board require further analysis to determine whether the Applicant's proposed discontinuance would serve the public interest, PRTC is notified by this public notice that its application to discontinue its PhoneMax service will not be granted automatically.⁵

For further information, contact Carmell Weathers, (202) 418-2325 (voice), Carmell.Weathers@fcc.gov, or Kimberly Jackson, (202) 418-7393 (voice), Kimberly.Jackson@fcc.gov, of the Competition Policy Division, Wireline Competition Bureau. The tty number is (202) 418-0484.

Mildred E. Garcia Comments, WC Docket No. 13-298 (filed Oct. 28, 2013) (Garcia Comments); Angel Reyes Lucca Comments, WC Docket No. 13-298 (filed Oct. 30, 2013) (Lucca Comments); Marisa Diaz Mendez Comments, WC Docket No. 13-298 (filed Nov. 7, 2013) (Mendez Comments); Alexis O. Tirado Rivera, Ph.D Comments, WC Docket No. 13-298 (filed Oct. 28, 2013) (Rivera Comments); Gilbert Santiago Comments, WC Docket No. 13-298 (filed Oct. 28, 2013) (Santiago Comments); and Victor Vega Comments, WC Docket No. 13-298 (filed Nov. 8, 2013) (Vega Comments). Commenters primarily object to the proposed discontinuance because they enjoy the convenience and low cost of the PhoneMax service and express concerns about the reasonableness of alternative services and their ability to maintain their telephone number. *Id.* In addition, the Puerto Rico Board requests that the Commission delay action on PRTC's application for 90 days until April 15, 2014 so that the Puerto Rico Board can study the effect that PRTC's proposed discontinuance will have on service and competition in Puerto Rico. Puerto Rico Board Comments at 1. Specifically, the Board states that it requires additional time to determine 1) whether PRTC's VoIP service is the service of last resort for any customers; 2) whether alternative forms of service are available at a feasible cost; and 3) whether PRTC's exit from the VoIP services market will have an adverse effect on competition, customer choice, and quality of service in Puerto Rico. Puerto Rico Board Comments at 2.

³ See Letter from Edgar Class, Wiley Rein, LLP, Counsel to Puerto Rico Telephone Company, Inc. d/b/a Claro, to Marlene H. Dortch, Secretary, Federal Communications Commission, WC Docket No. 13-298 (filed Jan. 17, 2014) (indicating that several unspecified customers from the record have been contacted and have requested to be enrolled in an alternative plan) (PRTC Jan. 17, 2014 Ex Parte); Letter from Edgar Class, Wiley Rein, LLP, Counsel to Puerto Rico Telephone Company, Inc. d/b/a Claro, to Marlene H. Dortch, Secretary, Federal Communications Commission, WC Docket No. 13-298 (filed Jan. 23, 2014) (asserting that the Puerto Rico Board's request for more time to review the proposed discontinuance should be denied) (PRTC Jan. 23, 2014 Ex Parte); Letter from Edgar Class, Wiley Rein, LLP, Counsel to Puerto Rico Telephone Company, Inc. d/b/a Claro, to Marlene H. Dortch, Secretary, Federal Communications Commission, WC Docket No. 13-298 (filed Jan. 29, 2014) (updating the record regarding continued efforts to contact and transition some of the customers in the record) (PRTC Jan. 29, 2014 Ex Parte).

⁴ See 47 U.S.C. § 214(a); 47 C.F.R. § 63.71; see also *Policy and Rules Concerning Rates for Competitive Common Carrier Services and Facilities Authorizations Therefor*, First Report and Order, CC Docket No. 79-252, 85 FCC 2d 1, 49 (1980) (*Competitive Carrier First Report and Order*) (“[W]e have retained the right to delay grant of a discontinuance authorization if we believe an unreasonable degree of customer hardship would result.”); *Federal Communications Comm'n v. RCA Communications, Inc.*, 346 U.S. 86, 90 (1953). See, e.g., *AT&T Application to Discontinue Interstate Sent-Paid Coin Service Not Automatically Granted*, Public Notice, NSD File No. W-P-D-497, 16 FCC Rcd 14935 (Common Carrier Bur. 2001).

⁵ See 47 C.F.R. § 63.71(c) (“The application to discontinue . . . shall be automatically granted on the 31st day . . . unless the Commission has notified the applicant that the grant will not be automatically effective.”).

For further information on procedures regarding section 214 please visit http://www.fcc.gov/wcb/cpd/other_adjud.

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