

The Commission has repeatedly approved the Slim family's ownership in América Móvil and found that Mr. Slim exercises control of that company. Permitting the Slim family to increase their equity interest in América Móvil up to 49.99 percent will provide the company with flexibility to enter into several potential business transactions that may modify its capital structure. Grant of this request will not change the ultimate control of PRTC nor change the level of foreign ownership in PRTC. For these reasons, the requested increase in the Slim family's indirect ownership in PRTC is consistent with the public interest and the relevant precedent for declaratory rulings under Section 310(b)(4).

I. BACKGROUND

In 2007, the Commission reviewed PRTC's foreign ownership and granted América Móvil, a company organized under the laws of Mexico, authority to hold a 100 percent indirect ownership interest in PRTC and its common carrier radio licenses and section 214 authorizations.⁴ Specifically, the Commission found that (1) América Móvil and its indirect subsidiaries have their principal places of business in Mexico; (2) the shares held in América Móvil by Mexican citizens constitute 95 percent of América Móvil's full voting shares and that the majority interest in these shares is held by Mr. Carlos Slim Helú and members of his immediate family, all of whom are Mexican citizens; and (3) Mr. Slim exercises control of América Móvil.⁵ At the time of the ruling, members of the Slim family had a 32.33 percent equity and 66.21 percent voting interest

Telecomunicaciones de Puerto Rico, Inc., Memorandum Opinion and Order and Declaratory Ruling, 22 FCC Rcd 6195 (2007) (“*TELPRI Order*”).

⁴ *TELPRI Order*.

⁵ *Id.* at ¶ 62.

in América Móvil.⁶ The ruling authorized the Slim family to increase their equity and/or voting interests held directly or indirectly in América Móvil by an aggregate three percent above the levels they held upon approval of the initial declaratory ruling to account for fluctuation in publicly traded shares.⁷

In 2008, the Commission revised PRTC’s declaratory ruling, approving the Slim family’s then current 40.18 percent equity ownership interest in América Móvil as the new authorized level.⁸ To provide additional flexibility for América Móvil to pursue certain potential transactions without delay, PRTC now seeks to revise its declaratory ruling further to permit the Slim family’s ownership in América Móvil to increase to 49.99 percent without having to seek additional declaratory ruling authority.

II. CURRENT OWNERSHIP INFORMATION

No material changes have occurred in PRTC’s foreign ownership since the Commission granted these previous authorizations.⁹ Consistent with these previous filings, each of PRTC’s ten percent or greater interest holders are:

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

Tenedora Telpri, S.A. de C.V. (“Tenedora”)

⁶ *Id.* at ¶¶ 54 and 56.

⁷ *Id.* at ¶ 67.

⁸ *See International Authorizations Granted*, Report No. TEL-01481, DA No. 11-259, File Nos. ISP-PDR-20080103-0009, ISP-AMD-20100722-00016, ISP-PDR-20080909-00018, ISP-AMD-20100722-00017 (Feb. 10, 2011).

⁹ This excludes typical day-to-day stock transactions in the open market that effectively change “ownership” but do not trigger any of the conditions imposed on PRTC by the Commission.

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
Ownership Interest: 100 percent direct interest in TELPRI.

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

Sercotel, S.A. de C.V. (“Sercotel”)
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
Ownership Interest: 99.9 percent direct interest in Telcel.

América Móvil, S.A.B. de C.V.
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
Ownership Interest: 100 percent interest in Sercotel.¹⁰ As of July 31, 2012 and based on the most recent publicly available information, the Slim family (through their beneficial ownership held by a Mexican trust that holds AA Shares and L Shares for their benefit (the “Family Trust”), Inmobiliaria Carso, S.A. de C.V., and their direct ownership of shares) holds 42.9 percent¹¹ of the equity and 65.6 percent of the voting stock in América Móvil.¹² Other Mexican and foreign

¹⁰ 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 subsidiary of América Móvil.

¹¹ This is within the three percent buffer over the Slim family’s approved ownership level that was established in the first declaratory ruling. *TELPRI Order* at ¶ 67.

¹² As of July 31, 2012, a 22.18 percent of the equity (approximately 45.10 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 less than ten percent of the voting shares of América Móvil. In addition, Carlos Slim Helú and members of his

investors hold the remaining equity and voting stock of América Móvil. Except for the Family Trust and AT&T Inc., no other public investor holds more than 10 percent of the voting shares of América Móvil.

III. GRANT OF THE REQUESTED PETITION WILL SERVE THE PUBLIC INTEREST.

The public interest will be served if the Commission revises PRTC's Section 310(b)(4) authority to allow the Slim family to hold up to a 49.99 percent equity interest in América Móvil. América Móvil anticipates that it may engage in a several business transactions that may modify its capital structure. These transactions could increase the Slim family's ownership in América Móvil over the current permissible threshold.¹³ Grant of this request in advance of these transactions will permit them to proceed without delay and ensure PRTC remains compliant with its licensing obligations.

The proposed transactions will not otherwise affect PRTC's current foreign ownership or control. América Móvil will remain a publicly traded corporation that is organized and headquartered in Mexico. A majority of its directors and officers will

family individually own shares of América Móvil, though none in his or her individual capacity owns five percent or more of the voting shares of América Móvil. Collectively, members of the Slim family, the Family Trust, and Inmobiliaria Carso hold 42.9 percent of the equity and 65.6 percent of the voting stock in América Móvil.

As of July 31, 2012 and based on beneficial ownership reports filed with the U.S. Securities and Exchange Commission ("SEC") on March 1, 2011, AT&T, Inc. ("AT&T") (formerly known as SBC International, Inc.), a widely and publicly held corporation incorporated under the laws of the state of Delaware, holds approximately 9.5 percent of the equity (approximately 23.7 percent of the voting stock) of América Móvil through AA and L Shares. As of April 30, 2012, 32.2 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 97.6 percent of the L Share ADSs were held by 10,622 registered holders with addresses in the United States. 32.9 percent of the A shares were held in the form of A Share ADSs, each representing the right to receive 20 A shares, and 91.2 percent of the A Share ADSs were held by 4,602 registered holders with addresses in the United States.

¹³ América Móvil does not expect any of the potential transactions to effect a substantial change in ownership. PRTC would seek prior FCC approval for any transaction that did so, as required by the Commission's rules. *See* 47 C.F.R. § 63.24.

continue to be Mexican nationals, and its businesses in Mexico will continue to account for more revenue than its businesses from any other country. In addition, the Slim family will continue to exercise control. As such, grant of this request for a revised Section 310(b)(4) declaratory ruling is plainly in the public interest and consistent with FCC precedent.¹⁴

IV. CONCLUSION

For the reasons stated herein, PRTC respectfully requests revised Section 310(b)(4) authority to permit increased equity ownership up to 49.99 percent by Mr. Carlos Slim Helú and certain members of his family in América Móvil, PRTC's ultimate parent.

Respectfully submitted,

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¹⁴ See, e.g., *International Authorizations Granted; Section 214 Applications (47 C.F.R. § 63.18); Section 310(b)(4) Requests*, Public Notice, File No. ISP-PDR-20070605-00008 (Jul. 12, 2007) (approving increased ownership interest in Global Crossing Limited by ST Telemedia, Temasek, and the Government of Singapore from previously approved 61.5 percent to 66.25 percent).