



PUBLIC NOTICE

FEDERAL COMMUNICATIONS COMMISSION
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DA 06-1245

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**AMÉRICA MÓVIL, S.A. DE C.V., VERIZON COMMUNICATIONS INC. , AND
SUBSIDIARIES OF TELECOMUNICACIONES DE PUERTO RICO, INC. SEEK
FCC CONSENT TO TRANSFER CONTROL OF LICENSES AND
AUTHORIZATIONS AND REQUEST A DECLARATORY RULING ON
FOREIGN OWNERSHIP**

WT Docket No. 06-113

PLEADING CYCLE ESTABLISHED

Petitions to Deny Due: July 14, 2006
Oppositions Due: July 24, 2006
Replies Due: July 31, 2006

I. INTRODUCTION

América Móvil, S.A. de C.V. (“América Móvil”), Verizon Communications Inc. (“Verizon”), and subsidiaries of Telecomunicaciones de Puerto Rico, Inc. (“TELPRI,” and together with América Móvil and Verizon, the “Applicants”) have filed applications pursuant to Sections 214 and 310(d) of the Communications Act of 1934, as amended (“Communications Act”),¹ seeking Commission approval of the transfer of control to América Móvil of certain licenses and authorizations held by wholly-owned subsidiaries of TELPRI, which is indirectly controlled by Verizon. These applications pertain to licenses for the Part 22 Cellular Radiotelephone Service, the Part 24 Personal Communications Service, the Part 90 Industrial/Business Pool Service, and the Part 101 Common Carrier Fixed Point-to-Point Microwave Service and Digital Electronic Message Service, as well as domestic and international Section 214 authorizations. In addition, América Móvil has filed a petition for a declaratory ruling that the proposed foreign ownership of TELPRI in excess of the 25 percent benchmark set forth in Section 310(b)(4) of the Communications Act is in the public interest.²

TELPRI, through its subsidiary Puerto Rico Telephone Company, Inc. (“PRT”), provides domestic telecommunications services to consumers in the Commonwealth of Puerto Rico. Additionally, through its subsidiary, PRT Larga Distancia, Inc. (“PRT LD”), TELPRI is authorized to provide global facilities-based and global resale services between the United States and all authorized international points, as well as domestic telecommunications services to consumers in the Commonwealth of Puerto

¹ 47 U.S.C. §§ 214, 310(d).

² 47 U.S.C. § 310(b)(4).

Rico. The majority of TELPRI (52 percent) is owned by GTE Holdings (Puerto Rico) LLC (“GTE Holdings”), a wholly-owned subsidiary of Verizon.³ Verizon, a Delaware corporation, is a holding company with operating subsidiaries that provide local telephone service in 48 states and the District of Columbia, nationwide long distance service, and other telecommunications services.

América Móvil is a Mexican corporation that is a holding company for telecommunications-related investments. América Telecom, S.A. de C.V., a Mexican holding company, holds approximately 40.48 percent of the total capital stock and 64.72 percent of the voting shares of América Móvil.⁴ SBC International, Inc. (“SCBI”), a wholly-owned subsidiary of AT&T Inc., holds approximately 7.91 percent of América Móvil’s total capital stock.⁵ According to the Applicants, no other public investor holds more than 10 percent of América Móvil’s capital stock.⁶

On April 2, 2006, Sercotel, S.A. de C.V. (“Sercotel”), a subsidiary of América Móvil,⁷ and GTE Holdings entered into a stock purchase agreement pursuant to which Sercotel agreed to purchase all of the issued and outstanding shares of common stock of TELPRI owned by GTE Holdings. Further, the other stockholders of TELPRI have a right to have América Móvil purchase their shares as part of this transaction.⁸ Upon consummation of the transaction, TELPRI will continue to own the stock of its subsidiaries, and TELPRI and its subsidiaries will continue to hold all of the licenses and section 214 authorizations that they currently possess.⁹

According to the Applicants, TracFone Wireless, an affiliate of América Móvil, serves approximately 3,300 wireless subscribers in Puerto Rico. América Móvil, through its affiliates and subsidiaries, provides telecommunications services throughout the Americas.¹⁰ América Móvil agrees to

³ See, e.g., Sercotel, S.A. de C.V., FCC Ownership Disclosure Information for the Wireless Telecommunications Services, FCC 602, File No. 0002604261 (filed May 9, 2006).

⁴ América Telecom is controlled by Carlos Slim Helú, a Mexican citizen, and certain members of his family (81% ownership).

⁵ According to the Applicants, SBCI’s stock is owned through a trust that effectively neutralizes its votes.

⁶ For information regarding the current ownership of TELPRI, see Puerto Rico Telephone Company, Inc., FCC Ownership Disclosure Information for the Wireless Telecommunications Services, FCC 602, File No. 0002081897 (filed Nov. 30, 2004).

⁷ See Application, Overview of Transaction at 1. América Móvil owns 99.99% of Sercotel. See *id.* at 7.

⁸ See *id.* at 2.

⁹ According to the Applicants, América Móvil may elect to have Sercotel purchase the shares directly or through a wholly-owned subsidiary of Sercotel, but this will not change the ultimate control of PRT.

¹⁰ The following foreign carriers are subsidiaries of América Móvil: Telecomunicaciones de Guatemala (“Telgua”), a Guatemalan telecommunications company; Compania de Telecomunicaciones de El Salvador (“CTE”), an El Salvadoran telecommunications company that provides fixed and wireless services; and Empresa Nicaragüense de Telecomunicaciones, S.A. (“Enitel”), a Nicaraguan telecommunications company that provides fixed and wireless services. The following wireless providers are also subsidiaries of América Móvil: CTI Compañía Telefonos del Interior, S.A. and CTI PCS, S.A. (Argentina); BCP, S.A, Americel S.A., and Telet S.A. (Brazil); Comunicación Celular S.A. (Colombia); Consorcio Ecuatoriano de Telecomunicaciones, S.A. (Ecuador); Servicios de Comunicaciones de Nicaragua, S.A. (Nicaragua); Servicios de Comunicaciones Personales Inalámbricas, S.A. (Guatemala); AMOV Peru, S.A.C. (Peru); AM Wireless Uruguay, S.A. (Uruguay); Servicios de Comunicaciones de Honduras, S.A. de C.V. and Megatel de Honduras, S.A. de C.V. (Honduras); Smartcom, S.A. (Chile); Hutchison Telecommunications Paraguay, S.A. (Paraguay); Genesis Telecom, C.A. (Venezuela); and Radiomóvil Dipsa, S.A. de C.V. (Mexico).

classification of PRT LD as a dominant international carrier, pursuant to section 63.10 of the rules, on routes between the United States and Mexico, Brazil, Guatemala, Nicaragua and El Salvador, without prejudice to its right to petition for reclassification in the future. It further states that, if it consummates separate contracts to acquire Verizon's ownership interests in CANTV Venezuela and Verizon Dominicana, C. por A., PRT LD will continue to comply with the Commission's international dominant carrier safeguards on the U.S.-Venezuela and U.S.-Dominican Republic routes.¹¹

II. SECTION 310(d) APPLICATIONS

A. Transfer of Control Application

The following application for consent to the transfer of control of certain Cellular Radiotelephone, Personal Communications Service, Industrial/Business Pool, Common Carrier Fixed Point-to-Point Microwave Service and Digital Electronic Message Service licenses held by PRT to América Móvil has been assigned the file number listed below.

File No.	Licensee	Lead Call Sign
0002597508	Puerto Rico Telephone Company, Inc.	KNKA384

III. SECTION 214 APPLICATIONS

A. Domestic Section 214 Application

The Applicants have filed an application for consent to transfer control of domestic Section 214 authority held by subsidiaries of TELPRI to América Móvil in connection with the transaction described above. The application is attached to the application for consent to the transfer of control of TELPRI's three international Section 214 authorizations to América Móvil.¹² The Applicants do not request presumptive streamlined treatment under section 63.03(b)(2)(i) of the Commission's rules.

B. International Section 214 Application

The following application for consent to the transfer of control of PRT LD's international Section 214 authorizations to provide global facilities-based and global resale services between the United States and all authorized international points to América Móvil has been assigned the file number listed below.

Additionally, Carso Global Telecom, S.A. de C.V., a Mexican holding company under common control with América Telecom, controls Telmex, a telecommunications carrier that provides domestic telecommunications services in Mexico and international telecommunications services originating in Mexico on the U.S.-Mexico route. Under the Commission's rules, América Móvil is also affiliated with foreign carriers operating elsewhere in South America: Telmex do Brasil Ltda. (Brazil), Telmex Argentina S.A. and MetroRed Telecomunicaciones S.R.L. (Argentina), Telmex Peru S.A. (Peru), Telmex Chile S.A. and Chilesat Corp. S.A. (Chile), Telmex Colombia S.A. (Colombia), and Embratel (Brazil).

¹¹ See International Section 214 Application at 10, n.10. See also *id.* at 11.

¹² See International Section 214 Application at 27.

File No.	Authorization Holder	Authorization Numbers
ITC-T/C-20060510-00269	PRT Larga Distancia, Inc.	ITC-214-19960215-00072 ITC-214-20000714-00410 ITC-214-20051129-00480

IV. PETITION FOR DECLARATORY RULING UNDER SECTION 310(b)(4)

América Móvil has filed a petition pursuant to Section 310(b)(4) of the Communications Act for a declaratory ruling that the proposed foreign ownership of TELPRI in excess of the 25 percent benchmark set forth in Section 310(b)(4) of the Communications Act is in the public interest. As noted above, América Móvil will indirectly own and control through Sercotel at least 65 percent, and possibly up to and including 100 percent, of TELPRI after the consummation of this transaction. América Móvil and Sercotel are both organized under the laws of Mexico. América Telecom, also organized in Mexico, holds approximately 40.48 percent of the total capital stock of América Móvil and 64.72 percent of the voting shares of América Móvil. According to the Applicants, América Telecom is controlled by Carlos Slim Helú, a Mexican citizen, and certain members of his family (81 percent ownership). The remaining 19 percent ownership of América Telecom is held by other public investors.

Thus, América Móvil requests that the Commission issue a ruling that the foreign ownership interests in TELPRI are in the public interest even assuming that the foreign equity and voting interests reach 100 percent.

The petition for declaratory ruling under Section 310(b)(4) of the Communications Act has been assigned File No. ISP-PDR-20050509-00006.

V. EX PARTE STATUS OF THIS PROCEEDING

Pursuant to section 1.1200(a) of the Commission's rules,¹³ the Commission may adopt modified or more stringent *ex parte* procedures in particular proceedings if the public interest so requires. We announce that this proceeding will be governed by permit-but-disclose *ex parte* procedures that are applicable to non-restricted proceedings under section 1.1206 of the Commission's rules.¹⁴

Parties making oral *ex parte* presentations are directed to the Commission's statement re-emphasizing the public's responsibility in permit-but-disclose proceedings and are reminded that memoranda summarizing the presentation must contain the presentation's substance and not merely list the subjects discussed.¹⁵ More than a one- or two-sentence description of the views and arguments presented is generally required.¹⁶ Other rules pertaining to oral and written presentations are set forth in section

¹³ 47 C.F.R. § 1.1200(a).

¹⁴ *Id.* § 1.1206.

¹⁵ See Commission Emphasizes the Public's Responsibilities in Permit-But-Disclose Proceedings, *Public Notice*, 15 FCC Rcd 19945 (2000).

¹⁶ See 47 C.F.R. § 1.1206(b)(2).

1.1206(b) as well.¹⁷ We urge parties to use the Electronic Comment Filing System (“ECFS”) to file *ex parte* submissions.¹⁸

VI. GENERAL INFORMATION

The assignment and transfer of control applications referenced herein have been found, upon initial review, to be acceptable for filing. The Commission reserves the right to return any application if, upon further examination, it is determined to be defective and not in conformance with the Commission’s rules or policies. Final action on these applications will not be taken earlier than thirty-one days following the date of this Public Notice.¹⁹

Interested parties must file petitions to deny no later than **July 14, 2006**. Persons and entities that file petitions to deny become parties to the proceeding. They may participate fully in the proceeding, including seeking access to any confidential information that may be filed under a protective order, seeking reconsideration of decisions, and filing appeals of a final decision to the courts. Oppositions to such pleadings must be filed no later than **July 24, 2006**. Replies to such pleadings must be filed no later than **July 31, 2006**. All filings concerning matters referenced to in this Public Notice should refer to **DA 06-1245** and **WT Docket No. 06-113**, as well as the specific file numbers of the individual applications or other matters to which the filings pertain.

Under the Commission’s current procedures for the submission of filings and other documents,²⁰ submissions in this matter may be filed electronically (*i.e.*, though ECFS) or by hand delivery to the Commission’s Massachusetts Avenue location.

- **If filed by ECFS,**²¹ comments shall be sent as an electronic file via the Internet to <http://www.fcc.gov/e-file/ecfs.html>. In completing the transmittal screen, commenters should include their full name, Postal Service mailing address, and the applicable docket number. Parties may also submit an electronic comment by Internet e-mail. To get filing instructions for e-mail comments, commenters should send an e-mail to ecfs@fcc.gov, and should include the following words in the body of the message, “get form <your e-mail address>.” A sample form and directions will be sent in reply.
- **If filed by paper,** the original and four copies of each filing must be filed by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail (although we continue to experience delays in receiving U.S. Postal Service mail). The Commission’s contractor will receive hand-delivered or messenger-delivered paper filings for the Commission’s Secretary at 236 Massachusetts Avenue, N.E., Suite 110, Washington, D.C. 20002. The filing hours at this location are 8:00 a.m. to 7:00 p.m. All hand deliveries must be held together

¹⁷ *Id.* § 1.1206(b).

¹⁸ *See* discussion *infra* Part VI.

¹⁹ *See* 47 U.S.C. § 309(b).

²⁰ *See* Implementation of Interim Electronic Filing Procedures for Certain Commission Filings, *Order*, 16 FCC Rcd 21483 (2001); *see also* FCC Announces a New Filing Location for Paper Documents and a New Fax Number for General Correspondence, *Public Notice*, 16 FCC Rcd 22165 (2001); Reminder: Filing Locations for Paper Documents and Instructions for Mailing Electronic Media, *Public Notice*, 18 FCC Rcd 16705 (2003).

²¹ *See* Electronic Filing of Documents in Rulemaking Proceedings, GC Docket No. 97-113, *Report and Order*, 13 FCC Rcd 11322 (1998).

with rubber bands or fasteners. Any envelopes must be disposed of before entering the building. Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9300 East Hampton Drive, Capitol Heights, MD 20743. U.S. Postal Service first-class mail, Express Mail, and Priority Mail should be addressed to 445 12th Street, S.W., Washington, D.C. 20554. All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.

One copy of each pleading must be delivered electronically, by e-mail or facsimile, or if delivered as paper copy, by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail (according to the procedures set forth above for paper filings), to: (1) the Commission's duplicating contractor, Best Copy and Printing, Inc., at fcc@bcpiweb.com, or (202) 488-5563 (facsimile); (2) Erin McGrath, Mobility Division, Wireless Telecommunications Bureau, at erin.mcgrath@fcc.gov, or (202) 418-7447 (facsimile); (3) Susan Singer, Spectrum and Competition Policy Division, Wireless Telecommunications Bureau, at susan.singer@fcc.gov, or (202) 418-7447 (facsimile); (4) David Krech, Policy Division, International Bureau, at david.krech@fcc.gov or (202) 418-2824 (facsimile); (5) Susan O'Connell, Policy Division, International Bureau, at susan.oconnell@fcc.gov or (202) 418-2824 (facsimile); (6) Gail Cohen, Competition Policy Division, Wireline Competition Bureau, at gail.cohen@fcc.gov or (202) 418-4591 (facsimile); (7) Jodie May, Competition Policy Division, Wireline Competition Bureau, at jodie.may@fcc.gov or (202) 418-4573 (facsimile); and (8) Neil Dellar, Office of General Counsel, at neil.dellar@fcc.gov or (202) 418-1234 (facsimile).

Copies of the applications and any subsequently-filed documents in this matter may be obtained from Best Copy and Printing, Inc. in person at 445 12th Street, S.W., Room CY-B402, Washington, D.C. 20554, via telephone at (202) 488-5300, via facsimile at (202) 488-5563, or via e-mail at fcc@bcpiweb.com. The applications and any associated documents are also available for public inspection and copying during normal reference room hours at the following Commission office: FCC Reference Information Center, 445 12th Street, S.W., Room CY-A257, Washington, D.C. 20554. The applications are also available electronically through the Commission's ECFS, which may be accessed on the Commission's Internet website at <http://www.fcc.gov>. In addition, applications filed under Parts 22, 24, 27, 90, and 101 of the Commission's rules are available electronically through ULS, which may be accessed on the Commission's Internet website. Additional information regarding the transaction will be available on the FCC's Office of General Counsel's website, <http://www.fcc.gov/ogc>, which will contain a fully indexed, unofficial listing and electronic copies of all materials in this docket.

People with Disabilities: To request this Public Notice in accessible formats (computer diskette, large print, audio recording, and Braille) send an email to fcc504@fcc.gov or call the Consumer & Governmental Affairs Bureau at (202) 418-0539 (voice), (202) 418-0432 (TTY).

For further information, contact Erin McGrath, Mobility Division, Wireless Telecommunications Bureau, at (202) 418-2042.

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