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Policy Division  
International Bureau

BEFORE THE  
FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON, DC 20554

Received & Inspected

In the Matter of	)	MAR 20 2008
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	)	FCC Mail Room
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TELECOMUNICACIONES	)	
ULTRAMARINAS DE PUERTO RICO,	)	
INC.	)	Application for Authority to Transfer
	)	Control of Ownership
	)	
ANTILLAS I Cable Landing License	)	
	)	

**APPLICATION FOR TRANSFER OF CONTROL AND OWNERSHIP OF  
TELECOMUNICACIONES ULTRAMARINAS DE PUERTO RICO, INC. AND THE  
ANTILLAS I CABLE LANDING LICENSE**

Telecomunicaciones Ultramarinas de Puerto Rico, Inc. ("Ultracom"), FCC Registration Number ("FRN") 0001727304, by its undersigned attorney and pursuant to the Cable Landing License Act,<sup>1</sup> Executive Order No. 10530,<sup>2</sup> and Section 14(4) of the cable landing license for the ANTILLAS I Cable System ("ANTILLAS I"),<sup>3</sup> hereby notifies and requests of the Federal Communications Commission ("Commission") consent to transfer control and ownership of Ultracom from the Puerto Rico Telephone Authority ("PRTA"), as transferor, to PREPA Networks Corp. ("PREPA.Net"), FRN 0016946634, as transferee. Both transferor and transferee are government entities of the Commonwealth of Puerto Rico, and are in no way affiliated to, or

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<sup>1</sup> 47 U.S.C. §§ 34-39 ("Cable Landing License Act").  
<sup>2</sup> Exec. Ord. No. 10530 *reprinted as amended* in 3 U.S.C. § 301.  
<sup>3</sup> *Telefonica Larga Distancia de Puerto Rico, Inc.* Application for a License to Land and Operate an Optical Fiber Cable System Linking the Dominican Republic and Puerto Rico, File No. SCL-95-008; *AT&T Corp., GTE Hawaiian Telephone Company Incorporated, International Telecommunications Corporation, MCI International, Inc., Pacific Gateway Exchange, Sprint Communications Company, L.P., The St. Thomas and San Juan Telephone Company, Inc., Telecomunicaciones Ultramarinas de Puerto Rico, and IDB Worldcom Services, Inc.*, Joint Application for a License to Land and Operate a Digital Submarine Cable System Between the Dominican Republic and Puerto Rico, The ANTILLAS I Cable System, File No. SCL-95-012; Cable Landing License, DA 96-1052, 11 FCC Rcd 7690 (1996) ("ANTILLAS I Cable Landing License").

controlled by, a foreign carrier, and thereby Ultracom requests a streamlined process to modify the ANTILLAS I Cable Landing License to reflect such change in ownership interest.

## I. INTRODUCTION

Through the ANTILLAS I Cable Landing License and the ANTILLAS I Cable Landing License Memorandum and Order<sup>4</sup>, the Commission granted a license to land and operate a high capacity digital submarine cable system, the ANTILLAS I, between Puerto Rico and the Dominican Republic. Copy of the ANTILLAS I Cable Landing License is included as **Exhibit 1**. A summary of Ultracom's current interest and ownership allocations in ANTILLAS I is included as **Exhibit 2**.

Aside from being subject to all rules and regulations of the Commission, to any treaties or conventions relating to communications to which the United States is or may become a party, and to any action by the Commission or the Congress of the United States rescinding, changing, modifying, or amending it, the cable landing license is also subject to the conditions set forth in paragraph 14 of the ANTILLAS I Cable Landing License. Specifically, Section 14(4) of the ANTILLAS I Cable Landing License states that “[n]either this license nor the rights granted herein, shall be transferred, assigned, or in any manner either voluntarily or involuntarily disposed of or disposed of indirectly by transfer of control of the Licensees to any persons, unless the Federal Communications Commission shall give prior consent in writing.”

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<sup>4</sup> *Telefonica Larga Distancia de Puerto Rico, Inc.* Application for Authorization Under Section 214 of the Communications Act of 1934, as Amended, to Construct, Acquire Capacity in and Operate an Optical Fiber Cable System Linking the Dominican Republic and Puerto Rico, File No. ITC-95-490; *AT&T Corp., GTE Hawaiian Telephone Company Incorporated, International Telecommunications Corporation, MCI International, Inc., Pacific Gateway Exchange, Sprint Communications Company, L.P., The St. Thomas and San Juan Telephone Company, Inc., Telecomunicaciones Ultramarinas de Puerto Rico, and IDB Worldcom Services, Inc.*, Joint Application for Authorization Pursuant to Section 214 of the Communications Act of 1934, As Amended, to Construct, Acquire, and Operate Capacity in a Digital Submarine Cable System Between the Dominican Republic and Puerto Rico, The ANTILLAS I Cable System, File No. ITC-95-580; Memorandum Opinion, and Autorization, DA 96-1053, 11 FCC Rcd 7978 (1996) (“ANTILLAS I Cable Landing License Memorandum and Order”).

PRTA, the sole owner and shareholder of Ultracom, has entered into a stock purchase agreement with PREPA.Net, by which PREPA.Net will acquire all the outstanding shares of common stock of Ultracom. After the consummation of the transaction, Ultracom will become a wholly-owned subsidiary of PREPA.Net. The transaction between the PRTA and PREPA.Net will not affect the participation, ownership or Minimum Investment Units of the other licensees to the ANTILLAS I Cable Landing License.

Ultracom hereby requests a streamlined procedure for the consent and approval of transfer of control and ownership to reflect such change of control and ownership, as required by Section 14(4) of the ANTILLAS I Cable Landing License.

## **II. THE TRANSACTION**

On February 28, 2008, PRTA and PREPA.Net entered into a stock purchase agreement pursuant to which PREPA.Net will acquire all the outstanding shares of common stock of Ultracom owned by PRTA. The transaction will be consummated upon the receipt of the Commission's consent and approval for the transfer of control and ownership of Ultracom to PREPA.Net, the modification thereof of the ANTILLAS I Cable Landing License, the Commission's consent and approval of the transfer to PREPA.Net of all other licenses granted to Ultracom as listed on **Exhibit 3**, and following all required consents and approvals from all other governmental or regulatory agencies.

Immediately following the consummation of the transaction, and upon the Commission's consent, Ultracom will become a wholly-owned subsidiary of PREPA.Net, and will continue offering service to its customers without interruption. Ultracom will notify the Commission of

the consummation of the transaction within thirty (30) days of such date as set forth in Section 1.767(a)(11)(iii) of the Commission's cable landing licenses regulations.<sup>5</sup>

### **III. THE PARTIES TO THE TRANSACTION**

The transferor, PRTA, is a government entity of the Commonwealth of Puerto Rico, created by Puerto Rico Law No. 25 of May 6, 1974, as amended ("Law 25"). The Government Development Bank for Puerto Rico ("GDBPR") is a government entity of the Commonwealth of Puerto Rico, created by Puerto Rico Law No. 17 of September 23, 1948, as amended ("Law 17"). The PRTA was entrusted to the GDBPR pursuant to Puerto Rico Law No. 94 of June 24, 1998 ("Law 94"), which amended Law 25. Pursuant to Law 94, the PRTA maintains a separate existence and independent legal personality of that of the GBDPR.

Ultracom is a corporation, created and existing under the Puerto Rico General Corporations Act, Puerto Rico Law No. 144 of August 10, 1995, as amended ("Law 144"), created by virtue of PRTA's resolution No. 92-8 of February 26, 1992. At its inception, the PRTA owned 100 percent (100%) of the common voting stock and 85.1 percent (85.1%) of Ultracom's issued stock, and Telefónica International Holding, B.V. ("TISA") owned the remaining 14.9 percent (14.9%) of the issued stock. On December 23, 2003, PRTA and TISA entered into a Settlement Agreement, pursuant to which PRTA acquired all of Ultracom's issued stock. See **Exhibit 4**. Thus, PRTA is the sole owner and shareholder of Ultracom, and by virtue of Law 94, the GBDPR, through the PRTA, is the indirect sole owner and shareholder of Ultracom.

The Puerto Rico Electric Power Authority ("PREPA") is a public corporation of the Commonwealth of Puerto Rico, created by Puerto Rico Law No. 83 of May 2, 1941, as amended

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<sup>5</sup> 47CFR 1.767(a)(11)(iii).

("Law 83"). PREPA is the sole owner and shareholder of PREPA.Net, a corporation created and existing under Law 144, created by virtue of PREPA's resolution No. 3175 of March 2, 2004. Essentially, PREPA.Net is a government-owned company. Neither PREPA nor PREPA.Net are affiliated to any foreign carriers as defined by Commission's Rule 63.09(d).<sup>6</sup>

Diagrams depicting the ownership of Ultracom prior to the transaction and after the transaction, as well as the relationships between PRTA and PREPA as entities of the Commonwealth of Puerto Rico, are included as **Exhibit 5**.

#### **IV. SECTION 1.767(A) INFORMATION**

The following information is submitted as required by Section 1.767(a) of the Commission's Regulations.<sup>7</sup>

**(1) Name, address and telephone number(s) of the Parties (Section 1.767(a)(1))**

(a) Applicant:

Telecomunicaciones Ultramarinas de Puerto Rico, Inc.  
252 Ponce De León Ave.  
Citibank Tower Suite 1900  
San Juan, PR 00918  
Attention: José D. Casillas-Aponte  
Tel.: (787) 620-9810  
Fax: (787) 641-9280

(b) Transferor:

Puerto Rico Telephone Authority  
c/o Government Development Bank for Puerto Rico  
Roberto Sánchez Vilella Government Center  
De Diego Ave. San Juan, PR 00907  
Attention: Samuel Sierra  
Tel: (787) 722-2525  
Fax: (787) 721-0540

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<sup>6</sup> 47 CFR 63.09(d)

<sup>7</sup> 47 CFR 1.767(a).

(c) Transferee:

Prepa Networks Corp.  
48 City View Plaza  
Suite 803  
Guaynabo, PR 00968  
Attention: José D. Casillas Aponte  
Tel: (787) 625-9950  
Fax: (787) 625-9951

(2) **Jurisdiction of Organization (Section 1.767(a)(2))**

Ultracom is a corporation organized and existing under the laws of the Commonwealth of Puerto Rico. The transferor, PRTA, is a government entity of the Commonwealth of Puerto Rico, created by Law 25. The transferee, PREPA.Net, is a corporation organized and existing under the laws of the Commonwealth of Puerto Rico.

(3) **Correspondence concerning this application should be sent to (Section 1.767(a)(3))**

José D. Casillas-Aponte  
General Manager  
**Prepa Networks Corp.**  
48 City View Plaza  
Suite 803  
Guaynabo, PR 00968  
Tel: (787) 625-9950  
Fax: (787) 625-9951  
e-mail: [jd-casillas@prepanetworks.net](mailto:jd-casillas@prepanetworks.net)

with a copy to:

Pamela González, Esq.  
**Bufete Roberto Corretjer Piquer**  
625 Ponce de León Avenue  
San Juan, Puerto Rico 00917-4819  
Tel: (787) 751-4618  
Fax: (787) 759-6503  
e-mail: [licenciadapg@yahoo.com](mailto:licenciadapg@yahoo.com)  
*Counsel for PREPA Networks Corp.*

and a copy to:

Gladys A. Maldonado-Rodríguez, Esq.

**Quiñones & Sanchez PSC**

PO Box 71405

San Juan, PR 00936-8505

Tel.: (787) 620-6776

Fax: (787) 620-6050

e-mail: [gmaldonado@qslaw.net](mailto:gmaldonado@qslaw.net)

*Counsel for Telecomunicaciones Ultramarinas de Puerto Rico, Inc., the Puerto Rico Telephone Authority and the Government Development Bank for Puerto Rico*

**(4) Transferee's Foreign Carrier Affiliations (Sections 1.767(a)(8) and 63.18(i))**

The transferee, PREPA.Net, is not affiliated with any foreign carrier as defined by Rule §63.09(d), 47 CFR 63.09(d), and is not affiliated with any entity that owns or controls a foreign cable landing station in any of ANTILLAS I's destination markets. See **Exhibit 7**.

**(5) Ownership of Transferee (Section 63.18(h))**

PREPA is the sole owner and shareholder of PREPA.Net. PREPA is a public corporation and a government entity of the Commonwealth of Puerto Rico, created by Law 83. PREPA's main offices are located at 1110 Ponce de León Ave., San Juan, Puerto Rico 00907. Its mailing address is PO Box 364267, San Juan PR 00936-4267.

PREPA is not affiliated with any foreign carrier as defined by Section 63.09(d), 47 CFR 63.09(d), and is not affiliated with any entity that owns or controls a foreign cable landing station in any of ANTILLAS I's destination markets. See **Exhibit 6**.

**(6) Transferee's international telecommunications services (Sections 63.18(j) and 63.18(k))**

Neither PREPA.Net nor PREPA are foreign carriers or control any foreign carriers in any of the ANTILLAS I's destination markets. As such, PREPA.Net does not

seek to provide international communications services to a destination country for which PREPA.Net is a foreign carrier or controls a foreign carrier.

PREPA is the sole owner and shareholder of PREPA.Net. No foreign carriers in any of the cable's destination markets own or control PREPA.Net.

**(7) Transferee's Anti-Drug Abuse Act Certification (Sections 1.2001-1.2003 and 63.18(o))**

PREPA.Net is not subject of a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988. 21 USCS § 862. See **Exhibit 7**.

**(8) Transferee's Certification of Acceptance of Routine Conditions (Section 1.767 (a)(9))**

PREPA.Net hereby certifies that it will abide by the routine conditions specified in Section 1.767(g).

**(9) Other Information (Section 1.767 (a)(10))**

We notify that the proceedings listed on **Exhibit 11** are currently pending before the Commission. We disclose this information pursuant to Section 1.767(10) as it may be pertinent to enable the Commission to act on this application.

**V. REQUEST FOR STREAMLINED PROCESSING**

Ultracom seeks a streamlined processing for the instant application pursuant to the Commission's Report and Order in IB Docket No. 00-106, *Review of Commission Consideration of Applications under the Cable Landing Act*, FCC 01-332, released on December 14, 2001. Neither PREPA.NET, nor its parent company, PREPA, are foreign carriers or are affiliated with a foreign carrier in any of the cable's destination markets. See **Exhibits 6 and 7**.



**VI. CONCLUSION**

Based on the foregoing, Ultracom respectfully requests the Commission to initiate a streamlined procedure to consider the application, grant the instant petition, and authorize the transfer of control and ownership of Ultracom from PRTA to PREPA.Net.

RESPECTFULLY SUBMITTED.

**TELECOMUNICACIONES  
ULTRAMARINAS DE PUERTO RICO,  
INC.**  
*through its counsel*

**QUIÑONES & SANCHEZ PSC**  
PO Box 71405  
San Juan, PR 00936-8505  
Tel.: (787) 620-6776  
Fax: (787) 620-6050



**Gladys A. Maldonado-Rodríguez**  
Puerto Rico Bar No. 15004  
e-mail: gmaldonado@qslaw.net

March 19, 2008.


**Certificate of Service as Required by Section 1.767(j)**

I hereby certify that on this 19<sup>th</sup> day of March, 2008, a true and exact copy of this Application and its exhibits was sent via Federal Express as listed below:

Ambassador David Gross  
U.S. Coordinator  
EB/CIP  
U.S. Department of State  
2201 C Street, NW  
Washington, DC 20520-5818;

Kathy Smith  
Chief Counsel, NTIA  
U.S. Department of Commerce  
14th St. and Constitution Ave., NW  
Washington, DC 20230;

Hillary Morgan  
Defense Information Systems Agency  
Code RGC  
701 S. Courthouse Road  
Arlington, VA 22204

  
Gladys A. Maldonado

## **Exhibit List**

- Exhibit 1** ANTILLAS I Cable Landing License; File No. File No. SCL-95-008, SCL-95-012; DA 96-1052; 11 FCC Rcd 7690 (1996).
- Exhibit 2** Summary of Ultracom's interests in the ANTILLAS I Cable System.
- Exhibit 3** Licenses granted by the Federal Communications Commission to Telecomunicaciones Ultramarinas de Puerto Rico, Inc. to be transferred
- Exhibit 4** Settlement Agreement between Telefónica International Holding, B.V. and Puerto Rico Telephone Authority of December 23, 2003
- Exhibit 5** Diagrams - Ownership and Corporate Relationship
- Exhibit 6** Certification by Puerto Rico Electric Power Authority
- Exhibit 7** Certification by Prepa Networks Corp.
- Exhibit 8** Certification by Telecomunicaciones Ultramarinas de Puerto Rico, Inc.
- Exhibit 9** Certification by Puerto Rico Telephone Authority
- Exhibit 10** Certification by Government Development Bank for Puerto Rico
- Exhibit 11** Proceedings currently before the Federal Communications Commission regarding Telecomunicaciones Ultramarinas de Puerto Rico, Inc.

DA 96-1052

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

In the Matter of )  
 )  
 TELEFÓNICA LARGA DISTANCIA )  
 DE PUERTO RICO, INC. )  
 )  
 Application for a License to Land and )  
 Operate an Optical Fiber Cable System )  
 Linking the Dominican Republic )  
 and Puerto Rico )  
 )  
 AT&T CORP. )  
 )  
 GTE HAWAIIAN TELEPHONE )  
 COMPANY INCORPORATED )  
 )  
 INTERNATIONAL )  
 TELECOMMUNICATIONS )  
 CORPORATION )  
 )  
 MCI INTERNATIONAL, INC. )  
 )  
 PACIFIC GATEWAY EXCHANGE )  
 )  
 SPRINT COMMUNICATIONS )  
 COMPANY, L.P. )  
 )  
 THE ST. THOMAS AND SAN JUAN )  
 TELEPHONE COMPANY, INC. )  
 )  
 TELECOMUNICACIONES )  
 ULTRAMARINAS DE )  
 PUERTO RICO, AND )  
 )  
 IDB WORLDCOM SERVICES, INC. )  
 )  
 Joint Application for a License to )  
 Land and Operate a Digital Submarine Cable )  
 System Between the Dominican Republic and )  
 Puerto Rico, The ANTILLAS I Cable System )

File No. SCL-95-008

File No. SCL-95-012

**CABLE LANDING LICENSE**

**Adopted: June 28, 1996**

**Released: July 2, 1996**

By the Chief, Telecommunications Division:

1. In this Order, we grant the application of Telefónica Larga Distancia de Puerto Rico, Inc.

(TLD) under the Cable Landing License Act<sup>1</sup> for authority to land and operate an optical fiber submarine cable system (ANTILLAS I cable system) extending between landing points at Miramar, Puerto Rico; Isla Verde, Puerto Rico; and Cacique, Dominican Republic, on a common carrier basis.<sup>2</sup> We also grant the joint application of AT&T Corp. (AT&T), GTE Hawaiian Telephone Company Incorporated (HTC), International Telecommunications Corporation (ITC), MCI International, Inc. (MCII), Pacific Gateway Exchange (PGE), Sprint Communications Company, L.P. (Sprint), The St. Thomas and San Juan Telephone Company, Inc. (STSJ), Telecomunicaciones Ultramarinas de Puerto Rico (TUPR), and IDB WorldCom Services, Inc. (WorldCom), for authority to land and operate the same cable system, ANTILLAS I, on a common carrier basis.<sup>3</sup> We find that TLD and the Joint Applicants have provided sufficient information to comply with the Cable Landing License Act, and therefore grant the cable landing license, subject to the conditions below.

2. On August 18, 1995, TLD and TUPR filed a joint cable landing license application. Their application was placed on public notice on August 25, 1995. AT&T filed a petition to deny the application. TLD filed an opposition to AT&T's petition, to which AT&T replied. On October 5, 1995, TUPR notified the Commission that it was withdrawing from the TLD application and would participate in a joint application with other U.S. carriers.<sup>4</sup> On January 11, 1996, TLD filed a motion to accept supplemental comments in light of the release of the *Foreign Carrier Market Entry Order*.<sup>5</sup> On February 28, 1996, TLD updated the information on file with the Commission regarding its foreign carrier affiliations.<sup>6</sup> AT&T withdrew its petition to deny TLD's application on April 16, 1996.

3. On October 13, 1995, the Joint Applicants filed their application. It was placed on public notice on October 31, 1995. TLD filed comments, to which AT&T replied. Subsequently, TLD filed reply comments.

4. TLD is a corporation organized under the laws of the Commonwealth of Puerto Rico, and is a U.S. licensed carrier.<sup>7</sup> All of its principal officers are U.S. citizens. Each of the Joint Applicants, except Sprint, is a corporation. Sprint is a limited partnership organized and existing under the laws of the State of Delaware. AT&T is organized and existing under the laws of the State of New York. HTC is a corporation organized under the laws of the Kingdom of Hawaii and existing under the laws of the State of Hawaii. ITC, MCII, PGE and WorldCom are each organized and existing under the

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<sup>1</sup> "An Act Relating to the Landing and Operation of Submarine Cables in the United States," 47 U.S.C. §§ 34-39 (Cable Landing License Act).

<sup>2</sup> In a companion order, we grant TLD's application for Section 214 authority. (File No. I-T-C-95-490, DA 96-1053, adopted June 28, 1996.)

<sup>3</sup> In a companion order, we grant the Joint Applicants' application for Section 214 authority. (File No. I-T-C-95-580, DA 96-1053, adopted June 28, 1996.)

<sup>4</sup> Letter from Jorge Guzmán, Senior Director, Telecomunicaciones Ultramarinas de Puerto Rico to Mr. William F. Caton, Acting Secretary, Federal Communications Commission (Oct. 5, 1995).

<sup>5</sup> To ensure a complete record, we find that the public interest would be served by including TLD's comments in the record.

<sup>6</sup> Letter from Alfred M. Mamlet, Counsel for TLD, to William F. Caton, Acting Secretary, Federal Communications Commission (Feb. 28, 1996).

<sup>7</sup> Seventy-nine percent of TLD's stock is owned by Telefónica International Holding, B.V. (TI Holding); nineteen percent of TLD's stock is owned by the Puerto Rico Telephone Authority (PRTA); and two percent is held in an employee stock ownership plan. TI Holding is a Netherlands corporation which is a wholly owned subsidiary of Telefónica Internacional de España, S.A. (TI), a corporation organized under the laws of Spain. TI, in turn, is majority-owned by Telefónica de España, S.A., the monopoly provider of domestic and international communications services in Spain. See TLD Application at 2-3.

laws of the State of Delaware. STSJ is organized and existing under the laws of the U.S. Virgin Islands. TUPR is organized and existing under the laws of the Commonwealth of Puerto Rico.<sup>8</sup> TUPR is a carrier authorized to offer services to other carriers between Puerto Rico and the Dominican Republic through a digital microwave system as well as to other international points by satellite. TUPR does not offer end-to-end services and holds no correspondent agreements with foreign carriers.<sup>9</sup> All of the principal officers of the Joint Applicants are citizens of the United States.

5. The proposed ANTILLAS I Cable System will extend from landing points at a cable station at Miramar, Puerto Rico and a cable station at Isla Verde, Puerto Rico to the cable station at Cacique, Dominican Republic, including an undersea branching unit connecting the stations in Puerto Rico and the Dominican Republic. ANTILLAS I will connect with the domestic networks in Puerto Rico and the Dominican Republic. The proposed cable system consists of five segments: A, B, C, D and E. Segments A and B are located in U.S. territory.

6. Segments A and B will consist of the cable stations at Miramar, Puerto Rico and Isla Verde, Puerto Rico, respectively, and Segment E is an intermediate cable landing point which is necessary to house repeater equipment at Punta Cana, Dominican Republic. Segment C will consist of the cable station at Cacique, Dominican Republic and two subsegments. Subsegment C1 will comprise the part of the cable station at Cacique associated with the optical fiber pairs in Subsegment D2 which connects to the cable station at Miramar. Subsegment C2 will consist of the part of the cable station at Cacique associated with the optical fiber pairs in Subsegment D3 which connect to the cable station at Isla Verde, Puerto Rico.

7. Segment D will consist of the whole fiber optic cable provided between, among, and including the system interfaces at the cable stations at Miramar, Isla Verde, and Cacique, and comprised of Subsegments D1, D2 and D3. Subsegment D1 will consist of the segment of the cable between the system interfaces at the cable station at Cacique, and the undersea branching unit. Subsegment D1 is to consist of two smaller segments of six fiber optic pairs each: D1-1 and D1-2. D1-1 will be the submarine portion of Subsegment D1 that links the system interface at the Cacique cable station, via the optical amplifier, to the beach joint at Punta Cana, Dominican Republic. D1-2 will be the submarine portion of Subsegment D1 that links the beach joint at Punta Cana with the branching unit, including a one-third portion of the branching unit. Subsegment D2 will consist of the part of Segment D between the branching unit and the system interface at the cable station at Miramar, including one-third of the branching unit. It will consist of six fiber optic pairs, three of which will be connected at the branching unit to three optical fiber pairs in Subsegment D3, and three of which will be connected to the branching unit to three optical fiber pairs in Subsegment D1. Subsegment D3 will consist of the part of Segment D between the branching unit and the system interface at the Isla Verde cable station, including one-third of the branching unit. It will consist of six fiber optic pairs, three of which will be connected to the branching unit to three optical fiber pairs in Subsegment D2, and three of which will be connected at the branching unit to three optical fiber pairs in Subsegment D1.

8. TLD and the Joint Applicants state that ANTILLAS I will utilize digital channels operating at sixty-four kilobits per second (Kbps) that will allow over 15,000 simultaneous calls without multiplexing. ANTILLAS I will consist of six working optical fiber pairs and the capacity of each fiber pair will be comprised of four 155 Mbps Basic System Modules (BSMs), with each BSM containing sixty-three Minimum Investment Units (MIUs), for a total capacity, on each fiber pair, of 252 MIUs. For voice telephone requirements, digital circuit multiplication equipment can be applied to derive nominally five times the original number of voice paths. ANTILLAS I will be extended by suitable facilities to the terminals of other international communications systems and satellite earth stations, enabling ANTILLAS I to be used for services between and among the U.S. Mainland, Puerto Rico, the Dominican

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<sup>8</sup> The PRTA, a public authority created by the Government of the Commonwealth of Puerto Rico, owns 85.1 percent of TUPR. TI Holding indirectly owns the remaining 14.9 percent of TUPR. *See id.* at 3.

<sup>9</sup> *See Telefónica Larga Distancia de Puerto Rico, Inc.*, 8 FCC Rcd 106, 115-117 (1992).

Republic and points beyond.<sup>10</sup>

9. In its comments filed in response to the Joint Application, TLD urges the Commission to grant both applications simultaneously and expeditiously. TLD notes that neither it nor any of its affiliates have any market power in the Dominican Republic, the destination market of the proposed cable system.<sup>11</sup> In its reply comments, AT&T states that while it agrees that the licenses under consideration should be granted, TLD's application has no relevance to the Joint Applicants' application.<sup>12</sup>

10. Consistent with our decision regarding TLD's participation in the COLUMBUS II and AMERICAS-1 cable systems, we do not require TLD to make a reciprocity showing under the Cable Landing License Act.<sup>13</sup> As TLD notes, it does not have any affiliates in the Dominican Republic, and thus we decline to require such a showing in the case.

11. Pursuant to our obligations under 47 U.S.C. §§ 34-39, the Department of State has been notified. After having coordinated with the National Telecommunications and Information Administration and the Department of Defense, the Department of State stated that they have no objection to the issuance of the cable landing license for the ANTILLAS I.<sup>14</sup>

12. Based on the information provided by the TLD and the Joint Applicants, we conclude that the grant of the requested authorization will not have a significant effect on the environment as defined in Section 1.1307 of the Commission's Rules and Regulations implementing the National Environmental Policy Act of 1969, 42 U.S.C. §§ 4321-4335. Consequently, no environmental assessment is required to be submitted with these applications under Section 1.1311 of the Commission's Rules.

13. We find that the proposed ANTILLAS I cable system is in the public interest. Therefore, we grant to TLD and the Joint Applicants a cable landing license for the ANTILLAS I cable system.

#### ORDERING CLAUSES

14. Consistent with the foregoing, the Commission hereby GRANTS AND ISSUES, under the provisions of the Cable Landing License Act, 47 U.S.C. §§ 34-39, and Executive Order 10530, 3 C.F.R. §§ 1954-1958, to TLD and the Joint Applicants, AT&T, HTC, ITC, MCII, PGE, Sprint, STSJ, TUPR and WorldCom, a license to land and operate one high capacity digital submarine cable system between and among Miramar, Puerto Rico; Isla Verde, Puerto Rico; and Cacique, Dominican Republic, comprised of six optical fiber pairs, each having a capacity of four 155 Mbps Basic System Modules (BSM) with each BSM containing sixty-three MIUs for a total capacity, on each fiber pair, of 252 MIUs.

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<sup>10</sup> The ANTILLAS I cable system will be owned by TLD, the Joint Applicants and foreign telecommunications entities in the Dominican Republic, Italy, Venezuela, Canada and Spain. TLD Application at 4.

<sup>11</sup> Letter from Alfred M. Mamlet, Counsel for TLD, to William F. Caton, Acting Secretary, Federal Communications Commission (Feb. 28, 1996).

<sup>12</sup> AT&T Reply at 2-3 (Dec. 13, 1995).

<sup>13</sup> *See Telefónica Larga Distancia de Puerto Rico, Inc.*, 9 FCC Rcd 4041 (1994).

<sup>14</sup> The Department of State notes the absence of any ownership interest by TLD in the Dominican Republic. It also states that its position on these applications is without prejudice to on-going consideration of other pending license applications, including those of the applicants herein. Letter from Michael T.N Fitch, Deputy U.S. Coordinator, Office of International Communications and Information Policy to Donald H. Gips, Chief, International Bureau, Federal Communications Commission (June 3, 1996).

This license is subject to all rules and regulations of the Federal Communications Commission; any treaties or conventions relating to communications to which the United States is or may hereafter become a party; any action by the Commission or the Congress of the United States rescinding, changing, modifying or amending any rights accruing to any person hereunder; and the following conditions:

- (1) The location of the cable within the territorial waters of the United States of America, its territories and possessions, and upon its shore, shall be in conformity with plans approved by the Secretary of the Army, and the cable shall be moved or shifted by the Licensees at their expense upon the request of the Secretary of the Army whenever he or she considers such course necessary in the public interest, for reasons of national defense, or for the maintenance or improvement of harbors for navigational purposes;
- (2) The Licensees shall at all times comply with any requirements of United States Government authorities regarding the location and concealment of the cable facilities, buildings, and apparatus with a view of protecting and safeguarding the cable from injury or destruction by enemies of the United States of America;
- (3) The Licensees or any persons or companies directly or indirectly controlling it or controlled by it, or under direct or indirect common control with it, shall not acquire or enjoy any right, for the purpose of handling or interchanging traffic to or from the United States, its territories or possessions, to land, connect or operate cables or landlines, to construct or operate radio stations, or to interchange traffic, which is denied to any other United States carrier by reason of any concession, contract, understanding, or working arrangement to which the Licensees or any persons controlling it or controlled by it are parties;
- (4) Neither this license nor the rights granted herein, shall be transferred, assigned, or in any manner either voluntarily or involuntarily disposed of or disposed of indirectly by transfer of control of the Licensees to any persons, unless the Federal Communications Commission shall give prior consent in writing;
- (5) The Licensees shall maintain 100 percent ownership in the cable stations in the United States and in the U.S. land portion of the cable from the station to the U.S. beach joint of the submersible portion of the proposed cable;
- (6) This license is revocable after due notice and opportunity for hearing by the Commission in the event of breach or nonfulfillment of any requirements specified in Section 2 of "An Act Relating to the Landing and Operation of Submarine Cables in the United States," 47 U.S.C. Sections 34-39, or for failure to comply with the terms of the authorizations;
- (7) The Licensees shall notify the Commission in writing of the date on which the cable is placed in service and this license shall expire 25 years from such date, unless renewed or extended upon proper application, and, upon expiration of this license, all rights granted under them shall be terminated; and
- (8) The terms and conditions upon which this license is given shall be accepted by the Licensees by filing a letter with the Secretary, Federal Communications Commission, Washington, D.C. 20554, within 30 days of the release of this cable landing license.

15. This Order is issued under Section 0.261 of the Commission's Rules and is effective upon release. Petitions for reconsideration under Section 1.106 or applications for review under Section 1.115 of the Commission's Rules may be filed within 30 days of the date of public notice of this order (*see* 47 C.F.R 1.4(b)(2)).

FEDERAL COMMUNICATIONS COMMISSION



**DRAFT FOR KERRY: 7/2 (11 am)**

Diane J. Cornell  
Telecommunications Division  
International Bureau

**Participation of Telecomunicaciones Ultramarinas de Puerto Rico, Inc.  
in the ANTILLAS I Cable System<sup>1</sup>**

<b>Schedule B</b>	<b>Voting Interest</b>
Percentage	2.591814%

<b>Schedule C-1</b>	<b>Allocation of Capital and Operation &amp; Maintenance Costs</b>
Segment A	0.0000%
Segment B	5.753968
Segment C	2.876984
Subsegment C-1	0.0000%
Subsegment C-2	5.753968%
Subsegment E	2.876984

<b>Schedule C-2</b>	<b>Ownership of Segment D and Allocation of Capital and Operation &amp; Maintenance Costs</b>
Subsegment D-1	2.8770%
Subsegment D-2	0.0000%
Subsegment D-3	5.75400%

**Schedule D-1 Capacity Assignments in MIU's in Segment D-1**

*Total of two fiber pairs between BU and Segment C*

MIUs Jointly Assigned (CODETEL)	4
MIUs Jointly Assigned (TRICOM)	2
MIUs Wholly Assigned	6
MIUs Half Interests	26

*One fiber pair between BU and Sub-segment C-1*

MIUs Jointly Assigned	0
MIUs Wholly Assigned	0
MIUs Half Interest	0

*One fiber pair between BU and Sub-segment C-2*

MIUs Jointly Assigned (CODETEL)	4
MIUs Jointly Assigned (TRICOM)	2
MIUs Wholly Assigned	26
MIUs Half Interests	58

**Schedule D-2 Capacity Assignments in MIU's in Segment D-2**

*Between BU and Miramar*

MIUs Jointly Assigned	0
MIUs Wholly Assigned	0
MIUs Half Interest	0

**Schedule D-3 Capacity Assignments in MIU's in Segment D-3**

*Between BU and Isla Verde*

MIUs Jointly Assigned (CODETEL)	4
MIUs Jointly Assigned (TRICOM)	2
MIUs Wholly Assigned	26
MIUs Half Interests	58

<sup>1</sup> Antillas I Cable System Revised Schedule October 2003.

## Exhibit 3

### Licenses granted by the Federal Communications Commission to Telecomunicaciones Ultramarinas de Puerto Rico, Inc. to be transferred

#### A. Cable Landing License Authorizations and Participation:

	<u>File Number</u>
1. ARCOS-1	SCL-MOD-20010302-00007; 16 FCC Rcd 15781
2. ANTILLAS I	SCL-95-008; SCL-95-012; 11 FCC Rcd 7690
3. AMERICAS I/ COLUMBUS II	I-T-C-96-050; I-T-C-96-051; I-T-C-96-066; DA 96-515; 1996 FCC LEXIS 1763

#### B. Satellite Earth Stations Authorizations:

	<u>Call Sign</u>	<u>File Number</u>	<u>Expiration Date</u>
1.	E872647	SES-RWL-20000912-01765	9/28/2010
2.	E910100	SES-RWL-20010223-00426	3/29/2011
3.	E980310	SES-LIC-19980710-00842	8/02/2009
4.	E980311	SES-LIC-19980710-00843	6/16/2009
5.	E980330	SES-LIC-19980724-00964	6/16/2009
6.	E980331	SES-LIC-19980724-00965	6/16/2009
7.	E980332	SES-LIC-19980724-00966	6/16/2009
8.	E980333	SES-LIC-19980724-00967	6/16/2009
9.	E990221	SES-LIC-19990625-00918	8/24/2009
10.	E000075	SES-LIC-19990817-02396	3/29/2010
11.	E960160	SES-LIC-20080118-00074	3/04/2023

#### C. Common Carrier Fixed Point to Point Microwave License:

	<u>Call Sign</u>	<u>File Number</u>	<u>Expiration Date</u>
1.	WPQY209	0000184751	11/21/2010

SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT ("this Agreement") is made as of the 23rd day of December, 2003, among the Puerto Rico Telephone Authority ("PRTA"), a government instrumentality of the Commonwealth of Puerto Rico, on the one hand, and Telefónica International Holding, B.V. ("T.I. Holding"), a corporation organized and existing under the laws of the Netherlands, and Telefónica Internacional, S.A. ("TISA") (formerly T.I. Telefónica Internacional de España, S.A.), a corporation organized and existing under the laws of Spain, on the other hand. PRTA, T.I. Holding and TISA are each individually referred to as a "Party" and collectively referred to as the "Parties."

WHEREAS, in 1992 PRTA agreed to sell and T.I. Holding and LD Acquisition Corporation, a subsidiary of TISA, agreed to buy, assets of a subsidiary of PRTA, Telefónica Larga Distancia ("TLD");

1992  
PRTA  
sold  
TLD  
T.I. Holding  
&  
TISA

WHEREAS, in connection with this transaction, a new corporation, Telecomunicaciones Ultramarinas de Puerto Rico, Inc. ("TUPR"), was formed and certain assets of TLD were transferred thereto;

TUPR  
was formed  
TLD assets  
transferred  
TUPR

WHEREAS, as a result of the transaction, 85.1% of the shares of TUPR were issued to and held by PRTA, and 14.9% of the shares of TUPR were issued to and held by TI Holding;

85%  
15%

WHEREAS, PRTA and TI Holding entered into a Stockholders Agreement dated December 22, 1992 among the provisions of which were provisions for the exercise of a "Call" of PRTA's shares of TUPR by TI Holding and a "Put" of PRTA's shares of TUPR by PRTA ("Put Option");

WHEREAS, a dispute arose among the Parties concerning the exercise by PRTA of the Put Option of its shares of TUPR to TI Holding;

WHEREAS on March 31, 2003 PRTA filed an action against TI Holding and TISA in the Court of First Instance, Superior Court, San Juan Part, Civil No. KPE03-0697 (907), which suit was subsequently removed to the United States District Court for the District of Puerto Rico, Civil No. 03-1369 (SEC) ("the Litigation"), by which PRTA sought, inter alia, specific performance of the Stockholders Agreement compelling payment by defendants of the Put price for the shares of TUPR;

PRTA  
sued  
TI/TI  
to be  
paid

WHEREAS, TI Holding and TISA answered PRTA's complaint and asserted certain counterclaims against PRTA; and

WHEREAS, the Parties, without admitting any of the allegations or claims made against each other, or any liability related thereto, are desirous of fully concluding and resolving all disputes between them and terminating the Litigation;

NOW THEREFORE, it is agreed by the undersigned on behalf of each of the Parties that all claims in the Litigation between the Parties be settled, compromised and dismissed on the merits and with prejudice, on the following terms and conditions:

1. PRTA agrees hereby to withdraw and cancel the notice of the Put of its shares of TUPR sent to TI Holding on or about April 22, 2003 ("Put Notice"), such Put Notice to be hereafter treated by the Parties as null and void as of its date of issuance. PRTA agrees that the Put Option set forth in Section 8 of the Stockholders Agreement is hereby cancelled in its entirety and shall hereafter be treated by the Parties as null, void, and of no effect. PRTA shall retain the shares held by it representing its 85.1% interest in TUPR ("PRTA Shares").

PRTA  
withdrew  
the Put  
order  
& retain  
85%

2. The Parties agree that the total consideration payable to PRTA by TISA in connection with this Agreement is Fourteen Million Seven Hundred Fifty Thousand Dollars (\$14,750,000). The Parties have allocated the sum of One Million Two Hundred Fifty Thousand Dollars (\$1,250,000) to the acquisition of the TI Holding Shares by PRTA, such amount to be subtracted from the cash consideration due to PRTA from TISA. Accordingly, the net balance of the cash consideration due to be paid by TISA to PRTA is Thirteen Million Five Hundred Thousand Dollars (\$13,500,000).

PRTA  
\$15M  
TISA

\$1.25

3. On the date of execution of this Agreement, TISA shall pay in cash by wire transfer to PRTA the sum of Thirteen Million Five Hundred Thousand Dollars (\$13,500,000), and TI Holding shall transfer to PRTA its shares of TUPR representing its 14.9% interest in TUPR ("T.I. Holding Shares") by duly endorsing said shares and delivering them to PRTA. PRTA shall accept the T.I. Holding Shares upon their delivery.

pay to  
PRTA  
\$13.5M

+  
14.9% of  
the shares

(15%  
\$1.25

4. Upon execution of this Agreement, the Stockholders Agreement dated December 22, 1992 by and between PRTA and TI Holding shall terminate and have no further force and effect.

Stockholders  
agr.  
terminated

5. TISA and TI Holding agree to fully cooperate with PRTA in making all filings required to be made with the Federal Communications Commission ("FCC") or any other government entity with respect to the transfer of the TI Holding Shares. The Parties agree that it is an essential condition of this Agreement that the FCC shall not object to the same. The Parties thus agree that this Agreement will be automatically rescinded in the event that the FCC or any other United States government entity determines that the transactions described herein violate any statute, regulation, or policy of the United States.

6. In consideration of the mutual release by the Parties of all claims and counterclaims and causes of action, and such other consideration as provided for by this Settlement Agreement, within ten (10) days of the Closing Date, counsel of record in the Litigation shall file the necessary documents to accomplish the dismissal with prejudice of the Litigation, including all claims, counterclaims and causes of action that were asserted therein.

7. This Settlement Agreement is part of a compromise and settlement of the Litigation. No action taken by the Parties, either previously or in connection with the compromise reflected in this Settlement Agreement shall be deemed or construed to be an admission of the truth or falsity of any matter pertaining to any claim, demand, or cause of action referred to herein or relating to the subject matter of this Settlement Agreement, or any acknowledgment by them, or any of them, of any fault or liability to any party or to any person in connection with any matter or thing.

8. In exchange for good and valuable consideration received, the Parties hereby agree that except as to such rights or claims created by this Settlement Agreement, each Party, as to the other Parties, and each such Party's present and former agents, servants, privies, officers, directors, employees, shareholders, principals, predecessors, subsidiaries, affiliates, alter egos, partners, parents, attorneys, consultants, sureties, heirs, executors, administrators, trustees, successors and assigns (collectively, the "Releasing Party"), hereby release, remise, and discharge each of the other Parties, and such other Parties' present and former agents, servants, privies, officers, directors, employees, shareholders, principals, predecessors, subsidiaries, affiliates, alter egos, partners, parents, attorneys, consultants, sureties, spouses, heirs, executors, administrators, trustees, successors and assigns (collectively, the "Released Parties"), from any and all claims, demands and causes of action that the Releasing Party may have or may have had

against the Released Parties, known or unknown, arising out of or relating to any facts and circumstances related to the Parties' ownership of shares of TUPR, the Stockholders Agreement, or the Parties' relationship as shareholders of TUPR, including but not limited to those facts and circumstances giving rise to the Litigation, from the beginning of time until the date of this Agreement.

9. This Agreement constitutes the entire agreement among the Parties and supersedes all prior agreements and understandings, both written and oral, with respect to the subject matter hereof, including, without limitation, the Stockholders Agreement dated as of December 22, 1992, and any other agreement entered into by the Parties in 1992 or thereafter related to rights, duties or obligations of the Parties with respect to TUPR.

10. TI Holding and TISA represent and warrant that TI Holding owns the TI Holding Shares free and clear of any liens and of any other restraints on sale or ownership.

11. The Parties confirm: (a) that they are not relying on any representations from any person or party other than those expressly stated in this Agreement; (b) that there exist no legal or equitable restrictions that prevent the transfer of the TI Holding Shares; and (c) that each party has the power and authority to enter into this Agreement and to consummate the transactions contemplated herein.

12. Within thirty (30) days after receipt by PRTA, PRTA shall provide to TISA audited financial statements of TUPR for the years 2002 and 2003.

13. No changes in, additions to, or modifications of this Settlement Agreement shall be valid unless set forth in a writing executed by the Parties.

14. This Settlement Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Puerto Rico. The Parties shall submit to a court of



competent jurisdiction in the Commonwealth of Puerto Rico any and all controversies, disputes, or claims arising between them out of or related to: (a) this Agreement, or any provision thereof; (b) the validity of this Agreement, any related agreements, or any provision thereof; or (c) the relationship between the Parties as established by the 1992 Asset Purchase Agreement and Stockholders Agreement.

15. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The delivery of the executed Agreement may be accomplished via facsimile, and the signature transmitted via facsimile shall have the same force and effect as the original.

IN WITNESS WHEREOF, the Parties hereto have executed this Settlement Agreement as of the date first written above.

Puerto Rico Telephone Authority

By  \_\_\_\_\_  
Its Chairman and Executive Director

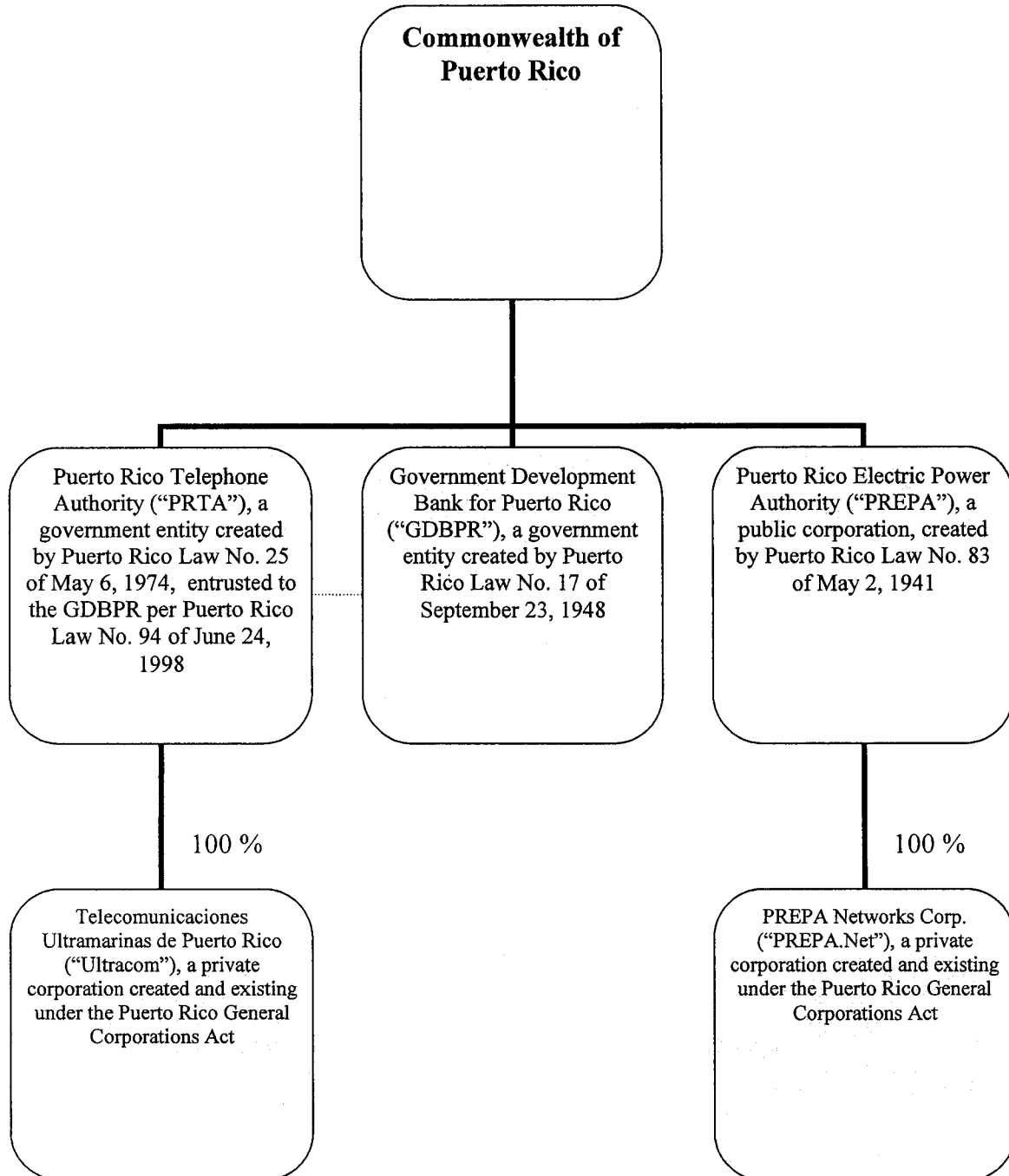
Telefónica International Holding, B.V.

By \_\_\_\_\_  
Its:

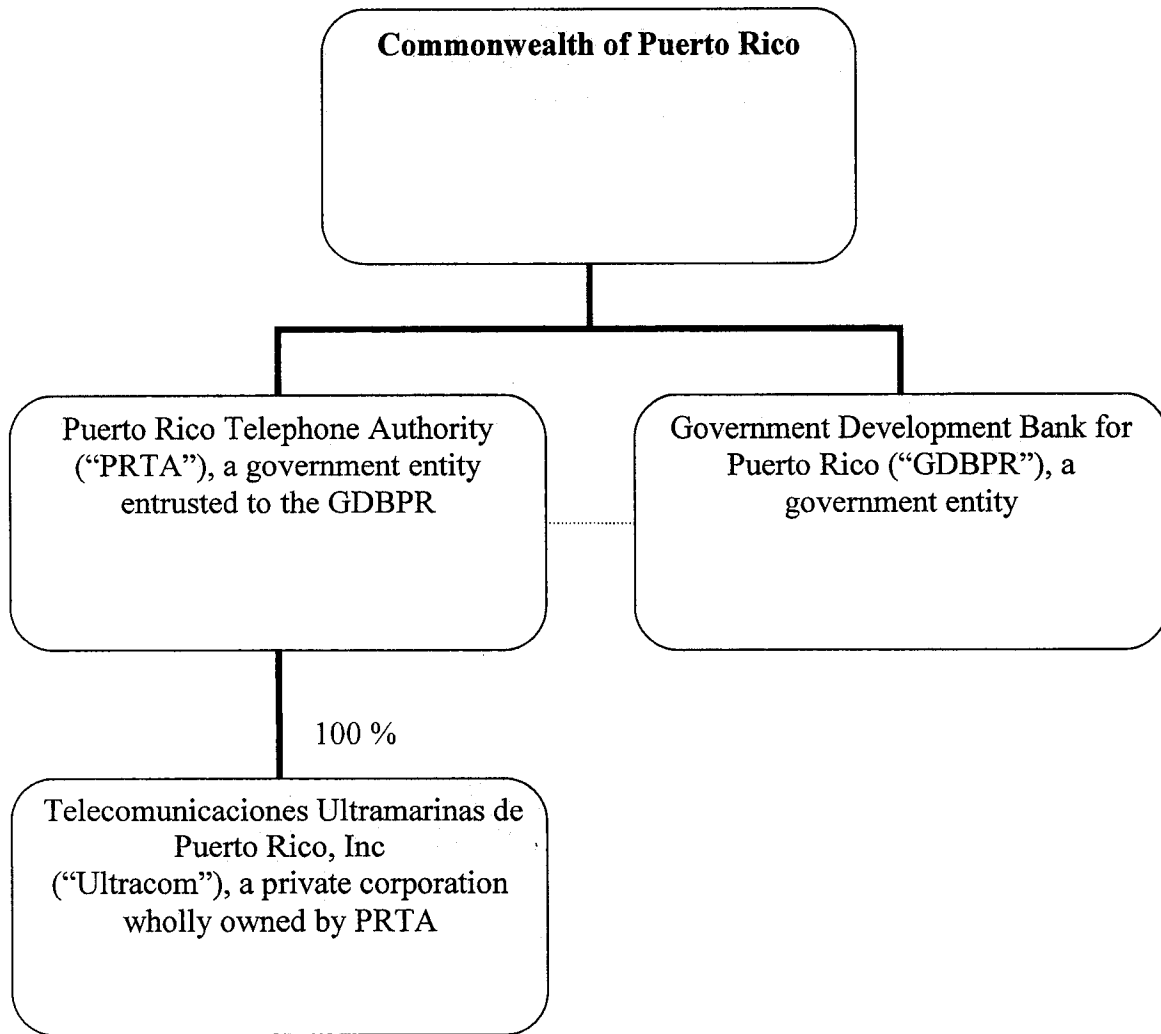
Telefónica Internacional, S.A.

By \_\_\_\_\_  
Its:

**Relationship Before the Transaction**



## Ultracom Ownership Before the Transaction



**Ultracom Ownership After the Transaction**

**Commonwealth of Puerto Rico**

**Puerto Rico Electric Power Authority ("PREPA"), a public corporation**

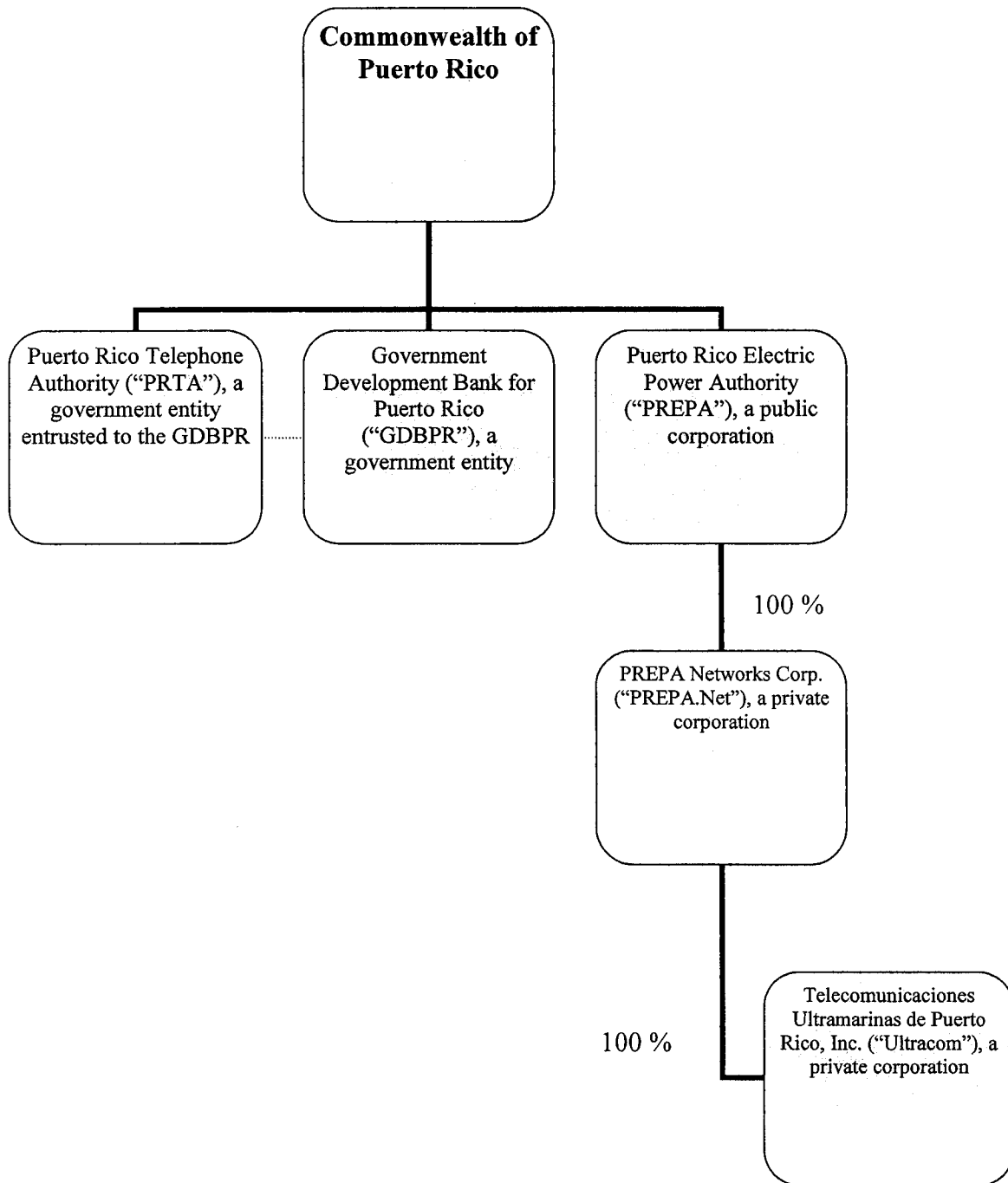
100 %

**PREPA Networks Corp. ("PREPA.Net"), a private corporation wholly owned by PREPA**

100 %

**Telecomunicaciones Ultramarinas de Puerto Rico, Inc ("Ultracom"), a private corporation wholly owned by PREPA.Net**

## Relationship After the Transaction

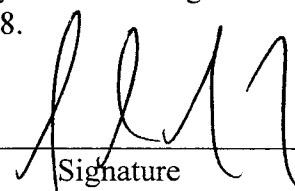


**CERTIFICATION BY  
PUERTO RICO ELECTRIC POWER AUTHORITY**

I, Jorge A. Rodríguez, <sup>Ruiz</sup> of legal age, married, resident of Aguadilla, Puerto Rico,  
(name) (civil status) (city or town)  
being duly sworn on my oath to depose and say:

1. That I am Executive Director / of the Puerto Rico Electric Power Authority ("PREPA").
2. That I am duly authorized to submit this Certification on behalf of PREPA.
3. That I have read the foregoing Application and exhibits thereto, and to the best of my knowledge, information and belief, all the information related to the PREPA as set forth therein is true and correct.
4. That PREPA is not affiliated to a foreign carrier as defined by 47 CFR 63.09(d).
5. That PREPA is not subject of a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.

AND SO AS TO MAKE IT KNOWN, I hereby swear and sign this statement in San Juan Puerto Rico, this 11th day of March, 2008.  
(city or town)

  
\_\_\_\_\_  
Signature

Affidavit Number: 128

SUBSCRIBED and SWORN before me by Jorge A. Rodríguez <sup>Rodríguez Ruiz</sup>, of the above stated circumstances, whom I personally know or I have identified by means of \_\_\_\_\_, this 11th day of March, 2008, in San Juan, Puerto Rico.  
(city or town)



  
\_\_\_\_\_  
NOTARY PUBLIC

**CERTIFICATION BY  
PREPA NETWORKS CORP.**

I, José Casillas Aponte, of legal age, married, resident of Guaynabo, Puerto Rico, being duly sworn on my oath to depose and say:

1. That I am the General Manager of PREPA Networks Corp. ("PREPA.Net").
2. That I am duly authorized to submit this Certification on behalf of PREPA.Net.
3. That I have read the foregoing Application and exhibits thereto, and to the best of my knowledge, information and belief, all the information related to PREPA.Net as set forth therein is true and correct.
4. That PREPA.Net is not affiliated to a foreign carrier as defined by 47 CFR 63.09(d).
5. That PREPA.Net is not subject of a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.

AND SO AS TO MAKE IT KNOWN, I hereby swear and sign this statement in ~~San Juan~~ Puerto Rico, this 13th day of march, 2008.

  
Signature

Affidavit Number: 131

SUBSCRIBED and SWORN before me by José Casillas Aponte, of the above stated circumstances, whom I personally know or I have identified by means of \_\_\_\_\_, this 13th day of march, 2008, in ~~San Juan~~, Puerto Rico.




  
NOTARY PUBLIC

**CERTIFICATION BY  
TELECOMUNICACIONES ULTRAMARINAS DE PUERTO RICO, INC.**

I, Samuel Sierra, of legal age, married, resident of Guaynabo, being duly sworn on my oath to depose and say:

1. That I have been duly authorized to submit this Certification on behalf of Telecomunicaciones Ultramarinas de Puerto Rico, Inc. ("Ultracom").
2. That I have read the foregoing Application and exhibits thereto, and to the best of my knowledge, information and belief, all the information related to Ultracom as set forth therein is true and correct.
3. That Ultracom is not subject of a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.

AND SO AS TO MAKE IT KNOWN, I hereby swear and sign this statement in San Juan, Puerto Rico, this 14th day of March, 2008.

  
Signature

Affidavit Number: 2294

SUBSCRIBED and SWORN before me by Samuel Sierra, of the above stated circumstances, whom I personally know, this 14th day of March, 2008, in San Juan, Puerto Rico.



  
NOTARY PUBLIC




**CERTIFICATION BY  
PUERTO RICO TELEPHONE AUTHORITY**

I Jorge Irizarry Herrans, of legal age, married, resident of San Juan, being duly sworn on my oath to depose and say:

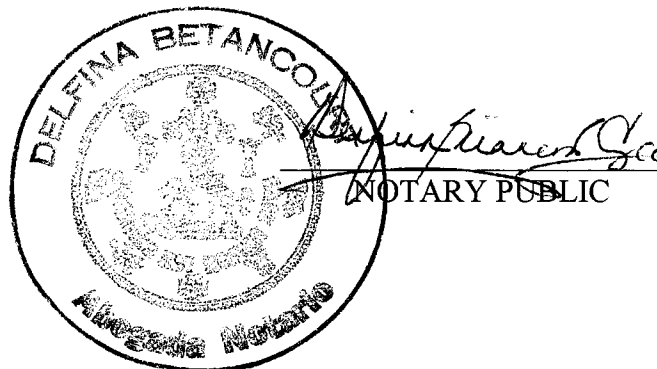
1. That I have been duly authorized to submit this Certification on behalf of the Puerto Rico Telephone Authority ("PRTA").
2. That I have read the foregoing Application and exhibits thereto, and to the best of my knowledge, information and belief, all the information related to PRTA set forth therein is true and correct.
3. That PRTA is not subject of a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.

AND SO AS TO MAKE IT KNOWN, I hereby swear and sign this statement in San Juan, Puerto Rico, this 17th day of March, 2008.

  
\_\_\_\_\_  
Signature

Affidavit Number: 2297

SUBSCRIBED and SWORN before me by Jorge Irizarry Herrans, of the above stated circumstances, whom I personally know, this 17th day of March, 2008, in San Juan, Puerto Rico.

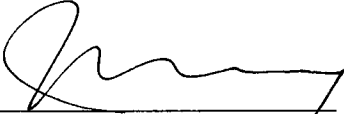


**CERTIFICATION BY  
GOVERNMENT DEVELOPMENT BANK FOR PUERTO RICO**

I Jorge Irizarry Herrans, of legal age, married, resident of San Juan, being duly sworn on my oath to depose and say:

- 1. That I have been duly authorized to submit this Certification on behalf of the Government Development Bank for Puerto Rico ("GDBPR").
- 2. That I have read the foregoing Application and exhibits thereto, and to the best of my knowledge, information and belief, all the information related to GDBPR set forth therein is true and correct.
- 3. That GDBPR is not subject of a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.

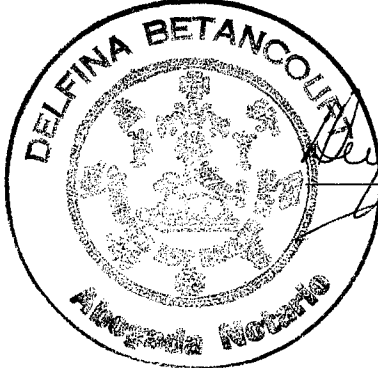
AND SO AS TO MAKE IT KNOWN, I hereby swear and sign this statement in San Juan, Puerto Rico, this 17th day of March, 2008.



\_\_\_\_\_  
Signature

Affidavit Number: 2300

SUBSCRIBED and SWORN before me by Jorge Irizarry Herrans, of the above stated circumstances, whom I personally know, this 17th day of March, 2008, in San Juan, Puerto Rico.



*Delfina Betancolita*  
\_\_\_\_\_  
NOTARY PUBLIC

**Proceedings currently before the Federal Communications Commission  
regarding Telecomunicaciones Ultramarinas de Puerto Rico, Inc.**

**1. In the Matter of Telecomunicaciones Ultramarinas de Puerto Rico, Inc., EB-06-IH-5049**

*Before the Enforcement Bureau, Investigations and Hearings Division.*

Investigation by the Enforcement Bureau regarding certain allegations that PREPA Networks Corp., the Government Development Bank for Puerto Rico, and Telecomunicaciones Ultramarinas de Puerto Rico, Inc. may have violated Section 214 of the Communications Act of 1934, as amended, 47 U.S.C. § 214, and Part 63 of the FCC's rules, 47 C.F.R. Part 63.

**2. In the Matter of Telecomunicaciones Ultramarinas de Puerto Rico, Inc., EB-08-SE-047**

*Before the Enforcement Bureau, Spectrum Enforcement Division.*

Investigation by the Enforcement Bureau regarding potential violations by Telecomunicaciones Ultramarinas de Puerto Rico, Inc. of Section 301 of the Communications Act of 1934, as amended, 47 U.S.C. § 301, and sections 25.102(a) and 25.121(e) of the FCC's rules, 47 C.F.R. §§ 25.102(a), 25.121(e).