

## ATTACHMENT 1

### **Foreign Carrier Affiliation Notification**

Puerto Rico Telephone Company, Inc. (“PRTC”) hereby submits this foreign carrier affiliation notification regarding foreign carrier affiliates in Austria, Belarus, Bulgaria, Croatia, Liechtenstein, Macedonia, Serbia, and Slovenia. As of June 30, 2014, PRTC’s parent company, América Móvil, S.A.B. de C.V. (“América Móvil”), controls 79.23 percent of Telekom Austria AG (“Telekom Austria”),<sup>1</sup> which directly or through its subsidiaries serves the countries identified below.

### **Response to Question 12**

PRTC’s affiliate Telekom Austria AG, directly or through its subsidiaries, is authorized to provide service in the following countries:

Austria: Telekom Austria is authorized to provide fixed and wireless service in Austria, a WTO-member country. In Austria, Telekom Austria is listed on the Commission’s List of Foreign Telecommunications Carriers that are Presumed to Possess Market Power in Foreign Telecommunications Markets.<sup>2</sup> PRTC agrees to accept and abide by reporting requirements in Section 63.10 of the Commission’s rules.<sup>3</sup>

Belarus: velcom, a subsidiary of Telekom Austria, is authorized to provide wireless service in Belarus, a non-WTO-member country. Belarus is currently engaged in WTO accession negotiations.<sup>4</sup> velcom lacks market power in Belarus and qualifies for a presumption of non-dominance under Section 63.10(a)(3) of the Commission’s rules, 47 C.F.R. § 63.10(a)(3). The company does not control bottleneck facilities and has market shares under 50 percent in all relevant markets on the foreign end of the U.S.–Belarus route, including the international transport and local access markets. Neither Telekom Austria nor velcom is listed for Belarus on the Commission’s List of Foreign Telecommunications Carriers that Are Presumed to Possess Market Power in Foreign Telecommunications Markets.<sup>5</sup> In addition, the Commission has determined that mobile

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<sup>1</sup> América Móvil directly owns 50.8% of the shares of Telekom Austria. Pursuant to a shareholder agreement with Österreichische Industrieholding AG (“OIAG”), OIAG committed to vote its shares with América Móvil. OIAG owns 28.43% of Telekom Austria’s capital.

<sup>2</sup> *The International Bureau Revises and Reissues the Commission’s List of Foreign Telecommunications Carriers that Are Presumed to Possess Market Power in Foreign Telecommunications Markets*, Public Notice, DA 07-233 (Jan. 26, 2007) (“Market Power List”).

<sup>3</sup> 47 C.F.R. § 63.10.

<sup>4</sup> See World Trade Organization, Accession Status: Belarus, [http://www.wto.org/english/thewto\\_e/acc\\_e/a1\\_belarus\\_e.htm](http://www.wto.org/english/thewto_e/acc_e/a1_belarus_e.htm).

<sup>5</sup> Market Power List, supra note 1.

wireless service providers lack sufficient market power to affect competition adversely in the U.S. market.<sup>6</sup>

Bulgaria: Mobiltel, a subsidiary of Telekom Austria, is authorized to provide fixed, broadband, and wireless service in Bulgaria, a WTO-member country. Mobiltel lacks market power in Bulgaria and qualifies for a presumption of non-dominance under Section 63.10(a)(3) of the Commission's rules, 47 C.F.R. § 63.10(a)(3). The company does not control bottleneck facilities and has market shares under 50 percent in all relevant markets on the foreign end of the U.S.–Bulgaria route, including the international transport and local access markets. Neither Telekom Austria nor Mobiltel is listed for Bulgaria on the Commission's List of Foreign Telecommunications Carriers that Are Presumed to Possess Market Power in Foreign Telecommunications Markets.<sup>7</sup>

Croatia: Vipnet, a subsidiary of Telekom Austria, is authorized to provide fixed, broadband, and wireless service in Croatia, a WTO-member country. Vipnet lacks market power in Croatia and qualifies for a presumption of non-dominance under Section 63.10(a)(3) of the Commission's rules, 47 C.F.R. § 63.10(a)(3). The company does not control bottleneck facilities and has market shares under 50 percent in all relevant markets on the foreign end of the U.S.–Croatia route, including the international transport and local access markets. Neither Telekom Austria nor Vipnet is listed for Croatia on the Commission's List of Foreign Telecommunications Carriers that Are Presumed to Possess Market Power in Foreign Telecommunications Markets.<sup>8</sup>

Liechtenstein: Mobilkom Liechtenstein, a subsidiary of Telekom Austria, is authorized to provide wireless service in Liechtenstein, a WTO-member country. Mobilkom Liechtenstein lacks market power in Liechtenstein and qualifies for a presumption of non-dominance under Section 63.10(a)(3) of the Commission's rules, 47 C.F.R. § 63.10(a)(3). The company does not control bottleneck facilities and has market shares under 50 percent in all relevant markets on the foreign end of the U.S.–Liechtenstein route, including the international transport and local access markets. Neither Telekom Austria nor Mobilkom Liechtenstein is listed for Liechtenstein on the Commission's List of Foreign Telecommunications Carriers that Are Presumed to Possess Market Power in Foreign Telecommunications Markets.<sup>9</sup> In addition, the Commission has determined that mobile wireless service providers lack sufficient market power to affect competition adversely in the U.S. market.<sup>10</sup>

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<sup>6</sup> *International Common Carrier Regulations – 1998 Biennial Regulatory Review, Report and Order*, 14 FCC Rcd 4909, 4922 (¶ 29) (1999) (“Common Carrier Regulations Order”).

<sup>7</sup> Market Power List, *supra* note 1.

<sup>8</sup> *Id.*

<sup>9</sup> *Id.*

<sup>10</sup> Common Carrier Regulations Order, *supra* note 5..

Macedonia: Vip operator, a subsidiary of Telekom Austria, is authorized to provide wireless service in Macedonia, a WTO-member country.<sup>11</sup> Vip operator lacks market power in Macedonia and qualifies for a presumption of non-dominance under Section 63.10(a)(3) of the Commission's rules, 47 C.F.R. § 63.10(a)(3). The company does not control bottleneck facilities and has market shares under 50 percent in all relevant markets on the foreign end of the U.S.–Macedonia route, including the international transport and local access markets. Neither Telekom Austria nor Vip operator is listed for Macedonia on the Commission's List of Foreign Telecommunications Carriers that Are Presumed to Possess Market Power in Foreign Telecommunications Markets.<sup>12</sup> In addition, the Commission has determined that mobile wireless service providers lack sufficient market power to affect competition adversely in the U.S. market.<sup>13</sup>

Serbia: Vip mobile, a subsidiary of Telekom Austria, is authorized to provide wireless service in Serbia, a non-WTO-member country. Serbia is in the final stages of its accession negotiations with the WTO.<sup>14</sup> Vip mobile lacks market power in Serbia and qualifies for a presumption of non-dominance under Section 63.10(a)(3) of the Commission's rules, 47 C.F.R. § 63.10(a)(3). The company does not control bottleneck facilities and has market shares under 50 percent in all relevant markets on the foreign end of the U.S.–Serbia route, including the international transport and local access markets. Neither Telekom Austria nor Vip mobile is listed for Serbia on the Commission's List of Foreign Telecommunications Carriers that Are Presumed to Possess Market Power in Foreign Telecommunications Markets.<sup>15</sup> In addition, the Commission has determined that mobile wireless service providers lack sufficient market power to affect competition adversely in the U.S. market.<sup>16</sup>

Slovenia: Si.mobil, a subsidiary of Telekom Austria, is authorized to provide wireless service in Slovenia, a WTO-member country. Si.mobil lacks market power in Slovenia and qualifies for a presumption of non-dominance under Section 63.10(a)(3) of the Commission's rules, 47 C.F.R. § 63.10(a)(3). The company does not control bottleneck facilities and has market shares under 50 percent in all relevant markets on the foreign end of the U.S.–Slovenia route, including the international transport and local access markets. Neither Telekom Austria nor Si.mobil is listed for Slovenia on the Commission's List of Foreign Telecommunications Carriers that Are Presumed to

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<sup>11</sup> Macedonia is listed by the WTO as “The former Yugoslav Republic of Macedonia (FYROM). See [http://www.wto.org/english/thewto\\_e/whatis\\_e/tif\\_e/org6\\_e.htm](http://www.wto.org/english/thewto_e/whatis_e/tif_e/org6_e.htm).

<sup>12</sup> Market Power List, supra note 1.

<sup>13</sup> Common Carrier Regulations Order, supra note 5.

<sup>14</sup> See World Trade Organization, Accession Status: Serbia, [http://www.wto.org/english/thewto\\_e/acc\\_e/a1\\_serbia\\_e.htm](http://www.wto.org/english/thewto_e/acc_e/a1_serbia_e.htm).

<sup>15</sup> Market Power List, supra note 1.

<sup>16</sup> Common Carrier Regulations Order, supra note 5.

Possess Market Power in Foreign Telecommunications Markets.<sup>17</sup> In addition, the Commission has determined that mobile wireless service providers lack sufficient market power to affect competition adversely in the U.S. market.<sup>18</sup>

### **Response to Question 16**

PRTC requests non-dominant treatment on the U.S.-Belarus, U.S.-Bulgaria, U.S.-Croatia, U.S. Liechtenstein, U.S.-Macedonia, U.S.-Serbia, and U.S. Slovenia routes. PRTC does not request non-dominant treatment on the U.S.-Austria route and will accept and abide by reporting requirements in Section 63.10 of the Commission's rules. See Response to Question 12 above.

### **Response to Question 17**

As specified in response to Question 12 above, Telekom Austria AG is authorized to provide fixed and wireless service in Austria, Bulgaria, and Croatia, and wireless services only in Belarus, Liechtenstein, Macedonia, Serbia, and Slovenia.

### **Response to Question 18**

PRTC holds three international Section 214 authorizations to provide global facilities-based and resold services between the United States and all foreign points, including Austria, Belarus, Bulgaria, Croatia, Liechtenstein, Macedonia, Serbia, and Slovenia: (1) File No. ITC-214-19960215-00072 (authorization to provide international switched resale service); (2) File No. ITC-214-20000714-00410 (authorization to provide global resale service); and (3) File No. ITC-214-20051129-00480 (authorization to provide global facilities-based and resale service).

### **Response to Question 19**

PRTC does not serve Austria, Belarus, Bulgaria, Croatia, Liechtenstein, Macedonia, Serbia, and Slovenia solely through the resale of international switched services of unaffiliated U.S. facilities-based carriers.

### **Response to Question 20**

The name, address, citizenship, and principal business of each of PRTC's ten percent or greater interest holders are:

Telecomunicaciones de Puerto Rico, Inc. ("TELPRI")  
1515 FD Roosevelt Avenue, 12th Floor  
Guaynabo, PR 00921  
Citizenship: United States  
Principal Business: Holding company for telecommunications-related investments  
Ownership Interest: 100% direct interest in PRTC

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<sup>17</sup> Market Power List, supra note 1.

<sup>18</sup> Common Carrier Regulations Order, supra note 5.

Tenedora Telpri, S.A. de C.V. (“Tenedora”)  
Lago Zurich No. 245, Plaza Carso / Edificio Telcel, Colonia Ampliación Granada, C.P. 11529, México, D.F.  
Citizenship: Mexico  
Principal Business: Holding company for telecommunications-related investments  
Percentage Held: 100 percent direct interest in TELPRI

Radiomóvil Dipsa, S.A. de C.V. (“Telcel”)  
Lago Zurich No. 245, Plaza Carso / Edificio Telcel, Piso 4, Colonia Ampliación Granada, C.P. 11529, México, D.F.  
Citizenship: Mexico  
Principal Business: Telecommunications Company  
Percentage Held: 99.99 percent direct interest in Tenedora

Sercotel, S.A. de C.V. (“Sercotel”)  
Lago Zurich No. 245, Plaza Carso / Edificio Telcel, Piso 4, Colonia Ampliación Granada, C.P. 11529, México, D.F.  
Citizenship: Mexico  
Principal Business: Holding company for telecommunications-related investments  
Percentage Held: 99.99 percent direct interest in Telcel

América Móvil, S.A.B. de C.V.  
Lago Zurich No. 245, Plaza Carso / Edificio Telcel, Piso 4, Colonia Ampliación Granada, C.P. 11529, México, D.F.  
Citizenship: Mexico  
Principal Business: Holding company for telecommunications-related investments  
Percentage Held: 100 percent direct interest in Sercotel.<sup>19</sup>

Slim Family  
c/o Alejandro Cantu Jimenez, América Móvil, S.A.B. de C.V.  
Lago Zurich No. 245, Plaza Carso / Edificio Telcel, Piso 4,  
Colonia Ampliación Granada, C.P. 11529  
México, D.F.  
Citizenship: Mexico  
Principal Business: Investors  
Ownership Interest: 57.06 percent equity interest in América Móvil. As of June 30, 2014, the Slim Family (through their beneficial ownership held by (i) a Mexican trust that holds AA Shares and L Shares for their benefit (the “Family Trust”); (ii) Inmobiliaria Carso, S.A. de C.V.; (iii) Control Empresarial ed Capitales, S.A. de C.V. (a subsidiary of Inmobiliaria Carso); and (iv) their direct ownership of shares) holds 57.06 percent of the

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<sup>19</sup> América Móvil owns directly 99.99 percent of Sercotel. The remaining 0.01 percent is held by Amov IV, S.A. de C.V., a wholly owned indirect subsidiary of América Móvil.

equity and 89.54 percent of the voting stock in América Móvil.<sup>20</sup> Other Mexican and foreign investors hold the remaining equity and voting stock of América Móvil.

No other public investor holds more than 10 percent of the voting shares of América Móvil.

## **Response to Question 21**

Oscar von Hauske and Carlos García Moreno are members of both PRTC's and Telekom Austria's board of directors.

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<sup>20</sup> As of June 30, 2014, 24.34 percent of the equity (approximately 45.20 percent of the voting stock) of América Móvil is owned directly and indirectly, including beneficially owned, through the Family Trust. Inmobiliaria Carso, S.A. de C.V. (a non-public holding company wholly owned by the Slim Family and duly organized under Mexican laws) also owns shares of América Móvil that represent 8 percent of the equity (approximately 17.67 percent of the voting stock) of América Móvil. Control Empresarial de Capitales, S.A. de C.V. (a subsidiary of Inmobiliaria Carso, S.A. de C.V.) owns shares of América Móvil that represent 5.8 percent of the equity (approximately 11.9 percent of the voting stock). In addition, Carlos Slim Helú and members of his family individually own shares of América Móvil, though none in his or her individual capacity, excluding Carlos Slim Helú, own five percent or more of the voting shares of América Móvil. Collectively, members of the Slim Family, the Family Trust, and Inmobiliaria Carso hold approximately 57.06 percent of the equity and 89.54 percent of the voting stock in América Móvil.

As of March 31, 2014, 20.3 percent of the outstanding L shares of América Móvil were represented by L Share ADSs, each representing the right to receive 20 L shares, and 99.3 percent of the L Share ADSs were held by 9,612 registered holders with addresses in the United States. As of such date, 32.5 percent of the A shares were held in the form of A Share ADSs, each representing the right to receive 20 A shares, and 99.6 percent of the A Share ADSs were held by 4,194 registered holders with addresses in the United States.