

PHILIPPINE LONG DISTANCE TELEPHONE CO

Form 6-K

March 29, 2006

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6 -K

Report of Foreign Private Issuer

Pursuant to Rule 13a-16 or 15d-16

Of the Securities Exchange Act of 1934

For the month of March 2006

Commission File Number 1-03006

Philippine Long Distance Telephone Company

(Exact Name of Registrant as specified in its Charter)

Ramon Cojuangco Building

Makati Avenue

Makati City

Philippines

(Address of principal executive offices)

(Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.)

Form 20-F:  Form 40-F:

(Indicate by check mark whether by furnishing the information contained in this form, the registrant is also thereby furnishing the information to the commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act 1934.)

Yes:  No:

(If  Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b):  
82-\_\_\_\_)

Enclosure:

A copy of the disclosure letter we sent today to the Philippine Stock Exchange and the Securities and Exchange Commission regarding the press release issued by Moody's Investors Service (Moody's) entitled "Moody's Review PLDT's Ba1 Local Currency Rating for Possible Upgrade; Affirms Ba2 Foreign Currency Ratings with a Negative Outlook".

March 29, 2006

The Philippine Stock Exchange

Disclosure Department

4<sup>th</sup> Floor PSE Centre

Exchange Road, Ortigas Center

Pasig City

Attention: Ms. Jurisita M. Quintos

Senior Vice President

Ladies and Gentlemen:

In compliance with Section 17.1(b) and Section 17.3 of the Securities Regulation Code, we submit herewith a copy of SEC Form 17-C with a press release issued by Moody's Investors Service (Moody's) attached thereto entitled "Moody's Review PLDT's Ba1 Local Currency Rating for Possible Upgrade; Affirms Ba2 Foreign Currency Ratings with a Negative Outlook".

This shall also serve as the disclosure letter for the purpose of complying with PSE Corporate Disclosure Requirements.

Respectfully yours,

**MA. LOURDES C. RAUSA-CHAN**

Corporate Secretary

MLCRC:amq

Encs.

March 29, 2006

SECURITIES & EXCHANGE COMMISSION

Money Market Operations Department

SEC Building, EDSA

Mandaluyong City

Attention : Director Justina F. Callangan

Corporations Finance Department

Gentlemen:

Re : Philippine Long Distance Telephone Company

SEC Registration No. PW-55

In accordance with Section 17.1 (b) of the Securities Regulation Code, we submit herewith five (5) copies of SEC Form 17-C with a press release issued by Moody's Investors Service (Moody's) attached thereto entitled "Moody's Review PLDT's Ba1 Local Currency Rating for Possible Upgrade; Affirms Ba2 Foreign Currency Ratings with a Negative Outlook".

Very truly yours,

**MA. LOURDES C. RAUSA-CHAN**

Corporate Secretary

MLCRC:amq

Encs.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17

OF THE SECURITIES REGULATION CODE

AND SRC RULE 17.1

1. March 29, 2006

(Date of earliest event reported)

2. SEC Identification Number PW-55

3. BIR Tax Identification No. 000-488-793

4. PHILIPPINE LONG DISTANCE TELEPHONE COMPANY

Exact name of registrant as specified in its charter

5. PHILIPPINES 6. \_\_\_\_\_ (SEC Use Only)

Province, country or other jurisdiction Industry Classification Code

of Incorporation

7. Ramon Cojuangco Building, Makati Avenue, Makati City 1200

Address of principal office Postal Code

8. (632) 816-8553; 816-8556

Registrant's telephone number, including area code

9. Not Applicable

Former name or former address, if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the SRC

Title of Each Class Number of Shares of Common Stock

Licensed and Amount of Debt Outstanding

Attached hereto is a press release issued by Moody's Investors Service (Moody's) entitled "Moody's Review PLDT's Ba1 Local Currency Rating for Possible Upgrade; Affirms Ba2 Foreign Currency Ratings with a Negative Outlook".

SIGNATURE

Pursuant to the requirements of the Securities Regulation Code, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereto duly authorized.

PHILIPPINE LONG DISTANCE  
TELEPHONE COMPANY

**MA. LOURDES C. RAUSA-CHAN**

Corporate Secretary

Date: March 29, 2006

Distribution Copies: 5 copies    Securities & Exchange Commission

1 copy - Philippine Stock Exchange

1 copy - Company Secretary

*Moody's Investors Service Global Credit Research*

**Rating Action**

29 MAR 2006

**Rating Action: Philippine Long Distance Telephone Company**

**MOODY'S REVIEW PLDT'S Ba1 LOCAL CURRENCY RATING FOR POSSIBLE UPGRADE; AFFIRMS Ba2 FOREIGN CURRENCY RATINGS WITH A NEGATIVE OUTLOOK**

Hong Kong, March 29, 2006 --Moody's Investors Service today placed the Ba1 local currency corporate family rating of the Philippine Long Distance Company (PLDT) on review for possible upgrade. At the same time, Moody's affirmed PLDT's Ba2 foreign currency senior unsecured ratings, with a negative outlook.

"The review has been prompted by a continual improvement in PLDT's financial profile and the consolidation of its strong operating profile," says Charles Macgregor, Moody's Vice President/Senior Credit Officer.

"The company commands over 60% of revenue in the Philippines telecommunications market, where there is only one major competitor, which provides PLDT with a healthy platform for cash flow generation," adds Macgregor, who is the lead analyst for the company.

The review will focus on: [1] growth prospects; [2] capex requirements given prospective investment in 3G technology and a next generation fixed network; [3] possible structural subordination, given debt at its Smart Cellular subsidiary; [4] financial policies for the next 2-3 years; and [4] PLDT's liquidity risk profile to ensure that it is appropriate for an investment grade company. Moody's expects to complete its review by the end of June 2006.

PLDT's foreign currency senior unsecured debt rating of Ba2 -ve is above the Philippines' foreign currency country ceiling of B1 -ve. The foreign currency senior unsecured debt rating incorporates convertibility risk, which is the

likelihood of the government declaring a debt moratorium to counter a foreign currency crisis. Moody's views foreign currency bonds subject to international law as less likely to be subject to a debt moratorium than foreign currency obligations subject to local law. Therefore, there is a differential between PLDT's foreign currency bond rating and the sovereign rating. As such, PLDT's foreign currency bond rating is a function of its own risk of default and the probability of a Philippine government default on its foreign debt (implied by its B1 rating), the likelihood that the government would declare a moratorium in the event of a default, and if it did, the chances that it would exempt a company such as Globe.

Moody's affirmation of PLDT's foreign currency ratings reflects the correlation with the Philippine sovereign country ceiling. PLDT's foreign currency ratings are unlikely to rise absent either an improvement in the sovereign rating or a significant improvement in PLDT's local currency rating.

Philippine Long Distance Company, based in Manila, Republic of the Philippines, is that country's leading provider of integrated telecommunications services.

Sydney

Brian Cahill

Managing Director

Corporate Finance Group

Moody's Investors Service Pty Ltd

JOURNALISTS: (612) 9270-8102

SUBSCRIBERS: (612) 9270-8100

Sydney

Charles F. Macgregor

VP -Senior Credit Officer

Corporate Finance Group

Moody's Investors Service Pty Ltd

JOURNALISTS: (612) 9270-8102

SUBSCRIBERS: (612) 9270-8100

© Copyright 2006, Moody's Investors Service, Inc. and/or its licensors including Moody's Assurance Company, Inc. (together, "MOODY'S"). All rights reserved.

ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY COPYRIGHT LAW AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT. All information contained herein is obtained by MOODY'S from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, such information is provided "as is" without warranty of any kind and MOODY'S, in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness, completeness, merchantability or fitness for any particular purpose of any such information. Under no circumstances shall MOODY'S have any liability to any person or entity for (a) any loss or damage in whole or in part caused by, resulting from, or relating to, any error (negligent or otherwise) or other circumstance or contingency within or outside the control of MOODY'S or any of its directors, officers, employees or agents in connection with the procurement, collection, compilation, analysis, interpretation, communication, publication or delivery of any such information, or (b) any direct, indirect, special, consequential, compensatory or incidental damages whatsoever (including without limitation, lost profits), even if MOODY'S is advised in advance of the possibility of such damages, resulting from the use of or inability to use, any such information. The credit ratings and financial reporting analysis observations, if any, constituting part of the information contained herein are, and must be construed solely as, statements of opinion and not statements of fact or recommendations to purchase, sell or hold any securities. NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY SUCH RATING OR OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER. Each rating or other opinion must be weighed solely as one factor in any investment decision made by or on behalf of any user of the information contained herein, and each such user must accordingly make its own study and evaluation of each security and of each issuer and guarantor of, and each provider of credit support for, each security that it may consider purchasing, holding or selling.

MOODY'S hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by MOODY'S have, prior to assignment of any rating, agreed to pay to MOODY'S for appraisal and rating services rendered by it fees ranging from \$1,500 to \$2,400,000. Moody's Corporation (MCO) and its wholly-owned credit rating agency subsidiary, Moody's Investors Service (MIS), also maintain policies and procedures to address the independence of MIS's ratings and rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold ratings from MIS and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually on Moody's website at [www.moody's.com](http://www.moody's.com) under the heading "Shareholder Relations -Corporate Governance -Director and Shareholder Affiliation Policy."

Moody's Investors Service Pty Limited does not hold an Australian financial services licence under the Corporations Act. This credit rating opinion has been prepared without taking into account any of your objectives, financial situation or needs. You should, before acting on the opinion, consider the appropriateness of the opinion having regard to your own objectives, financial situation and needs.



SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

PHILIPPINE LONG DISTANCE TELEPHONE COMPANY

By :

Name : Ma. Lourdes C. Rausa-Chan

Title : Corporate Secretary

Date: March 29, 2006

