



Federal Communications Commission Identifies Anticompetitive Practices on United States-Pakistan Route and Prohibits U.S. Carriers From Making Payments in Excess of Previously-Negotiated Termination Rates

March 7, 2013

On March 5, 2013, the Federal Communications Commission ("Commission") released a Memorandum Opinion and Order in IB Docket No. 12-324, granting a petition filed by Vonage Holdings Corp. alleging anticompetitive behavior by certain Pakistani long distance international carriers ("Pakistani LDI Carriers") and requesting that U.S. carriers be permitted to cease paying termination rates that exceed rates previously-negotiated between U.S. and Pakistani carriers. In granting the Petition, the Commission found that actions by certain Pakistani LDI Carriers were anticompetitive and would harm U.S. consumers. Specifically, the Commission explained that certain Pakistani LDI Carriers had established a monopoly provider of international termination services in Pakistan and were charging rates of \$0.088/min., representing a nearly 400% increase in the termination rate. **The Commission found these practices and rates would increase costs for U.S. consumers and, effective immediately, required that all facilities-based U.S. carriers stop making any payments to certain Pakistani LDI Carriers, in excess of the rates that existed before October 1, 2012.**

In addition, facilities-based U.S. carriers are required to notify the Commission of any settlement or termination rate increases imposed around October 1, 2012 or if the carrier is notified that they no longer have to pay rate increases imposed around October 1, 2012. The Pakistani LDI Carriers at issue include the following: Pakistan Telecommunication Company Limited (PTCL), Multinet Pakistan (Private) Limited, 4B General International (Private) Limited, Wi-tribe Pakistan Limited, Dancom Pakistan (Private) Limited, Wise Communication System (Private) Limited, Worldcall Telecom Limited, ADG (Private) Limited, Link Direct International (Private) Limited, Telecard Limited, Circle Net Communications Pakistan (Private) Limited, Wateen Telecom Limited, Redtone Telecommunications Pakistan (Private) Limited, and Telenor LDI Communications (Private) Limited.

For further information, please contact your Kelley Drye attorney or any other member of the firm's [Communications](#) practice group.